

**Rosseti Volga Public Joint-Stock Company**

**Consolidated interim condensed  
financial statements (unaudited)**

**for three and nine months ended on September 30, 2021**

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**Rosseti Volga Public Joint-Stock Company**  
*Interim Consolidated Condensed Statement of Profit and Loss and Other Comprehensive Income*  
*for three and nine months ended on September 30, 2021*  
*(in thousands of Russian rubles, unless specified otherwise)*

	Note	For three months ended September 30 (unaudited data)		For nine months ended September 30 (unaudited data)	
		2021	2020	2021	2020
Revenue	6	15,764,485	14,281,540	47,169,336	44,011,278
Operating expenses	8	(15,622,477)	(14,529,270)	(47,048,927)	(44,349,595)
(Accrual)/reinstatement of provision for expected credit losses	24	240,113	35,191	216,433	(85,001)
Other income	7	37,035	69,243	164,355	162,239
<b>Operating profit/(loss)</b>		<b>419,156</b>	<b>(143,296)</b>	<b>501,197</b>	<b>(261,079)</b>
Financial income	9	60,307	52,407	182,889	211,446
Financial expenses	9	(156,061)	(150,919)	(458,118)	(451,700)
<b>Total financial expenses, net</b>		<b>(95,754)</b>	<b>(98,512)</b>	<b>(275,229)</b>	<b>(240,254)</b>
<b>Profit (loss) before tax</b>		<b>323,402</b>	<b>(241,808)</b>	<b>225,968</b>	<b>(501,333)</b>
(Expense)/income tax savings	10	85,184	17,733	123,364	4,873
<b>Profit/(loss) for the period</b>		<b>238,218</b>	<b>(224,075)</b>	<b>102,604</b>	<b>(496,460)</b>
<b>Other comprehensive income/(expense)</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Changes in fair value of equity investments recorded at fair value through other comprehensive income		(8)	5	(13)	13
Revaluation of defined benefit pension plan		30,141	73,838	217,518	–
Profit tax		1,274	(8,459)	(14,011)	(3)
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>31,407</b>	<b>65,384</b>	<b>203,494</b>	<b>10</b>
<b>Other comprehensive income/(expense) for period</b>		<b>31,407</b>	<b>65,384</b>	<b>203,494</b>	<b>10</b>
<b>Total comprehensive income/(expense) for period</b>		<b>269,625</b>	<b>(158,691)</b>	<b>306,098</b>	<b>(496,450)</b>
<b>Profit/(loss) per share</b>					
Basic and diluted profit/(loss) per share (RUB)	1818	0.0012	(0.0012)	0.0005	(0.0026)

These condensed interim consolidated financial statements (unaudited) were approved by management on November 22, 2021 and were signed on its behalf by:

Deputy General Director  
for economics and finance  
on the basis of the Power of Attorney  
No. D/21-232 dated July 12, 2021  
I.Yu. Puchkova

Chief Accountant –  
Head of the Accounting  
and Tax Department  
I.A. Tamlenova

**Rosseti Volga Public Joint-Stock Company**  
*Interim Condensed Consolidated Statement of Financial Position*  
*as of September 30, 2021*  
*(in thousands of Russian rubles, unless specified otherwise)*

	Note	September 30 2021 (unaudited data)	December 31, 2020 (audited data)
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	11	47,921,427	48,781,004
Intangible assets	12	201,619	288,345
Right-of-use asset	13	1,323,327	1,614,657
Trade and other receivables	14	1,476,541	1,691,033
Assets related to liabilities for remunerations to employees		516,495	498,694
Other non-current financial assets		140	153
Advances paid and other non-current assets	15	190,431	141,846
<b>Total non-current assets</b>		<b>51,629,980</b>	<b>53,015,732</b>
<b>Current assets</b>			
Inventories		1,984,174	2,153,549
Pre-payment for profit tax		50,599	307,006
Trade and other receivables	14	4,817,462	5,203,991
Cash and cash equivalents	16	784,151	563,757
Advances paid and other current assets	15	250,766	242,785
<b>Total current assets</b>		<b>7,887,152</b>	<b>8,471,088</b>
<b>Total assets</b>		<b>59,517,132</b>	<b>61,486,820</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Authorized capital	17	18,830,796	18,830,796
Reserves		(1,006,311)	(1,209,805)
Retained profit		21,042,058	20,919,807
<b>Total equity</b>		<b>38,866,543</b>	<b>38,540,798</b>
<b>Long-term liabilities</b>			
Long-term loans	19	6,421,303	8,189,180
Long-term trade and other payables	20	68,839	107,473
Long-term advances received	22	1,069,036	832,043
Liabilities for remunerations to employees		1,730,885	1,913,231
Deferred tax liabilities		3,083,146	2,951,261
<b>Total long-term liabilities</b>		<b>12,373,209</b>	<b>13,993,188</b>
<b>Short-term liabilities</b>			
Short-term borrowed funds and the short-term portion of long-term borrowed funds	19	449,351	432,604
Trade and other payables	20	5,273,950	6,852,657
Tax debts other than profit tax	21	1,549,170	1,062,685
Advances received	22	987,500	546,392
Contingent liabilities	23	16,876	37,336
Current profit tax debt		533	21,160
<b>Total short-term liabilities</b>		<b>8,277,380</b>	<b>8,952,834</b>
<b>Total liabilities</b>		<b>20,650,589</b>	<b>22,946,022</b>
<b>Total equity and liabilities</b>		<b>59,517,132</b>	<b>61,486,820</b>

**Rosseti Volga Public Joint-Stock Company**  
*Interim consolidated condensed statement of cash flow*  
for nine months ended on September 30, 2021  
(in thousands of Russian rubles, unless specified otherwise)

	Note	For nine months ended September 30 (unaudited data)	
		2021	2020
<b>Cash flows from operating activities</b>			
Profit/(loss) for the period		102,604	(496,460)
<i>Adjustments:</i>			
Depreciation of fixed assets, right-of-use assets and intangible assets	8	4,264,017	3,933,493
Financial expenses	9	458,118	451,700
Financial income	9	182,889	(211,446)
Profit/(loss) from fixed asset retirement	8	11,528	5,419
(Accrual)/reinstatement of provision for expected credit losses	24	216,433	85,001
Amortization of accounts payable		(8,505)	(2,112)
Accrual/(recovery) of estimated liabilities	8	(8,802)	(6,629)
Other non-monetary transactions		(63,415)	(10,711)
Profit tax (income)/expense	10	123,364	(4,873)
<b>Total adjustment effect</b>		<b>4,456,531</b>	<b>3,743,382</b>
Change to assets related to liabilities for remunerations to employees		1,378	13,686
Change to liabilities for remunerations to employees		(49,473)	(63,571)
Change in long-term trade and other receivables		214,492	(389,054)
Change in long-term advances to issued and other non-current assets		(48,585)	(46,901)
Change in long-term trade and other payables		(38,634)	(98,074)
Change in long-term advances received		236,993	290,730
		<b>4,772,702</b>	<b>3,450,198</b>
<b>Cash flows from operating activities to changes in working capital and reserves</b>			
<i>Changes in operating assets and liabilities</i>			
Change to trade and other receivables		729,977	(44,088)
Change in advances paid and other assets		(7,967)	61,591
Change to inventories		216,944	(140,074)
Change to trade and other payables		493,915	746,482
Change in advances received		441,108	16,427
Change in estimated liabilities		(11,658)	(5,170)
<b>Cash flows from operations before payment of profit tax and interest</b>		<b>6,635,021</b>	<b>4,085,366</b>
Profit tax paid		(36,877)	(177,186)
Interest paid under lease agreements		(71,192)	(106,081)
Interest paid		(329,150)	(316,271)
<b>Net cash from operating activities</b>		<b>6,197,802</b>	<b>3,485,828</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets and intangible assets		(4,264,632)	(4,969,786)
Proceeds from sale of fixed assets and intangible assets		21,907	33,723
Interest received		34,008	37,581
Dividends received		8	6
<b>Net cash used in investing activities</b>		<b>(4,208,709)</b>	<b>(4,898,476)</b>
<b>Cash flow from financing activities</b>			
Raising of loans		14,840,000	17,814,007
Repayment of loans		(16,321,000)	(15,191,693)
Dividends paid	17	(420)	(1,211,649)
Lease liabilities		(287,279)	(244,651)
<b>Net cash (used) / received (in) / from financial activities</b>		<b>(1,768,699)</b>	<b>1,166,014</b>
<b>Net increase/(decrease) of cash and cash equivalents</b>		<b>220,394</b>	<b>(246,634)</b>
Cash and cash equivalents as of reporting period start		563,757	970,860
<b>Cash and cash equivalents as of reporting period end</b>	16	<b>784,151</b>	<b>724,226</b>

**Rosseti Volga Public Joint-Stock Company**  
*Interim condensed consolidated statement of changes in equity*  
*for nine months ended on September 30, 2021*  
*(in thousands of Russian rubles, unless specified otherwise)*

	<b>Authorized capital</b>	<b>Reserves</b>	<b>Retained profit</b>	<b>Total capital</b>
<b>Balance as of January 1, 2021</b>	<b>18,830,796</b>	<b>(1,209,805)</b>	<b>20,919,807</b>	<b>38,540,798</b>
Profit for period	–	–	102,604	<b>102,604</b>
Other comprehensive income	–	217,505	–	<b>217,505</b>
Profit tax in respect to other comprehensive income (Note 10)	–	(14,011)	–	<b>(14,011)</b>
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>203,494</b>	<b>102,604</b>	<b>306,098</b>
Writing off of uncalled debt on previously announced dividends	–	–	19,647	<b>19,647</b>
<b>Balance as of September 30, 2021 (unaudited)</b>	<b>18,830,796</b>	<b>(1,006,311)</b>	<b>21,042,058</b>	<b>38,866,543</b>
	<b>Authorized capital</b>	<b>Reserves</b>	<b>Retained profit</b>	<b>Total capital</b>
<b>Balance as of January 1, 2020</b>	<b>18,830,796</b>	<b>(1,156,116)</b>	<b>21,228,754</b>	<b>38,903,434</b>
Loss for the period	–	–	(496,460)	<b>(496,460)</b>
Other total expense	–	13	–	<b>13</b>
Profit tax in respect to other comprehensive expense (Note 10)	–	(3)	–	<b>(3)</b>
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>10</b>	<b>(496,460)</b>	<b>(496,450)</b>
Dividends to shareholders (Note 17)	–	–	(201,041)	<b>(201,041)</b>
Writing off of uncalled debt on previously announced dividends	–	–	9,311	<b>9,311</b>
<b>Balance as of September 30, 2020 (unaudited)</b>	<b>18,830,796</b>	<b>(1,156,106)</b>	<b>20,540,564</b>	<b>38,215,254</b>

## **1 General Data**

### **(1) Group and its business**

Rosseti Volga Public Joint Stock Company (hereinafter referred to as Rosseti Volga Public Joint-Stock Company or the Company) and its subsidiaries (hereinafter collectively referred to as the Group) include joint-stock companies established and registered in accordance with the Civil Code of the Russian Federation. The Company was registered on June 29, 2007 on the basis of the resolution of the sole founder (Regulation of “Russian Joint-Stock Company “United Energy Systems of Russia” (hereinafter referred to as RAO “UES”) No. 191r dated June 22, 2007) within implementation of the resolution of the Board of Directors of RAO “UES” on participation in IDGC (minutes No. 250 dated April 27, 2007).

The main activity of the Group is the provision of services for the transmission and distribution of electricity over electric grids, the provision of services for technological connection of consumers to grids.

Legal and actual address of the Company: 410031, Russian Federation, Saratov, Pervomayskaya st., 42/44.

In accordance with the requirements of Chapter 4 of the Civil Code of the Russian Federation, based on the decision of the Annual General Meeting of Shareholders of the Company in the new version of the Company's Charter, the name of Interregional Distribution Grid Company of Volga Public Joint-Stock Company was changed to Rosseti Volga Public Joint-Stock Company. The revised version of the Articles of Association is registered by Interdistrict Inspectorate of the Federal Tax Service of Russia No. 19, Saratov Region, on August 4, 2020.

The ultimate parent company is Rosseti Public Joint-Stock Company.

### **(2) Relations with the government**

The Government of the Russian Federation, represented by the Federal Agency for State Property Management, is the ultimate controlling party of the Company (hereinafter referred to as the Main shareholder of the parent company). The policy of the Government of the Russian Federation in the economic, social and other fields can have a significant impact on the Group's activities.

As of September 30, 2021, the share of the Russian Federation in the authorized capital of the parent company Rosseti Public Joint-Stock Company was 88.04%, including 88.89% in ordinary voting shares and 7.01% in preferred shares (as of December 31, 2020 – 88.04%, including 88.89% in ordinary voting shares, 7.01% in preferred shares).

The government influences the Group's activities through representation on the Board of Directors of the parent company Rosseti Public Joint-Stock Company, regulation of tariffs in the electric power industry, approval and control over the implementation of the investment program. The Group's counterparties (consumers of services, suppliers and contractors, etc.) include a significant number of companies associated with the main shareholder of the parent company).

### **(3) Economic environment, where the Group does it business**

The Group operates in the Russian Federation and therefore is exposed to risks associated with the state of the economy and financial markets of the Russian Federation.

The economy of the Russian Federation shows some typical features inherent in developing markets. The country's economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory system continues to evolve and is subject to frequent changes, as well as the possibility of different interpretations. Continued political tensions, as well as international sanctions against some Russian companies and citizens, continue to have a negative impact on the Russian economy.

The spread of COVID-19 virus in 2020 had a significant negative impact on the global economy. Global oil and gas markets are experiencing volatility in demand and prices. Measures taken to limit the spread of the virus have caused a significant decrease in the business activity of companies in certain industries. The duration and consequences of the COVID-19 pandemic, as well as the effectiveness of the measures taken, are currently unclear.



The Group continues to monitor and assess the development of the situation, and to respond accordingly:

- work in contact with authorities at the federal and regional levels to curb the spread of the coronavirus and take all necessary measures to ensure the safety, protection of the life and health of its employees and contractors;
- take measures to ensure reliable power supply, implement investment projects;
- track forecast and actual information on the impact of the pandemic on the economy of the Russian Federation, on the activities of the Group and the Group's main counterparties;
- adapt the Group's activities taking into account new market opportunities, take measures to neutralize the possible negative impact of the pandemic, and ensure the financial stability of the Group.

The consolidated interim condensed financial statements presented reflect management's view of the impact of the business environment in the Russian Federation on the operations and financial position of the Group. The actual impact of future business conditions may differ from current estimates.

## **2 Principles of Consolidated Financial Statements Preparation**

### **(1) Statement of Compliance with IFRS**

These consolidated interim condensed financial statements for three and nine months ended on September 30, 2021, was prepared in accordance with IFRS (IAS) 34 *“Interim financial statements”*. Separate selected notes are included in its composition in order to explain events and transactions that are material for understanding changes in the financial position of the Group and its activities from the date of the last annual consolidated financial statements. The present consolidated interim condensed financial statements shall be considered jointly with the consolidated financial statements for the year ended on December 31, 2020, which was prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as “IFRS”).

### **(4) Use of educated estimates and assumptions**

The key judgments applied by management in preparing these condensed consolidated interim financial statements with respect to the Group's accounting policies and significant sources of estimation uncertainty are consistent with those applied in preparing the consolidated financial statements for the year ended December 31, 2020 and as of that date.

**(5) New standards, clarifications and amendments to existing standards**

A number of new standards and interpretations have been published, which are mandatory for annual periods beginning on or after January 1, 2022, and which the Group has not applied ahead of schedule: The Group is going to adopt the applicable standards and clarifications for use after the entry into force of a significant impact on the consolidated financial statements of the Group – is not expected.

- IFRS 17 *“Insurance contracts”*;
- Amendments to IAS 1 *“Classification of Liabilities as Current or Non-Current”*;
- Amendments to IAS 37 *“Onerous Contracts – Contract Performance Costs”*;
- Amendments to IAS 16 *“Property, Plant and Equipment: Proceeds before Intended Use”*;
- Amendments to IFRS 3 *“Conceptual References”*;
- Amendment to IFRS 9 *“Financial Instruments”* – commission when conducting a “test of 10%” in case of derecognition of financial liabilities;
- Amendment to IFRS 1 *“First Adoption of International Financial Reporting Standards”* – First Adopter of International Financial Reporting Standards;
- Amendment to IAS 41 *“Agriculture”* – Taxation in the Measurement of Fair Value;
- Amendments to IAS 1 *“Presentation of Financial Statements”*;
- Amendments to IAS 8 *“Accounting Policies, Changes in Accounting Estimates and Errors”*;
- Amendments to IFRS 16 *“Leases”* – lease concessions related to the COVID-19 pandemic effective after June 30, 2021;
- Amendments to IAS 1 *“Presentation of Financial Statements”* and to Practical Guide to IFRS 2 – Disclosure of Accounting Policies;
- Amendments to IAS 12 *“Income Taxes”* – Deferred Tax on Assets and Liabilities Arising from a Single Transaction.

**(6) Changes to the presentation. The reclassification of the comparative data**

Some amounts in the comparative information for the previous period have been reclassified to ensure their comparability with the presentation of data in the current reporting period. All reclassifications are insignificant.

**3 Main principles of accounting policy**

The main elements of accounting policies and calculation methods used by the Group correspond to those described in the audited consolidated financial statements for the year ended on December 31, 2020.

#### **4 Fair Value Evaluation**

Certain provisions of the Group's accounting policy and some disclosures require evaluation of the fair value of both financial and non-financial assets and liabilities.

When evaluating the fair value of an asset or a liability, the Group applies, as far as practicable, the observed market data. Fair value estimates are related to different levels of fair value hierarchy depending on source data used within the relevant evaluation methods:

- Level 1: quoted (uncorrected) prices for identical assets and liabilities at active markets.
- Level 2: source data, apart from quoted prices applied for estimates of Level 1, which are observed either directly (i.e., such as prices) or indirectly (i.e., defined based on prices).
- Level 3: source data for assets and liabilities, which are not based on observed market data (unobserved source data).

If source data used for evaluation of asset fair value, may be referred to different levels of fair value hierarchy, fair value evaluation as a whole relates to that level of the hierarchy, which the source data of lowest level comply with, being substantial for the entire evaluation.

The Group discloses transfers between levels of the fair value hierarchy in the reporting period during which the change has occurred.

The point in time at which transfers to certain levels and for transfers from certain levels are recognized by the Group is the date on which the event or change in circumstances caused the transfer.

#### **5 Information by segments**

The Management Board of Rosseti Volga Public Joint-Stock Company is the supreme decision-making body for operating activities.

The primary business of the Group is the provision of services of power transmission and distribution, technological connection to electric grids in some regions of the Russian Federation.

The internal management reporting system is based on segments (branches formed according to the territorial principle), which are related to power transmission and distribution, technological connection to electric grids in some regions of the Russian Federation.

EBITDA is used to reflect the performance of each reportable segment: profit or loss before interest expense, taxation, depreciation, and net accrual/(reversal) of impairment losses on property, plant, and equipment, and right-of-use assets (subject to applicable accounting and reporting standards in Russian federation). Management believes that EBITDA calculated in this way is the best indicator for assessing the performance of the Group's operating segments.

In accordance with IFRS 8 requirements based on data on revenue of segments, EBITDA, and the total amount of assets, provided to the Management Board, the following reporting segments were identified:

Power transmission segments – Republic of Mordovia, Republic of Chuvashia, Orenburg region, Penza region, Samara region, Saratov region, Ulyanovsk region – branches of IDGC of Volga Public Joint-Stock Company.

Other segments – other companies of the Group.

The Others segment comprises several operating segments, the main activities of which are road freight transport and transportation services, children's holiday camps, spa activities, testing, research and analysis of complete mechanical and electrical systems, energy audits.

Undistributed indicators include general indicators of the Company's executive apparatus, which is not an operating segment in accordance with requirements of IFRS 8.

Indicators of segments are based on management information prepared on the basis of RAS reporting data and may differ from similar ones presented in the financial statements prepared in accordance with IFRS. Reconciliation of the estimates presented to the Management Board and similar indicators in these consolidated

***Rosseti Volga Public Joint-Stock Company***  
*Notes to the interim consolidated condensed financial statements*  
*for three and nine months ended on September 30, 2021 (unaudited)*  
*(in thousands of Russian rubles, unless specified otherwise)*

interim condensed financial statements include those reclassifications and adjustments that are necessary for the presentation of financial statements in accordance with IFRS.

**(1) Information on reporting segments**

For three months ended on September 30, 2021:

	<u>Saratov Region</u>	<u>Orenburg Region</u>	<u>Samara Region</u>	<u>Penza Region</u>	<u>Ulyanovsk Region</u>	<u>Republic of Chuvashia</u>	<u>Republic of Mordovia</u>	<u>Other</u>	<u>Total</u>
Revenue from external customers	3,844,377	3,164,110	3,606,374	1,919,579	1,519,085	901,048	773,145	36,769	15,764,487
Inter-segments sales revenue	–	–	–	–	–	–	2	55,485	55,487
<b>Total segment revenue</b>	<b>3,844,377</b>	<b>3,164,110</b>	<b>3,606,374</b>	<b>1,919,579</b>	<b>1,519,085</b>	<b>901,048</b>	<b>773,147</b>	<b>92,254</b>	<b>15,819,974</b>
Including Electricity									
Transmission	3,824,916	3,128,694	3,594,426	1,903,156	1,509,763	893,797	739,909	–	15,594,661
Technological connection to networks	11,487	9,655	7,185	9,933	6,910	3,677	26,601	–	75,448
Other revenue	2,734	13,074	1,497	2,897	122	390	4,847	83,300	108,861
Lease revenue	5,240	12,687	3,266	3,593	2,290	3,184	1,790	8,954	41,004
<b>EBITDA</b>	<b>650,639</b>	<b>203,230</b>	<b>482,491</b>	<b>96,252</b>	<b>88,391</b>	<b>32,011</b>	<b>178,569</b>	<b>16,125</b>	<b>1,747,708</b>

For three months ended on September 30, 2020:

	<u>Saratov Region</u>	<u>Orenburg Region</u>	<u>Samara Region</u>	<u>Penza Region</u>	<u>Ulyanovsk Region</u>	<u>Republic of Chuvashia</u>	<u>Republic of Mordovia</u>	<u>Other</u>	<u>Total</u>
Revenue from external customers	3,374,765	2,865,032	3,290,567	1,751,138	1,403,890	808,889	767,981	19,279	14,281,541
Inter-segments sales revenue	–	–	–	–	–	–	2	81,558	81,560
<b>Total segment revenue</b>	<b>3,374,765</b>	<b>2,865,032</b>	<b>3,290,567</b>	<b>1,751,138</b>	<b>1,403,890</b>	<b>808,889</b>	<b>767,983</b>	<b>100,837</b>	<b>14,363,101</b>
Including Electricity									
Transmission	3,363,971	2,786,209	3,281,698	1,741,240	1,396,735	804,676	755,908	–	14,130,437
Technological connection to networks	5,279	5,848	4,601	5,877	4,847	538	6,171	–	33,161
Other revenue	1,752	61,125	1,433	1,230	142	135	4,495	92,121	162,433
Lease revenue	3,763	11,850	2,835	2,791	2,166	3,540	1,409	8,716	37,070
<b>EBITDA</b>	<b>277,856</b>	<b>(33,623)</b>	<b>650,848</b>	<b>(24,703)</b>	<b>(11,598)</b>	<b>(36,317)</b>	<b>162,119</b>	<b>10,583</b>	<b>995,165</b>

**Rosseti Volga Public Joint-Stock Company**  
Notes to the interim consolidated condensed financial statements  
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(in thousands of Russian rubles, unless specified otherwise)

For nine months ended on September 30, 2021:

	<u>Saratov Region</u>	<u>Orenburg Region</u>	<u>Samara Region</u>	<u>Penza Region</u>	<u>Ulyanovsk Region</u>	<u>Republic of Chuvashia</u>	<u>Republic of Mordovia</u>	<u>Other</u>	<u>Total</u>
Revenue from external buyers	11,224,602	9,465,244	10,784,665	5,740,993	4,624,956	2,902,150	2,360,387	66,339	<b>47,169,336</b>
Revenue from sales between segments	–	–	–	–	–	–	37	158,564	158,601
<b>Segment revenue</b>	<b>11,224,602</b>	<b>9,465,244</b>	<b>10,784,665</b>	<b>5,740,993</b>	<b>4,624,956</b>	<b>2,902,150</b>	<b>2,360,424</b>	<b>224,903</b>	<b>47,327,937</b>
Including									
Transfer of electricity	11,182,080	9,358,334	10,729,331	5,710,683	4,591,082	2,881,194	2,299,917	–	<b>46,752,621</b>
<i>Technological connection to networks</i>	20,319	25,758	41,412	16,551	10,074	10,807	49,681	–	<b>174,602</b>
Other revenue	7,604	43,512	4,468	4,346	17,266	841	6,347	197,471	281,855
Lease revenue	14,599	37,640	9,454	9,413	6,534	9,308	4,479	27,432	<b>118,859</b>
<b>EBITDA</b>	<b>1,442,301</b>	<b>310,465</b>	<b>1,620,505</b>	<b>237,047</b>	<b>308,611</b>	<b>56,178</b>	<b>440,520</b>	<b>12,235</b>	<b>4,427,862</b>

For nine months ended on September 30, 2020:

	<u>Saratov Region</u>	<u>Orenburg Region</u>	<u>Samara Region</u>	<u>Penza Region</u>	<u>Ulyanovsk Region</u>	<u>Republic of Chuvashia</u>	<u>Republic of Mordovia</u>	<u>Other</u>	<u>Total</u>
Revenue from external buyers	10,203,732	9,375,242	10,058,671	5,283,320	4,314,503	2,532,386	2,202,291	41,134	<b>44,011,279</b>
Revenue from sales between segments	–	–	–	–	–	–	7	169,891	<b>169,898</b>
<b>Segment revenue</b>	<b>10,203,732</b>	<b>9,375,242</b>	<b>10,058,671</b>	<b>5,283,320</b>	<b>4,314,503</b>	<b>2,532,386</b>	<b>2,202,298</b>	<b>211,025</b>	<b>44,181,177</b>
Including									
Transfer of electricity	10,099,225	9,239,471	10,028,297	5,253,572	4,287,132	2,508,308	2,170,928	–	<b>43,586,933</b>
<i>Technological connection to networks</i>	25,608	18,541	15,327	12,030	8,794	5,317	16,065	–	<b>101,682</b>
Other revenue	68,497	87,406	6,681	10,483	12,409	9,051	11,530	184,969	<b>391,026</b>
Lease revenue	10,402	29,824	8,366	7,235	6,168	9,710	3,775	26,056	<b>101,536</b>
<b>EBITDA</b>	<b>779,185</b>	<b>616,031</b>	<b>1,735,824</b>	<b>(60,462)</b>	<b>39,850</b>	<b>(20,744)</b>	<b>260,845</b>	<b>(8,932)</b>	<b>3,341,597</b>

**Rosseti Volga Public Joint-Stock Company**  
*Notes to the interim consolidated condensed financial statements  
for three and nine months ended on September 30, 2021 (unaudited)  
(in thousands of Russian rubles, unless specified otherwise)*

September 30, 2021.

	<u>Saratov Region</u>	<u>Orenburg Region</u>	<u>Samara Region</u>	<u>Penza Region</u>	<u>Ulyanovsk Region</u>	<u>Republic of Chuvashia</u>	<u>Republic of Mordovia</u>	<u>Other</u>	<u>Total</u>
<b>Segment assets</b>	<b>15,715,914</b>	<b>12,256,094</b>	<b>16,910,650</b>	<b>5,861,269</b>	<b>4,751,537</b>	<b>5,705,374</b>	<b>4,097,396</b>	<b>268,894</b>	<b>65,567,128</b>
Including Fixed assets and construction in progress	14,164,070	10,898,351	14,177,863	4,901,953	3,732,517	3,830,830	3,434,519	106,737	<b>55,246,840</b>

December 31, 2020:

	<u>Saratov Region</u>	<u>Orenburg Region</u>	<u>Samara Region</u>	<u>Penza Region</u>	<u>Ulyanovsk Region</u>	<u>Republic of Chuvashia</u>	<u>Republic of Mordovia</u>	<u>Other</u>	<u>Total</u>
<b>Segment assets</b>	<b>16,569,417</b>	<b>12,129,190</b>	<b>17,258,338</b>	<b>6,344,259</b>	<b>5,130,851</b>	<b>6,003,334</b>	<b>4,364,861</b>	<b>337,276</b>	<b>68,137,526</b>
Including Fixed assets and construction in progress	14,752,406	10,927,095	14,686,296	4,995,329	3,913,061	3,965,502	3,578,670	118,322	<b>56,936,681</b>

(2) Reconciliation of EBITDA indicators of reporting segments is provided below:

	For three months ended on September 30		For nine months ended on September 30	
	2021	2020	2021	2020
<b>EBITDA of reporting segments</b>	<b>1,747,708</b>	<b>995,165</b>	<b>4,427,862</b>	<b>3,341,597</b>
Discounting financial instruments	27	241	87	545
Adjustments to the reserve for expected credit losses and devaluation of issued advances	–	39,876	–	–
Lease adjustment	117,430	132,148	363,838	374,846
Recognition of pension and other long-term liabilities to employees	(15,262)	(5,665)	430	22,446
Adjustment on assets related to liabilities for remunerations to employees	1,844	3 714	(17,801)	(19,291)
Reversing allocations of the financial assets fair value through other comprehensive income (carrying forward of revaluation to equity)	8	(5)	13	(13)
Adjustment of fixed and	41,566	48,192	123,702	112,326
Other adjustments	(10,734)	(8,514)	(34,740)	(28,304)
<b>EBITDA</b>	<b>1 882,587</b>	<b>1,205,152</b>	<b>4 863,391</b>	<b>3,804,152</b>
Depreciation of fixed assets, right-of-use assets and intangible assets	(1,429,381)	(1,320,959)	(4,264,017)	(3,933,493)
Interest income on financial liabilities accounted for at depreciated cost	(107,396)	(80,387)	(302,214)	(265,910)
Interest expense on lease liabilities	(22,408)	(45,614)	(71,192)	(106,082)
Profit tax expense	(85,184)	17,733	(123,364)	4,873
<b>Consolidated profit/(loss) for the period in the interim condensed consolidated statement of profit or loss and other comprehensive income</b>	<b>238,218</b>	<b>(224,075)</b>	<b>102,604</b>	<b>(496,460)</b>

**6 Revenue**

	For three months ended on September 30		For nine months ended on September 30	
	2021	2020	2021	2020
Transfer of electricity	15,594,663	14,130,437	46,752,623	43,586,933
Technological grid connection	75,448	33,160	174,602	101,681
Other revenue	83,608	106,560	206,027	282,110
<b>Revenue from contracts with customers</b>	<b>15,753,719</b>	<b>14,270,157</b>	<b>47,133,252</b>	<b>43,970,724</b>
Lease revenue	10,766	11,383	36,084	40,554
	<b>15,764,485</b>	<b>14,281,540</b>	<b>47,169,336</b>	<b>44,011,278</b>

Other revenue mainly includes maintenance and repair and maintenance services, diagnostics and testing, construction services, consulting and organizational and technical services.



## 7 Other income

	For three months ended on September 30		For nine months ended on September 30	
	2021	2020	2021	2020
Income from detected consumption of power without execution of agreements	3,147	953	3,616	3,725
Income in the form of fines and penalties under economic contracts	17,982	54,981	77,653	135,293
Income from disposal (sale) of fixed assets	319	205	5,845	19
Freely obtained assets	20,325	3,520	63,414	10,711
Other income	(4,738)	9,584	13,827	12,491
	<b>37,035</b>	<b>69,243</b>	<b>164,355</b>	<b>162,239</b>

## 8 Operating costs

	For three months ended on September 30		For nine months ended on September 30	
	2021	2020	2021	2020
Expenses for remunerations to employees	3,376,687	3,261,726	10,520,887	10,625,856
Depreciation of fixed assets, right-of-use assets and intangible assets	1,429,381	1,320,959	4,264,017	3,933,493
<i>Material costs, including</i>				
Power to compensate technological losses	1,902,874	1,768,808	6,636,631	5,933,813
Purchased electric and thermal energy for auxiliaries	46,641	41,193	388,265	343,961
Other material costs	794,005	711,524	1,774,911	1,655,666
<i>Works and services of a production nature, including</i>				
Power transmission services	7,162,559	6,591,478	20,733,869	19,476,033
Repair and maintenance services	149,364	159,908	315,893	339,002
Other works and services of a production nature	19,485	58,336	73,793	94,551
Taxes and fees, apart from profit tax	225,463	219,615	678,108	669,662
Short-term lease	7,367	9,177	21,218	20,924
Insurance	15,301	17,837	45,540	53,812
<i>Other services of third-party companies, including</i>				
Communication services	45,319	46,423	136,031	135,483
Security	71,991	67,812	213,662	203,946
Consulting, legal and auditor services	35,552	8,312	69,243	39,041
Software and support expenses	98,963	75,531	302,373	208,428
Transportation services	237	248	745	2,342
Other services	227,319	138,361	761,305	445,067
Accrual/(recovery) of estimated liabilities	40,538	(14,701)	12,083	(7,119)
Other expenses	54,507	46,723	124,519	175,634
	<b>15,622,477</b>	<b>14,529,270</b>	<b>47,048,927</b>	<b>44,349,595</b>

## 9 Financial income and expenses

	<b>For three months ended on September 30</b>		<b>For nine months ended on September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Financial income</b>				
Interest income on bank deposits and balances at bank accounts	15,689	6,850	34,008	37,581
Interest on restructured receivables	44,558	45,419	129,540	140,336
Dividends receivable	6	5	8	6
Interest income on assets related to liabilities for remunerations to employees	–	–	19,179	32,977
Depreciation of discount on financial assets	54	133	154	546
	<b>60,307</b>	<b>52,407</b>	<b>182,889</b>	<b>211,446</b>
	<b>For three months ended on September 30</b>		<b>For nine months ended on September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Financial expenses</b>				
Interest income on financial liabilities accounted for at depreciated cost	(107,396)	(80,387)	(302,214)	(265,910)
Interest expense on lease liabilities	(22,408)	(45,614)	(71,192)	(106,082)
Interest income on long-term liabilities for remuneration to employees	(26,230)	(25,026)	(82,330)	(79,707)
Effect of discounting financial assets at initial recognition	(27)	108	(67)	(1)
Depreciation of discount on financial liabilities	–	–	(2,315)	–
	<b>(156,061)</b>	<b>(150,919)</b>	<b>(458,118)</b>	<b>(451,700)</b>

## 10 Income tax

	<b>For three months ended on September 30</b>		<b>For nine months ended on September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Current profit tax</b>				
Accrual of current tax	(7,224)	10	(7,331)	10
Historical tax adjustment	1,119	(23,707)	1,841	(28,747)
<b>Total Current profit tax</b>	<b>(6,105)</b>	<b>(23,717)</b>	<b>(5,490)</b>	<b>(28,757)</b>
Deferred income tax	(79,079)	41,450	(117,874)	33,630
<b>Total (expense) / income tax savings</b>	<b>(85,184)</b>	<b>17,733</b>	<b>(123,364)</b>	<b>4,873</b>

The income tax rate established by Russian law is 20%.

Profit tax expense is recognized based on the management's best estimate of the average weighted expected profit tax rate for the full financial year at the reporting date.

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The pre-tax profit (loss) is related to the income tax expense as follows:

	<b>For three months ended on September 30</b>		<b>For nine months ended on September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Profit (loss) before tax</b>	<b>323,402</b>	<b>(241,808)</b>	<b>225,968</b>	<b>(501,333)</b>
<b>Theoretical amount (expense)/savings on income tax at the rate of 20%</b>	<b>(64,681)</b>	<b>48,362</b>	<b>(45,194)</b>	<b>100,267</b>
The tax effect of items that are tax-free or non- deductible for tax purposes	(21,622)	(6,922)	(80,011)	(66,647)
Previous years adjustments	1,119	(23,707)	1,841	(28,747)
<b>(Expense)/income tax savings</b>	<b>(85,184)</b>	<b>17,733</b>	<b>(123,364)</b>	<b>4,873</b>

Profit tax recognized in other comprehensive income:

	<b>For three months ended on September 30, 2021</b>			<b>For three months ended on September 30, 2020</b>		
	<b>Before tax</b>	<b>Profit tax</b>	<b>Net of tax</b>	<b>Before tax</b>	<b>Profit tax</b>	<b>Net of tax</b>
Financial assets evaluated at fair value through other comprehensive income	8	(2)	6	5	(1)	4
Revaluation of defined benefit pension plan	(30,141)	(1,272)	(31,413)	73,838	(8,458)	65,380
	<b>(30,133)</b>	<b>(1,274)</b>	<b>(31,407)</b>	<b>73,843</b>	<b>(8,459)</b>	<b>65,384</b>

	<b>For nine months ended on September 30, 2021</b>			<b>For nine months ended on September 30, 2020</b>		
	<b>Before tax</b>	<b>Profit tax</b>	<b>Net of tax</b>	<b>Before tax</b>	<b>Profit tax</b>	<b>Net of tax</b>
Financial assets evaluated at fair value through other comprehensive income	13	(3)	10	(8)	2	6
Revaluation of defined benefit pension plan	217,518	14,014	(203,504)	(77,852)	5,942	71,910
	<b>(217,505)</b>	<b>14,011</b>	<b>(203,494)</b>	<b>(77,860)</b>	<b>5,944</b>	<b>(71,916)</b>

## 11 Fixed assets

	Land plots and buildings	Power transmission lines	Equipment for power transmission	Other	Construction in progress	Total
<b>Initial/deemed cost</b>						
<b>As of January 1, 2020</b>	<b>11,766,612</b>	<b>32,061,833</b>	<b>29,458,246</b>	<b>19,283,142</b>	<b>1,421,630</b>	<b>93,991,463</b>
Reclassification between groups	(79,026)	14,568	30,782	33,676	–	–
Proceeds	380	9,090	21,964	132,866	4,068,597	<b>4,232,897</b>
Commissioning	23,998	1,335,046	428,797	409,231	(2,197,072)	–
Retirements	(6,686)	(6,755)	(6,653)	(49,688)	(21,996)	<b>(91,778)</b>
<b>As of September 30, 2020</b>	<b>11,705,278</b>	<b>33,413,782</b>	<b>29,933,136</b>	<b>19,809,227</b>	<b>3,271,159</b>	<b>98,132,582</b>
<b>Accumulated depreciation and impairment</b>						
<b>As of January 1, 2020</b>	<b>(4,570,239)</b>	<b>(17,767,489)</b>	<b>(13,095,360)</b>	<b>(12,924,170)</b>	–	<b>(48,357,258)</b>
Reclassification between groups	34,240	(6,429)	(25,405)	(2,406)	–	–
Accumulated depreciation	(406,309)	(1,055,319)	(1,159,262)	(911,317)	–	<b>(3,532,207)</b>
Retirements	4,635	4,966	2,573	48,626	–	<b>60,800</b>
<b>As of September 30, 2020</b>	<b>(4,937,673)</b>	<b>(18,824,271)</b>	<b>(14,277,454)</b>	<b>(13,789,267)</b>	–	<b>(51,828,665)</b>
<b>Residual value</b>						
<b>As of January 1, 2020</b>	<b>7,196,373</b>	<b>14,294,344</b>	<b>16,362,886</b>	<b>6,358,972</b>	<b>1,421,630</b>	<b>45,634,205</b>
<b>As of September 30, 2020</b>	<b>6,767,605</b>	<b>14,589,511</b>	<b>15,655,682</b>	<b>6,019,960</b>	<b>3,271,159</b>	<b>46,303,917</b>

**Rosseti Volga Public Joint-Stock Company**  
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	<b>Land plots and buildings</b>	<b>Power transmission lines</b>	<b>Equipment for power transmission</b>	<b>Other</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Initial/deemed cost</b>						
<b>As of January 1, 2021</b>	<b>12,400,173</b>	<b>34,456,805</b>	<b>32,455,217</b>	<b>21,031,910</b>	<b>1,411,803</b>	<b>101,755,908</b>
Reclassification between groups	196,937	(5,699)	131,268	71,368	–	–
Proceeds	323	60,363	7,522	257,178	2,693,372	3,018,758
Commissioning	19,781	1,180,459	595,673	125,638	(1,921,551)	–
Retirements	(1,126)	(1,295)	(5,122)	(28,346)	(32,141)	<b>(68,030)</b>
<b>As of September 30, 2021</b>	<b>12,222,214</b>	<b>35,690,633</b>	<b>33,184,558</b>	<b>21,457,748</b>	<b>2,151,483</b>	<b>104,706,636</b>
<b>Accumulated depreciation and impairment</b>						
<b>As of January 1, 2021</b>	<b>(5,062,900)</b>	<b>(19,117,224)</b>	<b>(14,664,052)</b>	<b>(14,130,728)</b>	–	<b>(52,974,904)</b>
Reclassification between groups	132,389	8,151	(92,139)	(48,401)	–	–
Accumulated depreciation	(409,575)	(1,161,016)	(1,297,851)	(975,842)	–	<b>(3,844,284)</b>
Retirements	1,096	1,058	3,568	28,257	–	<b>33,979</b>
<b>As of September 30, 2021</b>	<b>(5,338,990)</b>	<b>(20,269,031)</b>	<b>(16,050,474)</b>	<b>(15,126,714)</b>	–	<b>(56,785,209)</b>
<b>Residual value</b>						
<b>As of January 1, 2021</b>	<b>7,337,273</b>	<b>15,339,581</b>	<b>17,791,165</b>	<b>6,901,182</b>	<b>1,411,803</b>	<b>48,781,004</b>
<b>As of September 30, 2021</b>	<b>6,883,224</b>	<b>15,421,602</b>	<b>17,134,084</b>	<b>6,331,034</b>	<b>2,151,483</b>	<b>47,921,427</b>

For the nine months ended September 30, 2021, capitalized interest amounted to 28 339 thousand rubles (for the nine months ended September 30, 2020: 57 179 thousand rubles), the capitalization rate amounted to 6.41% (for the nine months ended September 30, 2020: 7.05%).

As of June 30, 2021, the historical cost of fully depreciated property, plant and equipment was 20,056,336 thousand rubles (as of December 31, 2020: 19,294,913 thousand rubles).

## 12 Intangible assets

	Software	R&D	Other	Total
<b>Original value</b>				
<b>As of January 1, 2020</b>	<b>403,958</b>	<b>88,904</b>	<b>45,776</b>	<b>538,638</b>
Proceeds	61,056	4,336	–	65,392
Retirements	(100,703)	–	–	(100,703)
<b>As of September 30, 2020</b>	<b>364,311</b>	<b>93,240</b>	<b>45,776</b>	<b>503,327</b>
<b>Accumulated depreciation and impairment</b>				
<b>As of January 1, 2020</b>	<b>(247,979)</b>	<b>(27,885)</b>	<b>(28,164)</b>	<b>(304,028)</b>
Accumulated depreciation	(93,531)	(15,554)	(2,222)	(111,307)
Retirements	100,703	–	–	100,703
<b>As of September 30, 2020</b>	<b>(240,807)</b>	<b>(43,439)</b>	<b>(30,386)</b>	<b>(314,632)</b>
<b>Residual value</b>				
<b>As of January 1, 2020</b>	<b>(155,979)</b>	<b>61,019</b>	<b>17,612</b>	<b>234,610</b>
<b>As of September 30, 2020</b>	<b>123,504</b>	<b>49,801</b>	<b>15,390</b>	<b>188,695</b>
	<b>Software</b>	<b>R&amp;D</b>	<b>Other</b>	<b>Total</b>
<b>Original value</b>				
<b>As of January 1, 2021</b>	<b>458,381</b>	<b>124,172</b>	<b>45,776</b>	<b>628,329</b>
Reclassification between groups	–	(25,792)	25,792	–
Proceeds	36,226	639	–	<b>36,865</b>
Retirements	(90,310)	–	–	<b>(90,310)</b>
<b>As of September 30, 2021</b>	<b>404,297</b>	<b>99,019</b>	<b>71,568</b>	<b>574,884</b>
<b>Accumulated depreciation and impairment</b>				
<b>As of January 1, 2021</b>	<b>(260,234)</b>	<b>(48,623)</b>	<b>(31,127)</b>	<b>(339,984)</b>
Reclassification between groups	–	11,463	(11,463)	–
Accumulated depreciation	(100,894)	(19,727)	(2,970)	<b>(123,591)</b>
Retirements	90,310	–	–	<b>90,310</b>
<b>As of September 30, 2021</b>	<b>(270,818)</b>	<b>(56,887)</b>	<b>(45,560)</b>	<b>(373,265)</b>
<b>Residual value</b>				
<b>As of January 1, 2021</b>	<b>198,147</b>	<b>75,549</b>	<b>14,649</b>	<b>288,345</b>
<b>As of September 30, 2021</b>	<b>133,479</b>	<b>42,132</b>	<b>26,008</b>	<b>201,619</b>

For the nine months ended September 30, 2021, capitalized interest amounted to 639 thousand rubles (for the nine months ended September 30, 2020: 677 thousand rubles), the capitalization rate of 6.41% (for nine months ended on September 30, 2020: 7,05%).

Other intangible assets include patents for utility models, received as part of research.

### 13 Right-of-use asset

	Land and buildings	Power transmission lines	Electric power transmission equipment	Other	Total
<b>Original value</b>					
As of January 1, 2020	881,040	775,620	471,339	27,067	2,155,066
Reclassification between groups	(2,283)	5,905	(2,224)	(1,398)	–
Proceeds	8,190	–	–	–	8,190
Change in lease terms	(1,631)	(4,791)	–	(750)	(7,172)
Lease agreement retirement or termination	(1,620)	(144)	(144)	278	(2,186)
<b>As of September 30, 2020</b>	<b>883,696</b>	<b>776,590</b>	<b>468,971</b>	<b>24,641</b>	<b>2,153,898</b>
<b>Accumulated depreciation and impairment</b>					
As of January 1, 2020	(112,541)	(36,652)	(36,230)	(3,218)	(188,641)
Accumulated depreciation	(97,009)	(119,169)	(69,731)	(4,070)	(289,979)
Change in lease terms	3,021	7,584	–	1,079	11,684
Lease agreement retirement or termination	1,243	56	56	265	1,620
<b>As of September 30, 2020</b>	<b>(205,286)</b>	<b>(148,181)</b>	<b>(105,905)</b>	<b>(5,944)</b>	<b>(465,316)</b>
<b>Residual value</b>					
As of January 1, 2020	768,499	738,968	435,109	23,849	1,966,425
<b>As of September 30, 2020</b>	<b>678,410</b>	<b>628,409</b>	<b>363,066</b>	<b>18,697</b>	<b>1,688,582</b>
<b>Original value</b>					
As of January 1, 2021	863,586	663,615	416,785	23,762	1,967,748
Reclassification between groups	(4,136)	21,021	(16,107)	(778)	–
Proceeds	12,603	–	–	–	12,603
Change in lease terms	(14,090)	–	–	–	(14,090)
Lease agreement retirement or termination	5,536	–	–	–	(5,536)
<b>As of September 30, 2021</b>	<b>852,427</b>	<b>684,636</b>	<b>400,678</b>	<b>22,984</b>	<b>1,960,725</b>
<b>Accumulated depreciation and impairment</b>					
As of January 1, 2021	(214,533)	(66,386)	(67,219)	(4,953)	(353,091)
Reclassification between groups	(820)	2,968	(2,034)	(114)	–
Accumulated depreciation	(97,304)	(126,188)	(68,542)	(4,108)	(296,142)
Change in lease terms	7,052	–	–	–	7,052
Lease agreement retirement or termination	4,783	–	–	–	4,783
<b>As of September 30, 2021</b>	<b>(300,822)</b>	<b>(189,606)</b>	<b>(137,795)</b>	<b>(9,175)</b>	<b>(637,398)</b>
<b>Residual value</b>					
As of January 1, 2021	649,053	597,229	349,566	18,809	1,614,657
<b>As of September 30, 2021</b>	<b>551,605</b>	<b>495,030</b>	<b>262,883</b>	<b>13,809</b>	<b>1,323,327</b>

#### 14 Trade and other receivables

	<b>September 30 2021</b>	<b>December 31, 2020</b>
<b>Trade and other long-term receivables</b>		
Trade receivables	651,649	912,139
Other receivables	824,892	778,894
	<b>1,476,541</b>	<b>1,691,033</b>
<b>Trade and other short-term receivables</b>		
Trade receivables	5,625,549	6,271,243
Provision for expected credit loss on trade receivables	(928,143)	(1,183,969)
Other receivables	212,043	222,263
Provision for expected credit loss on other receivables	(91,987)	(105,546)
	<b>4,817,462</b>	<b>5,203,991</b>

Long-term trade receivables include restructured receivables for electricity transmission services in the total amount of 650,556 thousand rubles as of September 30, 2021 (as of December 31, 2020: 910,464 thousand rubles); The terms of the agreements provide for the repayment of receivables in 2022 – 2025 and the application of an interest rate in the range of 4.25% – 7.25% per annum.

#### 15 Advances paid and other assets

	<b>September 30 2021</b>	<b>December 31, 2020</b>
<b>Non-current</b>		
Advances paid	14,383	4,716
VAT on advance payments received	176,048	137,130
	<b>190,431</b>	<b>141,846</b>
<b>Current</b>		
Advances paid	98,658	173,465
Provision for impairment of advances paid	(13,577)	(14,971)
VAT recoverable	7,789	11,700
VAT on advances received and VAT on advances issued for the acquisition of fixed assets	149,724	63,839
Prepayments for taxes other than profit tax	8,172	8,752
	<b>250,766</b>	<b>242,785</b>

Information on balances with related parties is disclosed in Note 27.

#### 16 Cash and cash equivalents

	<b>September 30 2021</b>	<b>December 31, 2020</b>
Cash at bank and in hand	236,551	521,157
Cash equivalents	547,600	42,600
	<b>784,151</b>	<b>563,757</b>

As of September 30, 2021 and December 31, 2020, all cash and equivalents balances are nominated in rubles.

Cash equivalents as of September 30, 2021 and December 31, 2020 include short-term investments in bank deposits. Deposits are placed at interest rates from 4.93% to 6.80% per annum.



## 17 Authorized capital

### (1) Authorized capital

	<b>Ordinary shares</b>	
	<b>September 30 2021</b>	<b>December 31, 2020</b>
Nominal value of one share (rubles)	0.1	0.1
In circulation at the beginning of the period, pcs.	188,307,958,733	188,307,958,733
Outstanding as of the end of the period and fully paid, pcs.	188,307,958,733	188,307,958,733

### (2) Dividends

The source of payment of dividends is the net profit of Rosseti Volga Public Joint-Stock Company, determined in accordance with the requirements established by the current legislation of the Russian Federation.

At the annual meeting of shareholders held on May 28, 2021, it was decided not to pay dividends at the end of 2020 due to the loss received by the Company at the end of 2020.

At the annual meeting of shareholders held on May 29, 2020, dividends for 2019 were declared in the amount of RUB 0.00106762 per ordinary share in cash. The total amount of dividends amounted to 201,041 thousand rubles.

For the nine months ended September 30, 2021, dividends paid amounted to 420 thousand rubles, (for the nine months ended September 30, 2020 – 1,211,649 thousand rubles).

## 18 Loss per share

The calculation of the loss per share for the three and nine months ended September 30, 2021 and September 30, 2020 is based on the loss due to the owners of ordinary shares and the weighted average number of ordinary shares outstanding. The Company has no dilutive financial instruments.

	<b>For three months ended on September 30</b>		<b>For nine months ended on September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<i>In thousands of shares</i>				
Ordinary shares as of January 1	188,307,959	188,307,959	188,307,959	188,307,959
<b>Weighted average quantity of shares for the period ended on September 30</b>	<b>188,307,959</b>	<b>188,307,959</b>	<b>188,307,959</b>	<b>188,307,959</b>
Weighted average number of ordinary shares outstanding for the period ended September 30 (in thousands of units)	188,307,959	188,307,959	188,307,959	188,307,959
Profit/(loss) for the period relating to the owners of the Company	238,218	(224,075)	102,604	(496,460)
<b>Earnings/(loss) per ordinary share – basic and diluted (in Russian rubles)</b>	<b>0.0012</b>	<b>(0.0012)</b>	<b>0.0005</b>	<b>(0.0026)</b>

## 19 Borrowed funds

	<b>September 30 2021</b>	<b>December 31, 2020</b>
<b>Long-term liabilities</b>		
Unsecured loans and credits	5,360,000	6,841,000
Lease liability	1,061,303	1,348,180
	<b>6,421,303</b>	<b>8,189,180</b>
<b>Short-term liabilities</b>		
Unsecured loans and credits	30,965	28,923
Lease liability	418,386	403,681
	<b>449,351</b>	<b>432,604</b>
<b>Including:</b>		
Debt on interest due on loans and credits	30,965	28,923
	<b>30,965</b>	<b>28,923</b>

As of September 30, 2021 and December 31, 2020, all balances of loans and credits are nominated in rubles. For nine months ended on September 30, 2021, the Group obtained the following bank loans:

	<b>Effective interest rates</b>	<b>Maturity</b>	<b>Nominal value</b>
Unsecured Bank Loans*	KS + 1.15% – KS + 1.45%	2021-2024	10,580,000
Unsecured Bank Loans*	5.7 (7.9%)	2021–2023	4,260,000
			<b>14,840,000</b>

During nine months ended on September 30, 2021, the Group repaid the following bank loans:

	<b>Nominal value</b>
Credits	(16,321,000)
	<b>(16,321,000)</b>

## 20 Trade and other payables

	<b>September 30 2021</b>	<b>December 31, 2020</b>
<b>Long-term debt</b>		
Trade payables	35,844	68,733
Other payables	32,995	38,740
<b>Total financial liabilities</b>	<b>68,839</b>	<b>107,473</b>
<b>Short-term debt</b>		
Trade payables	4,144,730	5,183,173
Other payables and charged expenses	310,051	705,009
Payroll debts	796,007	921,244
Dividends payable	23,162	43,231
<b>Total financial liabilities</b>	<b>5,273,950</b>	<b>6,852,657</b>

As of September 30, 2021, long-term payables include payables related to settlements with capital construction contractors in the amount of 30,826 thousand rubles and agreements on reimbursement of expenses to the Group in the amount of 25,336 thousand rubles (as of December 31, 2020: 63,715 thousand rubles and 33,788 thousand rubles, respectively). The fair value of recoveries of payables to capital construction contractors at the date of initial recognition was determined using discounted estimated future cash flows at a rate of 8.97% per annum.

## 21 Tax debts other than profit tax

	<b>September 30 2021</b>	<b>December 31, 2020</b>
VAT	965,706	456,843
Property tax	212,320	236,356
Social security contributions	269,625	259,064
Other taxes payable	101,519	110,422
	<b>1,549,170</b>	<b>1,062,685</b>

## 22 Advances received

	<b>September 30 2021</b>	<b>December 31, 2020</b>
<b>Long-term</b>		
Advances for grid connection services	951,241	744,596
Other advances received	117,795	87,447
	<b>1,069,036</b>	<b>832,043</b>
<b>Short-term</b>		
Advances for grid connection services	287,033	420,170
Other advances received	700,467	126,222
	<b>987,500</b>	<b>546,392</b>

## 23 Contingent liabilities

	<b>2021</b>	<b>2020</b>
<b>Balance as of January 1,</b>	<b>(37,336)</b>	<b>(44,783)</b>
Accrual (increase) for the period	19,857	(35,629)
Recovery (decrease) for the period	28,659	(36,232)
Use of estimated liabilities	11,658	6,844
<b>Balance as of September 30</b>	<b>16,876</b>	<b>(37,336)</b>

Estimated liabilities primarily relate to lawsuits and claims against the Group in the ordinary course of business.

## 24 Management of financial risks and capital

In the normal course of business, the Group is exposed to a variety of financial risks, including, but not limited to: market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Objectives and policies of the Group in respect to management of financial risks and capital, and procedure for determination of fair value comply with those disclosed in the consolidated financial statements for the year ended on December 31, 2020.

The Group's management takes operational measures to ensure a sufficient amount of cash (liquidity) received from operating activities to finance the investment program, servicing short-term and long-term borrowings available at the reporting date. The Group's management implements measures aimed at optimizing the structure of borrowed capital, ensuring the availability of available credit limits, liquidity cushion in the form of balances on bank accounts and short-term financial investments, and quality control of accepted financial collateral (bank guarantees).

**Rosseti Volga Public Joint-Stock Company**  
*Notes to the interim consolidated condensed financial statements  
for three and nine months ended on September 30, 2021 (unaudited)  
(in thousands of Russian rubles, unless specified otherwise)*

The carrying amount of receivables, net of allowance for expected credit losses, represents the maximum amount exposed to credit risk. Although the collection of receivables may be affected by economic and other factors, the Group believes that there is no significant risk of losses in excess of the provision made.

The movement of the reserve for expected credit losses of trade and other receivables is presented below:

	<b>2021</b>	<b>2020</b>
<b>Balance as of January 1,</b>	<b>(1,289,515)</b>	<b>(1,063,189)</b>
Increase in reserve for the period	114,710	(370,010)
Recovery of reserve amounts for the period	331,143	134,459
Amounts of trade and other receivables, deducted from previously accrued reserve	52,952	9,225
	<b>(1,020,130)</b>	<b>(1,289,515)</b>

As of September 30, 2021, the amount of the free limit on the Group's open but unused credit lines amounted to 26,840,000 thousand rubles (as of December 31, 2020: 19,159,000 thousand rubles); The Group has the opportunity to attract additional financing within the relevant limits, including to ensure the fulfillment of its short-term obligations.

***Fair and book value***

The following is a comparison of the fair and book values of the Group's financial instruments, with the exception of those financial instruments, the carrying value of which corresponds to their fair value:

<b>Financial instruments</b>	<b>Note</b>	<b>September 30, 2021</b>		<b>Fair value hierarchy level</b>		
		<b>Book value</b>	<b>Fair value</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Financial assets measured at depreciable amount</b>						
Long-term receivables	14	1,476,541	1,476,541	–	–	1,476,541
<b>Financial assets evaluated at fair value through other comprehensive income</b>						
Equity instruments investments		140	140	140	–	–
<b>Financial liabilities measured at amortized cost</b>						
Loans and credits	19	(5,390,965)	(5 349,614)	–	(5 349,614)	–
Long-term payables	20	(68,839)	(68,839)	–	–	(68,839)
		<b>(3,983,123)</b>	<b>(3,941,772)</b>	<b>140</b>	<b>(5,349,614)</b>	<b>1,407,702</b>

<b>Financial instruments</b>	<b>Note</b>	<b>December 31, 2020</b>		<b>Fair value hierarchy level</b>		
		<b>Book value</b>	<b>Fair value</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Financial assets measured at depreciable amount</b>						
Long-term receivables	14	1,691,033	1,691,033	–	–	1,691,033
<b>Financial assets evaluated at fair value through other comprehensive income</b>						
Equity instruments investments		153	153	153	–	–
<b>Financial liabilities measured at amortized cost</b>						
Loans and credits	19	(6,869,923)	(6,679,136)	–	(6,679,136)	–
Long-term payables	20	(107,473)	(107,473)	–	–	(107,473)
		<b>(5,286,210)</b>	<b>(5,095,423)</b>	<b>153</b>	<b>(6,679,136)</b>	<b>1,583,560</b>

The interest rate used to discount expected future cash flows for long-term receivables for the purpose of determining the disclosed fair value as of September 30, 2021 was 4.25-12.57% (as of December 31, 2020: 4.25-12.57%).

The interest rate used to discount the estimated future cash flows of long-term accounts payable for the purpose of determining the disclosed fair value as of September 30, 2021 was 7.04-8.97% (as of December 31, 2020: 7,04-8,97%).

Interest rate used to discount expected future cash flows, for short-term and long-term borrowed funds for the purposes of identification of disclosed fair value as of September 30, 2021 amounted to 8.36% (as of December 31, 2020: 6,78%).

For the nine months ended September 30, 2021, there were no transfers between levels of the fair value hierarchy.

## **25 Contract liabilities of capital nature**

Sum of capital liabilities of the Group under agreements for purchase and construction of fixed assets, amounts to 5,553,003 thousand rubles, VAT included, as of September 30, 2021 (as of December 31, 2020: 2,264,743 thousand rubles, VAT included).

## **26 Contingent liabilities**

### **(a) Insurance**

The Group has common requirements in respect to volumes of insurance coverage, reliability of insurance companies and procedure of insurance protection organization. The Group insures assets, third-party liability and other insured risks. Main production assets of the Group have insurance coverage, including coverage for damage or loss of fixed assets. Nevertheless, there are risks of negative influence at operations and financial status of the Group, if damage is done to third parties, and also as a result of loss or damage of assets, insurance protection of which is absent, or is not provided in full.

### **(b) Contingent tax liabilities**

Russian tax legislation is subject to varying interpretations regarding the operations and activities of the Group. Accordingly, management's interpretation of tax legislation and its formal documentation can be successfully challenged by the relevant regional or federal authorities. Tax administration in Russia is gradually increasing. In particular, the risk of checking the tax aspect of transactions without obvious economic sense or with counterparties that violate tax laws is increasing. Tax audits may cover the three calendar years preceding the year the tax audit decision was made. Under certain conditions, earlier periods may also be subject to verification.

The Russian tax authorities have the right to charge additional tax liabilities and penalties based on the rules established by the transfer pricing legislation (hereinafter referred to as TPL) if the price/profitability in controlled transactions differs from the market level. The list of controlled transactions mainly includes transactions concluded between related parties.

Starting from January 1, 2019, transfer pricing controls have been removed for a significant portion of domestic Russian transactions. However, the exemption from price controls may not apply to all transactions in the domestic market. At the same time, in the case of additional charges, the mechanism of counter-adjustment of tax liabilities can be used subject to certain legal requirements. Intra-group transactions that have gotten out of the control of TP in 2019 can nevertheless be checked by territorial tax authorities for unjustified tax benefits, and TP methods can be used to determine the amount of additional charges. The federal executive body authorized to control and supervise taxes and fees may check prices/profitability in controlled transactions and, in case of disagreement with the prices applied by the Group in these transactions, add additional tax liabilities, if the Group is unable to substantiate the market nature pricing in these transactions, by providing transfer pricing documentation that meets the legal requirements.

As the practice of applying tax rules on property taxes continues to develop, tax authorities and courts may challenge the criteria for classifying property as movable or immovable property applied by the Group. The

management of the Group does not exclude the risk of outflow of resources, and the impact of such a development of events cannot be estimated with a sufficient degree of reliability.

The group disputes the results of the on-site tax audit for 2013-2015 in the course of the judicial procedure in the amount of 129,124 thousand rubles, a cassation appeal was filed, which shall be reviewed by the court on December 13, 2021. The Group has accounted for the results of this audit (fines, penalties, arrears) when preparing the 2018 financial statements. The Group estimates that the total amount of the contingent liability does not exceed 0.4% of the Group's assets.

According to the management, the relevant provisions of the law were interpreted by it correctly, and the position of the Group in terms of tax compliance can be justified and protected.

**(c) Legal Proceedings**

The Group participates in several legal proceedings (both as a plaintiff and a defendant), arising in process of regular business operations.

In opinion of the management, currently there are no unsettled claims or other actions that could have significantly influenced business results or financial position of the Group and wouldn't be recognized or disclosed in the consolidated interim condensed financial statements.

**(d) Environmental Obligations**

The Group has been doing business in the field of power engineering in the Russian Federation for many years. The environmental legislation in the Russian Federation continues to evolve, obligations of authorized state bodies supervising compliance with it are being revised. Potential environmental liabilities arising in connection with amended interpretations of existing legislation, legal actions or changes to the legislation may not be assessed. In opinion of the management, under the existing system of control and current legislation, there are no probable liabilities that may have substantial negative impact at financial position, results of operations or cash flows of the Group.



	Book value	
	September 30, 2021	December 31, 2020
<b>Enterprises controlled by the parent company</b>		
Advances paid	4,583	8,478
Advances received	(486,461)	(6)
	<b>(481,878)</b>	<b>8,472</b>

As of September 30, 2021, and December 31, 2020, there is no debt to the parent company for payment.

**(c) Transactions with companies related to the main shareholder of the parent company**

As part of its day-to-day business, the Group enters into transactions with other companies related to the main shareholder of the parent company. These transactions are carried out at regulated tariffs or market prices. The attraction and placement of funds in financial institutions related to the main shareholder of the parent company are carried out at market interest rates. Taxes are charged and paid in accordance with Russian tax legislation.

Revenue from companies related to the parent's main shareholder was:

- 19% and 18% of the Group's total revenue for three and nine months ended September 30, 2021 (for three and nine months ended September 30, 2020: 19% and 18%).
- 19% and 18% of the Group's electricity transmission revenues for three and nine months ended September 30, 2021 (for three and nine months ended September 30, 2020: 19% and 18%).

Electricity transmission costs and electricity purchase costs to compensate for technological losses for companies associated with the main shareholder of the parent company accounted for 11% and 10% of total transmission costs and compensation for losses for three and nine months ended on September 30, 2021 (for three and nine months ended on September 30, 2020: 12% and 11%).

As of September 30, 2021, loans from banks associated with the main shareholder of the parent company amounted to 5,390,965 thousand rubles (as of December 31, 2020, 2,841,000 thousand rubles).

For nine months ended September 30, 2021, the Group raised loans from banks associated with the parent company's main shareholder for 14,840,000 thousand rubles, repaid 12,321,000 thousand rubles.

Interest accrued on loans from banks related to the main shareholder of the parent company for three and nine months ended on September 30, 2021, amounted to 81% and 66% of the total accrued interest (for three and six months ended on June 30, 2020: 47% and 82%).

As of September 30, 2021, the balance of cash and cash equivalents placed with banks related to the main shareholder of the parent company amounted to 235,622 thousand rubles (as of December 31, 2020 – 98,108 thousand rubles).

As of September 30, 2021, lease liabilities for companies related to the main shareholder of the parent company amounted to 854,985 thousand rubles (as of December 31, 2020 – 1,013,749 thousand rubles).



**(d) Transactions with key management personnel**

In order to prepare these consolidated financial statements, members of the Board of Directors, the Management Board, the General Director of the Company, and his/her deputies are assigned to key management personnel.

The remuneration of key management personnel consists of the salary stipulated by the employment contract, non-monetary benefits, as well as bonuses determined by the results for the period and other payments. Remuneration or compensation is not paid to those members of the Board of Directors who are government employees.

Amounts of remuneration to key management personnel, disclosed in the table, are expenses of the current period for the key management personnel reflected within expenses for remunerations to employees.

	<b>For three months ended on September 30</b>		<b>For nine months ended on September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Short-term remunerations to employees	22,501	25,801	86,287	88,314
Change in post-employment obligations and other long-term benefits (including retirement benefits)	175	(45)	(538)	772
	<b><u>22,676</u></b>	<b><u>25,756</u></b>	<b><u>85,749</u></b>	<b><u>89,086</u></b>

As of September 30, 2021, the present value of liabilities under defined benefit and defined contribution plans and other post-employment benefits recorded in the interim condensed consolidated statement of financial position includes liabilities to key management personnel in the amount of 11,019 thousand rubles (as of December 31, 2020: 11,557 thousand rubles).