

JSC SUEK

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

for the six months ended 30 June 2021

REPORT ON REVIEW OF CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION

To the Shareholders of JSC SUEK

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of JSC SUEK (the "Company") and its subsidiaries (the "Group") as at 30 June 2021, and the related consolidated interim condensed statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the six-month period then ended, and notes to the consolidated interim condensed financial information (the "consolidated interim condensed financial information"). Management is responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of consolidated interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 30 June 2021 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Other information

The consolidated financial statements of JSC SUEK and its subsidiaries for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on these statements on 29 January 2021.

The consolidated interim condensed financial information of JSC SUEK and its subsidiaries for the half-year ended 30 June 2020 was reviewed by another auditor who issued an unmodified conclusion on this financial information on 10 July 2020.

Andrei Shvetsov
Engagement partner

14 July 2021

The Entity: JSC «SUEK»

Certificate of state registration № 097.096, issued by the Moscow Registration Chamber on 14.03.2000.

Primary State Registration Number: 1027700151380

Certificate of registration in the Unified State Register №1027700151380, of 23.08.2002 issued by the department of the Russian Ministry of Taxation in Moscow.

Address: 115054, Moscow, Dubininskaya st. 53, bld. 7.



Audit Firm: AO "Deloitte & Touche CIS"

Certificate of state registration № 018.482, issued by the Moscow Registration Chamber on 30.10.1992.

Primary State Registration Number: 1027700425444

Certificate of registration in the Unified State Register № 77 004840299 of 13.11.2002, issued by Moscow Interdistrict Inspectorate of the Russian Ministry of Taxation № 39.

Member of Self-regulatory organization of auditors Association "Sodruzhestvo", ORNZ 12006020384.

JSC SUEK**Consolidated interim condensed statement of profit or loss and other comprehensive income for the six months ended 30 June 2021***Millions of US Dollars*

	Notes	Six months ended 30 June	
		2021	2020
Revenue	4	4,202	3,327
Cost of sales	5	(2,136)	(1,831)
Distribution costs	6	(1,081)	(879)
General and administrative expenses		(97)	(92)
Other (expenses)/income, net		(6)	21
Operating profit		882	546
Finance costs, net		(131)	(181)
Foreign exchange gain/(loss)		44	(196)
Profit before tax		795	169
Income tax expense		(182)	(37)
Net profit for the period		613	132
Net profit attributable to:			
Ordinary shareholders of the parent		603	129
Non-controlling interests		10	3
Net profit for the period		613	132
Basic and diluted earnings per share (in US Dollars)			
Ordinary shares 236,060 (in thousands)		2.55	0.55
Other comprehensive income/(loss)			
Items which may be reclassified to profit or loss in the future:			
Transfer of changes in fair value of cash flow hedges to profit or loss, net of deferred tax	8	83	(10)
Effective portion of changes in fair value of cash flow hedges, net of deferred tax	8	(186)	(251)
Items which may not be reclassified to profit or loss in the future:			
Translation difference		52	(277)
Total other comprehensive loss for the period		(51)	(538)
Total other comprehensive loss attributable to:			
Ordinary shareholders of the parent		(52)	(516)
Non-controlling interests		1	(22)
Total other comprehensive loss for the period		(51)	(538)
Total comprehensive income/(loss) attributable to:			
Ordinary shareholders of the parent		550	(387)
Non-controlling interests		12	(19)
Total comprehensive income/(loss) for the period		562	(406)



Stepan Solzhenitsyn
Chief Executive Officer

14 July 2021



Andrei Vanyushin
Chief Financial Officer

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

JSC SUEK**Consolidated interim condensed statement of financial position as at 30 June 2021***Millions of US Dollars*

	<u>Notes</u>	<u>30 June 2021</u>	<u>31 December 2020</u>
ASSETS			
Non-current assets		13,995	14,109
Property, plant and equipment		13,072	13,068
Right-of-use assets		424	591
Deferred tax assets		317	246
Goodwill		78	78
Derivative financial assets	8	15	21
Other assets		89	105
Current assets		2,089	1,925
Trade accounts and other receivables		925	822
Inventories		782	704
Prepaid and recoverable taxes		175	183
Derivative financial assets	8	55	33
Cash and cash equivalents		152	183
Total assets		16,084	16,034
EQUITY AND LIABILITIES			
Equity		5,607	5,054
Share capital		—	—
Share premium		104	104
Revaluation reserve		5,182	5,267
Hedging reserve		(443)	(340)
Translation reserve		(2,059)	(2,110)
Retained earnings		2,712	2,016
Attributable to ordinary shareholders of the parent		5,496	4,937
Non-controlling interests		111	117
Non-current liabilities		7,171	7,900
Long-term borrowings	7	4,669	5,270
Deferred tax liabilities		1,533	1,510
Derivative financial liabilities	8	329	314
Long-term lease liabilities		302	470
Other liabilities		338	336
Current liabilities		3,306	3,080
Short-term borrowings	7	1,685	1,732
Trade accounts and other payables		1,067	915
Derivative financial liabilities	8	236	102
Taxes payable		166	184
Short-term lease liabilities		152	147
Total shareholders' equity and liabilities		16,084	16,034

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

JSC SUEK**Consolidated interim condensed statement of cash flows for the six months ended 30 June 2021***Millions of US Dollars*

	Notes	Six months ended 30 June	
		2021	2020
Profit before tax		795	169
Adjustments to profit before tax:			
Depreciation and amortisation		555	519
Finance costs, net		131	181
Foreign exchange (gain)/loss		(44)	196
Bad debt expense		6	1
Other, net		5	(5)
Changes in working capital items:			
(Increase)/decrease in trade accounts and other receivables		(107)	159
Increase in inventories		(43)	(30)
Increase/(decrease) in trade accounts and other payables		115	(221)
(Decrease)/increase in taxes payable (other than income tax)		(21)	11
(Increase)/decrease in prepaid and recoverable taxes (other than income tax)		(3)	27
Net cash inflow from operations		1,389	1,007
Income tax paid		(142)	(57)
Net cash inflow from operating activities		1,247	950
Investing activities			
Purchase of property, plant and equipment		(391)	(506)
Loans issued, net		1	(2)
Interest received		1	4
Business combination	12	—	(156)
Other non-current investments, net		1	—
Net cash outflow used in investing activities		(388)	(660)
Financing activities			
Proceeds from long-term borrowings		115	1,838
Proceeds from/(repayments of) short-term borrowings, net		76	(62)
Repayments of long-term borrowings		(894)	(1,479)
Payment of lease liabilities		(103)	(132)
Interest and commissions paid		(84)	(134)
Dividends paid to non-controlling interests		(9)	(5)
Payment for purchase of leased railcars		—	(196)
Net cash outflow used in financing activities		(899)	(170)
Foreign exchange effect on cash and cash equivalents		9	(12)
Net decrease in cash and cash equivalents		(31)	108
Cash and cash equivalents at the beginning of the period		183	176
Cash and cash equivalents at the end of the period		152	284

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

JSC SUEK**Consolidated interim condensed statement of changes in shareholders' equity
for the six months ended 30 June 2021***Millions of US Dollars*

	Share capital	Share premium	Revaluation reserve	Hedging reserve	Translation reserve	Retained earnings	Attributable to ordinary shareholders of the parent	Non-controlling interests	Total
Balance at 1 January 2020	—	104	4,866	117	(1,684)	1,923	5,326	175	5,501
Net profit for the period	—	—	—	—	—	129	129	3	132
Other comprehensive loss	—	—	—	(261)	(255)	—	(516)	(22)	(538)
Transfer to retained earnings	—	—	(71)	—	—	69	(2)	2	—
Total comprehensive loss for the period	—	—	(71)	(261)	(255)	198	(389)	(17)	(406)
Dividends to shareholder	—	—	—	—	—	(109)	(109)	—	(109)
Dividends to non-controlling interests	—	—	—	—	—	—	—	(5)	(5)
Total transactions with owners	—	—	—	—	—	(109)	(109)	(5)	(114)
Balance at 30 June 2020	—	104	4,795	(144)	(1,939)	2,012	4,828	153	4,981
Balance at 1 January 2021	—	104	5,267	(340)	(2,110)	2,016	4,937	117	5,054
Net profit for the period	—	—	—	—	—	603	603	10	613
Other comprehensive loss	—	—	—	(103)	51	—	(52)	1	(51)
Transfer to retained earnings	—	—	(85)	—	—	84	(1)	1	—
Total comprehensive income for the period	—	—	(85)	(103)	51	687	550	12	562
Acquisition of non-controlling interests	—	—	—	—	—	9	9	(9)	—
Dividends to non-controlling interests	—	—	—	—	—	—	—	(9)	(9)
Total transactions with owners	—	—	—	—	—	9	9	(18)	(9)
Balance at 30 June 2021	—	104	5,182	(443)	(2,059)	2,712	5,496	111	5,607

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

JSC SUEK

Notes to the consolidated interim condensed financial information for the six months ended 30 June 2021

Millions of US Dollars, unless otherwise stated

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PRESENTATION

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

The accounting policies and judgements applied by the Group are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2020.

This consolidated interim condensed financial information does not contain all the information required for presentation in a complete set of IFRS financial statements and therefore should be read in conjunction with SUEK’s consolidated annual financial statements for the year ended 31 December 2020.

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

	<u>2021</u>	<u>2020</u>
Period end (year end for 2020)	72.37	73.88
Average rate for 6 months ended 30 June	74.28	69.37

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

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

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

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

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

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

Financial instruments carried at amortised cost. At 30 June 2021, the fair values of financial instruments carried at amortised cost, which are mainly loans and receivables, did not materially differ from the carrying values.

JSC SUEK

Notes to the consolidated interim condensed financial information for the six months ended 30 June 2021

Millions of US Dollars, unless otherwise stated

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

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

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

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

3. SEGMENTAL INFORMATION

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

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

JSC SUEK**Notes to the consolidated interim condensed financial information
for the six months ended 30 June 2021***Millions of US Dollars, unless otherwise stated*

Operating segment information for the Group at 30 June 2021 and for the the six months then ended is as follows:

	<u>Coal</u>	<u>Logistics</u>	<u>Energy</u>	<u>Corporate</u>	<u>Inter- segment elimination</u>	<u>Total</u>
<i>Segment revenue and profitability</i>						
Segment external revenues	2,513	279	1,407	3	—	4,202
Russian Federation	217	209	1,407	3	—	1,836
Pacific region	1,562	48	—	—	—	1,610
Atlantic region	734	22	—	—	—	756
Inter-segment revenues	423	896	35	29	(1,383)	—
Segment expenses	(2,592)	(958)	(1,099)	(54)	1,383	(3,320)
Operating profit/(loss)	344	217	343	(22)	—	882
Depreciation and amortisation	(311)	(102)	(137)	(5)	—	(555)
Interest expense and interest on lease	(59)	(31)	(27)	(97)	106	(108)
Interest income	3	2	1	104	(109)	1
Profit before tax	295	186	314	—	—	795
Income tax expense	(72)	(43)	(67)	—	—	(182)
Net profit for the period	223	143	247	—	—	613
Capital expenditures incurred during the period	201	49	133	3	—	386
Additions of right-of-use assets	2	24	1	—	—	27
<i>Segment assets and liabilities</i>						
Total segment assets	13,526	2,040	3,497	2,074	(5,053)	16,084
Total segment liabilities	5,018	1,371	1,867	7,274	(5,053)	10,477

JSC SUEK**Notes to the consolidated interim condensed financial information
for the six months ended 30 June 2021***Millions of US Dollars, unless otherwise stated*

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

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

Operating segment assets and liabilities of the Group at 31 December 2020 is as follows:

	<u>Coal</u>	<u>Logistics</u>	<u>Energy</u>	<u>Corporate</u>	<u>Inter-segment elimination</u>	<u>Total</u>
Total segment assets	13,291	2,565	3,410	1,748	(4,980)	16,034
Total segment liabilities	4,962	1,224	2,119	7,655	(4,980)	10,980

4. REVENUE

	<u>Six months ended 30 June</u>	
	<u>2021</u>	<u>2020</u>
Coal	2,330	1,930
Electricity	469	379
Capacity	457	425
Heat	451	370
Logistics services	279	101
Petroleum coke and other commodities	162	63
Other	54	59
Total	4,202	3,327

JSC SUEK**Notes to the consolidated interim condensed financial information
for the six months ended 30 June 2021***Millions of US Dollars, unless otherwise stated***5. COST OF SALES**

	Six months ended 30 June	
	2021	2020
Coal and other commodities purchased from third parties	641	442
Depreciation and amortisation	454	412
Labour	398	386
Purchased fuel	160	125
Consumables and spares	156	143
Purchased power	106	83
Repairs and maintenance services	54	59
Property and other taxes	28	29
Personnel transportation services	17	19
Fire and rescue brigade expenses	17	17
Transfer of heat	14	15
Tax on mining	14	14
Transportation services	12	15
Other	65	72
Total	2,136	1,831

Proceeds from the sale of electricity and purchased power are presented after deduction of cost of electricity generated by the Group and consumed for own process needs in the amount of 48 million USD for the period ended 30 June 2021 (for the period ended 30 June 2020 – 57 million USD).

6. DISTRIBUTION COSTS

	Six months ended 30 June	
	2021	2020
Railway services	602	531
Freight	242	147
Depreciation and amortization	101	107
Stevedoring from third parties	73	53
Labour	26	22
Repair and maintenance services	19	7
Other	18	12
Total	1,081	879

JSC SUEK**Notes to the consolidated interim condensed financial information
for the six months ended 30 June 2021***Millions of US Dollars, unless otherwise stated***7. BORROWINGS**

	Effective interest rate	30 June 2021	31 December 2020
<i>Long-term borrowings</i>			
Variable rate borrowings		3,664	4,115
Unsecured USD-denominated borrowings	6M LIBOR + 0.9% to 1M LIBOR + 2.5%	2,098	2,545
Unsecured RUB-denominated borrowings	CBR + 0.3% to CBR + 1.85%	1,298	1,286
Unsecured EUR-denominated borrowings	6M EURIBOR + 0.37% to 6M EURIBOR + 2.25%	268	284
Fixed rate borrowings		2,572	2,843
Unsecured RUB-denominated bonds	6.7% to 8.3%	1,341	1,314
Unsecured USD-denominated borrowings	2.99% to 4%	1,104	1,404
Unsecured RUB-denominated borrowings	0.05% to 3.67%	127	125
Subtotal		6,236	6,958
Less: Current portion of long-term borrowings		1,567	1,688
Total long-term borrowings		4,669	5,270
<i>Short-term borrowings</i>			
Variable rate borrowings		6	—
Other borrowings		6	—
Fixed rate borrowings		112	44
Unsecured USD-denominated borrowings	1.15% to 1.4%	110	—
Unsecured RUB-denominated borrowings		—	41
Other borrowings		2	3
Subtotal		118	44
Current portion of long-term borrowings		1,567	1,688
Total short-term borrowings		1,685	1,732

The central treasury department of the Group maintains flexibility in funding by ensuring the availability of credit line facilities. The unused portion of these lines at 30 June 2021 totalled 2,395 million USD (31 December 2020 – 2,499 million USD).

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

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

The covenants are calculated based on the IFRS financial statements of the Group on a semi-annual basis. As at 30 June 2021 the Group was in compliance with all such covenants.

JSC SUEK**Notes to the consolidated interim condensed financial information
for the six months ended 30 June 2021***Millions of US Dollars, unless otherwise stated***8. DERIVATIVE FINANCIAL INSTRUMENTS**

	30 June 2021		31 December 2020	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Coal contracts – cash flow hedges	15	231	2	86
Cross-currency swaps – cash flow hedges	32	334	22	328
Cross-currency forward contracts – cash flow hedge	23	—	27	1
Other derivatives	—	—	3	1
Total	70	565	54	416

Derivative financial instruments were valued using observable inputs, which correspond to Level 2 of the hierarchy of the fair value measurements. Details of the effective portion of changes in fair value of cash flow hedges were as follows:

	Six months ended 30 June			
	2021		2020	
	Loss recognised in comprehensive income	Loss recycled from comprehensive income to the profit or loss	Loss recognised in comprehensive income	Gain recycled from comprehensive income to the profit or loss
Effective portion of changes in fair value of cash flow hedges	(232)	90	(282)	(11)
Deferred tax	46	(7)	31	1
Total	(186)	83	(251)	(10)

9. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2021	2020
Sales of logistics services to EuroChem group	195	10
Other sales to EuroChem group	6	4
Other energy sales	4	30
Purchases of goods and services from EuroChem group	89	10
Purchases of goods and services from other companies	41	4
Coal sales to DEC group, which was an associate of a company with the same principal ultimate beneficiary till June 2020	—	44
Remuneration of the Board of Directors and the Management Board members	6	5

JSC SUEK

Notes to the consolidated interim condensed financial information for the six months ended 30 June 2021

Millions of US Dollars, unless otherwise stated

The outstanding balances with related parties are as follows:

	30 June 2021	31 December 2020
Trade accounts and other receivables from EuroChem group	22	13
Other receivables	3	5
Payables to EuroChem group for the acquisition of subsidiaries	294	282
Trade accounts and other payables from EuroChem group	58	28
Lease liabilities from EuroChem group	19	—
Loans received	5	—
Other payables	3	—

10. COMMITMENTS

As at 30 June 2021, the Group had contractual commitments for capital expenditures of 1,110 million USD (31 December 2020 – 885 million USD).

11. BUSINESS ENVIRONMENT

In 2021 the oil price, stock market indices and coal prices have increased to before pandemic level.

Management closely monitors the situation caused by COVID-19 (coronavirus) and takes necessary measures to ensure continuity of a business. The Group has not experienced significant shutdowns in operations or disruptions to supply chains due to coronavirus, except for some delays in materials delivery from contractors. The Group's primary focus is to safeguard its employees, customers and communities it serves. The Group incurred expenses mainly connected with personal protective equipment for on-site staff responsible for maintaining business processes and personnel costs on implementation and support of an action programme to reduce COVID-19 exposure. The Group follows official advice in all markets, where it operates, and continues to focus on managing operations in a fast-moving environment.

The consolidated financial statements reflect management's assessment of the impact of the business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

12. BUSINESS COMBINATION

Acquisition of Krasnoyarskaya GRES-2. In March 2020, the Group acquired generating and other assets of Krasnoyarskaya GRES-2 for 156 million USD from a third party. The core activity of the acquired business is generation and sales of energy.