

**SECTION 6. ANNEXES**

6.1	References.....	242
6.2	Significant Accounting Policies.....	243
6.3	Corporate Governance Code Compliance Report for 2019 .....	241
6.4	Report on Lenenergo, PJSC Related Party Transactions in 2019 .....	273
6.5	2019-2020 Electric Power Transmission Tariff Rates.....	273
6.6	2019-2020 Grid Connection Tariff Rates.....	284
6.7	Information on Structure of Property and Changes Thereof in 2019 .....	307
6.8	Capital Investments Structure Over 2017-2019:.....	309
6.9	Organizational Structure of the Company .....	311
6.10	Customer Service Offices in Saint Petersburg and the Leningrad Region.....	313
6.11	Lenenergo, PJSC Internal Control Members' Functions.....	313
6.12	Lenenergo, PJSC Accounting Report for 2019 (subject to the RAS).....	316

## 6.1 References

1. Full name	Lenenergo, Public Joint Stock Company of the Power Industry and Electrification
Short Business Name	Lenenergo, PJSC
Location	1, Ploshchad Konstitutsii, Saint Petersburg, 196247
INN (Taxpayer Identification Number)/KPP (Tax Registration Reason Code)	7803002209 / 781001001
OGRN (Principal State Registration Number)	1027809170300
Bank Details	acc. 40702810855000164957, corr.acc. 30101810500000000653 SEVERO-ZAPADNY HEAD OFFICE OF SBERBANK OF RUSSIA, PJSC Saint Petersburg BIK (Russian Bank Identifier) 044030653
E-mail	office@lenenergo.ru
Website:	www.lenenergo.ru
CEO	Andrey Ryumin Front Office: tel. (812) 331-87-95; fax (812) 331-87-96
Chief Accountant	Natalia Korepanova tel. (812) 595-86-78; fax (812) 224-81-67
Corporate Secretary	Valeriya Frolikova tel./fax (812) 494-33-84 E-mail: Frolikova.VA@lenenergo.ru
Shareholder and Investor Relations	tel. (812) 494-39-06; fax (812) 494-37-34 E-mail: ir@lenenergo.ru
Press Center	Yulia Zarubina (812) 494-39-12; fax (812) 494-35-45 E-mail: pr@lenenergo.ru
Tender Preparation and Holding	Nikolai Parfenov tel. (812) 494 32 93; fax (812) 595-33-48 E-mail: Parfenov.NN@lenenergo.com
Hotline	tel. (812) 595-86-62; fax (812) 494-31-71

**About the Company's Registrar**

Full Name	Independent Registrar Company R.O.S.T., Joint Stock Company
Short Business Name	IRC - R.O.S.T., JSC
Registration Date	November 22, 1993; registered by the Moscow Registration Chamber; registration No. 447.993
License No.	License No. 10-000-1-00264 dd. December 3, 2002 issued by the Federal Commission on Securities Market of Russia
Location	18, bldg. 5B, suite IX, ul. Stromynka, Moscow, 107076 6, Belovodskiy pereulok, Saint Petersburg, 194044
Contact Information	Tel./fax: +7 (812) 42-42-122; e-mail: rrost-spb@rrost.ru

Up to December 14, 2010, Moscow Central Depository was maintaining the Company's register ([www.mcd.ru](http://www.mcd.ru)).

#### About the Company's Auditor

Full Name	Ernst & Young, Limited Liability Company
Short Business Name	Ernst & Young, LLC
Registered Address	77, bldg. 1, Sadovnicheskaya naberezhnaya, Moscow, 115035, Russia
Location	77, bldg. 1, Sadovnicheskaya naberezhnaya, Moscow, 115035, Russia
Telephone, Fax	+7 495 755 97 00
Website	<a href="http://www.ey.com/">http://www.ey.com/</a>
Entered into the Unified State Register of Legal Entities	OGRN 1027739707203
E-mail	moscow@ru.ey.com

## 6.2 Significant Accounting Policies

### Key Principles

The Company's accounting policy is based on the Uniform Corporate Accounting Principles Subject to the Russian Accounting Standards (RAS), hereafter referred to as the UCAS, in accordance with the requirements of the Russian laws that regulate the accounting and reporting procedures.

The accounting policy as a set of accounting principles, organization rules, and implementation techniques is designed to provide the fullest, most objective and accurate, as well as up-to-date financial and managerial information in the accounting reports and financial statements in view of the organizational and industry-specific peculiarities of Lenenergo, PJSC.

Lenenergo, PJSC applies the methods of accounting and fiscal reporting consistently from January 1, 2014 (adopted by Lenenergo, PJSC on December 31, 2013; Order No. 836 On Adoption of the Accounting Policy). All of the new elements and aspects are included in the Accounting Policy by way of amendments. When formulating such amendments to the Accounting Policy, the Company consistently applies all changes from January 1, 2019.

The accounting principles are based on the Russian accounting laws and/or regulations. If a certain specific issue is not covered by the regulations, the formulation of a relevant accounting and reporting method was based on the accounting regulations and the International Financial Reporting Standards.

The Company conducts its accounting and reporting in line with Federal Law No. 402-FZ dd. December 6, 2011 *On Accounting*, and the Regulation on the Accounting Reporting and Financial Statements in the Russian Federation approved by the Ministry of Finances (Order No. 34n dd. July 29, 1998, as amended), as well as other applicable accounting regulations. Accounting report and financial statements of the Company for 2019 were prepared subject to the Law and regulations specified above, the Accounting Policy of the Company adopted by Order No. 836 dd. December 31, 2013, as amended and restated by Orders No. 132 dd. March 27, 2015, Order No. 183 dd. April 24, 2015, Order No. 310 dd. July 8, 2015, Order No. 626 dd. December 31, 2015, Order No. 144 dd. March 31, 2016, Order No. 303 dd. June 30, 2016, Order No. 653 dd. December 9, 2016, Order No. 699 dd. December 28, 2016, Order No. 746 dd. December 31, 2016, Order No. 500 dd. September 25, 2017, Order No. 692 dd. December 8, 2017, Order No. 53 dd. February 6, 2018, Order No. 148 dd. March 27, 2019 based on the aggregate data obtained from the Company's branches.

The Company's accounting report and financial statements are using the forms recommended by the Ministry of Finance of Russia (Order No. 66n dd. July 2, 2010 *On Accounting Report Forms Used by Entities*, as amended on April 6, 2015) and follow the recommendations on the accounting reporting subject to the RAS by Rosseti, PJSC.

The Company drafts its own current ledger chart containing a complete list of synthetic and analytical ledgers (including subledgers) required for the accounting purposes and necessary for forming the accounting, financial, and management reports (see Annex to the Accounting Policy).

The current ledger chart provides for the registration and grouping of data on the business operations in order to form the necessary statements and reports (financial, statistical, tax). It is intended to unify the accounting process of Lenenergo, PJSC.

In their work, the Company's accountants apply the analytical sources (general references and classifications) designed subject to the enterprise management requirements as well.

Lenenergo, PJSC branches prepare an intermediary reports and statements subject to the accounting policy, are responsible for reporting with respect to the assigned property, and follow the main provisions of the Accounting Policy of Lenenergo, PJSC.

#### Organizational Aspects

As of December 31, 2019, Lenenergo, PJSC included the executive segment and 9 branches. The branch division is due to the separation of production, commercial and business processes.

The CEO of Lenenergo, PJSC appoints the branch heads who act subject to a power of attorney.

The Company's CEO, Deputy CEOs, and the branch heads are responsible for the accounting process and accuracy of the accounting report, compliance with the laws in business operations, and arranging for the mandatory audit.

The Chief Accountant (the head of the Accounting and Tax Reporting and Statements Department of Lenenergo, PJSC) is responsible for designing the accounting policy, conducting the accounting and tax reporting, prompt submission of full and accurate accounting and tax reports, as well as statements subject to the International Financial Reporting Standards (IFRS).

The Chief Accountant answers directly to the CEO.

#### Reporting

The Chief Accountant heads the accounting and tax reporting and statements department of the execution segment of the Company, and carries out the operating and methodological management of the accounting and tax reporting and statements departments of the branches.

The accounting and tax reporting and statements departments of the branches managed by the branches' chief accountants along with the accounting and tax reporting and statements department of the execution segment all form the accounting service of Lenenergo, PJSC. Its principal objectives are accounting and tax reporting and preparation of accounting and tax statements.

The reporting structure, interdependence, allocation of powers and responsibility, organizational structure, allocation of reporting functions (including their centralization), and listing of the accounting objects within the accounting service of the Company are subject to direct approval of the Company's Chief Accountant, depending on the production functions of the branches and their business processes.

The requirements the Chief Accountant sets to documenting the business operations and submitting the necessary documents and information to the accounting service are mandatory for all employees of the executive segment and Lenenergo, PJSC branches.

The IFRS-compliant statements department of the executive segment (within the accounting and tax reporting and statements department) carries out accounting subject to the IFRS and prepares the international financial statements.

The payroll department of the executive segment (within the accounting and tax reporting and statements department) calculates and records the payroll.

The tax reporting and statements department of the executive segment controls the payment of taxes, forming of the taxable base, filling of tax returns, and consolidation of tax reporting registers (forms).

Lenenergo, PJSC calculates and pays taxes in a centralized way subject to the Russian federal tax and levies legislation, tax and levies laws of the constituent entities of Russia, local tax and levies regulations, and in view of the software capabilities available in Lenenergo, PJSC for the reporting purposes.

The Company carries out its accounting as follows:

- in Rubles and kopecks by detailed, uninterrupted, and documented reflection of all business transactions
- by doubling the entry in the interconnected ledgers corresponding to the current ledger chart for the financial and business operations.

Lenenergo, PJSC uses the 1C software to conduct automated accounting.

### **Technical Aspects**

Accounting records are based on the primary instruments documenting all business operations that can affect the Company's financial position, regardless of how likely or material such an effect is. Operations that do not fall within the scope of the accounting (including the business events) are not reflected in the accounting records.

The Company's CEO or other authorized persons sign the instruments that effect the business operations involving funds (bank accounts, agreements changing the financial obligations of Lenenergo, PJSC).

A Lenenergo, PJSC Order set out the signature rights for the primary accounting documents. Furthermore, heads of services (division or department heads, etc.) are authorized to sign documents in line with their job descriptions, functions and duties, or subject to a power of attorney issued by the CEO.

Separate Lenenergo, PJSC instructions set out the procedures for the use of a digital signature in line with the confidentiality requirements, depending on the purpose of such a use.

When the Company employs e-document flow procedures, a hard copy of a primary accounting document must be kept, if such a document serves as a source for an accounting entry.

When effecting the financial and business transactions, or addressing the tax recording needs, or subject to Accounting Regulations 18/02 requirements that do not set out the templates for the primary accounting documents, Lenenergo, PJSC creates the tax register and document templates based on the Accounting Regulations, methodological guidelines, and instructions for accounting, as well as the applicable primary accounting document templates, in view of the industry-specific needs and certain industry-specific peculiarities adopted and reflected in the Accounting Policy.

The primary documents used by Lenenergo, PJSC when effecting the business transactions of the Company are designed in view of the activity specifics and accounting methods, and form a separate Annex to the Regulation on the Accounting Policy.

The primary accounting documents are recorded in arbitrary form, if there are no approved templates, but they have to contain the following mandatory details:

- document name
- document date
- name of the branch (entity) executing the document
- description of the business event or operation
- amount of the business event or operation in monetary terms and/or in kind (including the units of measurement)
- positions and titles of the persons making the transaction and responsible for the correctness of its execution; or the name of the person responsible for the correctness of execution of the event that has already happened
- signatures and names of the said persons required for their identification.

When the Company uses an automated recording system, the primary accounting documents and other intermediary reporting tools may be kept in electronic form, printed out only at the request of the auditors or tax authorities.

Primary documents flow in Lenenergo, PJSC (creation or obtaining from other enterprises, entities, or institutions, exchange between the branches, recording, processing, cancellation or archiving) is regulated by a document flow schedule that forms a separate Annex to the Regulation on the Accounting Policy.

The copies of the documents confirming expenditures that serve as grounds for payments to various entities under the obligations of Lenenergo, PJSC (including its branches) are sent to the treasury department of the executive segment along with the filled out Payment Instruction, carrying a stamp of "accepted for recording" and signed by the authorized representative of the accounting service recording and reporting such an expenditure.

Copies of the documents, original statements, certificates and tax invoices under the obligations are sent to the accounting service that is authorized to record and report the relevant expenditures.

Enterprises keep the primary accounting documents, accounting registers, and accounting reports for as long as stated in the internal organizational regulations, but at least for five years.

The original primary accounting documents effecting the business operations created in the branches are accepted for recording and kept at their entities of origin.

The documents that are to retire are destroyed subject to a statement signed by the authorized officer.

#### **Reporting Procedure and Timelines**

The Company is to prepare its quarterly and annual accounting reports on an accrual basis from the beginning of the report year using templates and procedures set out in the Rosseti, PJSC Regulation on Reporting Subject to the RAS.

The quarterly reports are intermediary.

The accounting reports present the figures and indicators in full thousands of Rubles without decimal points.

The following comprise the intermediary accounting reports of the Company subject to the RAS:

- the Statement of Financial Position
- the Statement of Financial Results
- the Company's net assets value estimation
- other statements and records subject to the Rosseti, PJSC Regulation on Reporting Subject to the RAS.

The following comprise the annual accounting reports of the Company:

- the Statement of Financial Position
- the Statement of Financial Results
- the Statement of Changes in Equity
- the Statement of Cash Flows
- Notes
- Auditor's Opinion

The accounting department of the executive segment of Lenenergo, PJSC prepares the accounting reports based on the summarized information on the objects of accounting of the Company as a business unit:

- business events and operations
- assets
- liabilities
- funding sources
- income
- expenses
- other items when required by the federal standards.

The tax recording and reporting division of the executive segment of the Company prepares the tax reports for the taxes and levies that are paid in a centralized manner based on the data provided by the accounting and tax reporting and statements departments of the Lenenergo, PJSC branches, and other services.

The accounting and tax reporting is performed in Rubles and kopecks.

Branches transfer property (materials, fixed assets, etc.) to one another under instructions from the management by redistributing the property of a single entity to the relevant accounts of internal ledgers of the current ledger plan.

An item is only reported separately when it is material.

The item is deemed material when failure to report is separately may affect the financial decisions of the stakeholders based on the reported information.

Lenenergo, PJSC presents its annual reports to the addresses and subject to the timelines provided for in the applicable laws, and published it no later than on June 1 of the year following the report year.

### **Assets and Liabilities Recognition Procedure**

Assets and liabilities are recognized for the purpose of the accounting and tax reporting subject to the Methodological Guidelines for Recognizing Property Items and Financial Obligations approved by the Ministry of Finance of Russia (Order No. 49 dd. June 13, 1995) and other organizational regulations of the Company.

Assets and liabilities must be inspected and recognized:

- prior to preparing the annual accounting report (except for the property recognized after November 1 of the report year)
- for fixed and intangible assets: once a year as of November 1
- for goods and materials (tangible assets): once a year as of November 1
- for assets and liabilities recorded off-balance: once a year as of November 1
- for financial obligations (liabilities): once a year as of January 1
- when the property is leased out, repurchased, sold
- when the financially liable persons change
- when cases of theft, abuse, or damage to the property are discovered
- in case of a natural disaster, fire, or other emergencies caused by extreme factors
- in other cases subject to the Russian laws.

Apart from the inspection and recognition for the purpose of accounting reports, Lenenergo, PJSC takes inventory to confirm the data of routine accounting and for other managerial purposes.

The CEO or the branch heads authorized by the CEO (within their respective branches) set out the inventory and recognition schedule.

Special inventory committees take inventory. The branch heads (and in certain cases - the CEO of Lenenergo, PJSC) appoint the members of such committees. When the scope of work is extensive, work inventory groups are formed to take inventory.

The Company uses inventory templates named and listed in the respective inventory order to record the inspection results.

Discrepancies between the actual situation and the accounting data discovered during inspections are reflected in the accounting reports for the relevant period, in which the inspection results are recorded, as follows:

- surplus of property is recognized by market value as of the date of the inspection; the relevant amount is included in Item 91 (*Other income and expenses*)
- shortage of property and its damage within the usual losses are included in the operating or use costs; when the shortage or damage exceed the usual losses, they are assigned to the guilty parties. If no such parties are identified, or if a court denies the claim for enforcement, the losses from shortage of property or damage to it are included in Item 91 (*Other income and expenses*).

## 6.3 Corporate Governance Code Compliance Report for 2019

**Corporate Governance Code Compliance  
REPORT**

The Board of Directors of Lenenergo, PJSC reviewed this Corporate Governance Code compliance report on April 28, 2020 (Minutes No. 53 dd. April 30, 2020).

The Board of Directors confirms that the data presented in this report are complete and accurate reflection of the Company's compliance with the principles and recommendations of the 2019 Corporate Governance Code.

The Corporate Governance section of the annual report contains the description of the key aspects of the Lenenergo, PJSC corporate governance model and practice, as well as the description of the methodology used by the Company to assess the corporate governance principles' compliance in line with the Corporate Governance Code.

№	Corporate Governance Principles	Corporate Governance Compliance Assessment Criteria	Corporate Governance Compliance Status	Notes on Deviation from the Corporate Governance Compliance Assessment Criteria
1.1	The Company shall treat all its shareholders equally and fairly when they exercise their rights to participate in management of the Company.			
1.1.1	The Company creates the most favorable environment possible for the shareholders to attend the general meeting, form a reasonable opinion on the items on the agenda, coordinate their actions, and to speak on the items.	1. An internal document of the Company that regulates the general meeting proceedings and that is approved by the General Meeting of Shareholders is publicly available.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2. The Company makes such communication tools as a hotline, email, or a chatroom available to the shareholders that enable them to speak out on or ask questions about the items of the agenda while preparing for the general meeting. The Company takes these actions prior to each general meeting that took place in the report period.				
1.1.2	The way the Company notifies the shareholders of the general meeting and provides materials related to it allows the shareholders to properly prepare themselves	1. A notice of the general meeting is published on the Company's website at least 30 days prior to the date of the general meeting.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	



	to the meeting.	<p>2. The notice of the general meeting specifies the location of the meeting and the documents granting access to the premises.</p> <p>3. The shareholders have access to the information on who suggested the items on the agenda and the candidates to the Board of Directors or the Internal Audit Board.</p>		
1.1.3	When preparing for and attending the general meeting, the shareholders had unlimited access to updated information on the meeting and the relevant materials, ask the executive bodies and the directors, and communicate with each other.	<p>1. In 2019, the shareholders were given an opportunity to ask the members of the executive bodies and the board of directors questions regarding the items on the agenda prior to and during the annual general meeting.</p> <p>2. The opinion and position of the Board of Directors (including the special opinions that have been recorded) on each item on the agenda of the general meetings held in 2019 were included in the materials of the annual general meeting of shareholders.</p> <p>3. The Company provides the shareholders entitled to it the access to the list of people having a right to attend the general meeting starting from the date the Company receives the list with respect to all the general meetings held in 2019.</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
1.1.4	The shareholders' right to request a general meeting to be held, as well as to suggest candidates to the governance bodies and items for the agenda did not cause unreasonable complications.	<p>1. In 2019, the shareholders were allowed to suggest items for the agenda of the annual general meeting within at least 60 days after the end of the relevant calendar year.</p> <p>2. In 2019, the Company did not reject the suggestions of items for the agenda and</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	

		candidates for the corporate bodies because of the shareholder's suggestion contained spelling mistakes or other irrelevant errors.		
1.1.5	Each shareholder had opportunity to exercise their voting rights without impediments in the simplest and most useful way they could.	1. The internal document (policy) of the Company provides for each participant of the general meeting being entitled to request a copy of their voting ballot certified by the voting committee prior to the closing of the relevant meeting.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
1.1.6	The general meeting proceedings guidelines approved and adopted by the Company provide for all attendees having equal opportunities to speak on their opinion and ask any questions they might have.	<p>1. In 2019, when the general meetings of shareholders were held by personal attendance (joint attendance by the shareholders), each report on the items on the agenda and discussion of those reports were allocated sufficient time.</p> <p>2. Candidates to the governance and control bodies of the Company were available and present to answer any questions the shareholders might have had during the meeting that voted on their appointment.</p>	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company with respect to Item 2:</p> <p>In 2019, some of the candidates to the governance and control bodies of the Company were available and present to answer any questions the shareholders might have had directly during the meeting that voted on their appointment.</p> <p>The information on the candidates is presented to the shareholders prior to the Annual General Meeting. The shareholders are entitled to ask such candidates any questions using the communication channels specified on the corporate website, including through the Corporate Secretary of the Company.</p> <p>However, since neither the internal documents of the Company, nor the Russian laws make it mandatory for all the candidates to the governance or control bodies of the Company to attend the shareholders' meetings, the Company is not entitled to demand such attendance from the candidates.</p> <p>In line with the usual practice of the general meetings, the shareholders did not address the candidates with any questions neither while preparing for the general</p>

				<p>meetings, nor during such meetings. At the same time, subject to the Regulation on the General Meeting of Shareholders, Lenenergo, PJSC provides for the invitations to attend a general meeting to be sent to the members of the executive bodies of the Company, members of and candidates to the Board of Directors, members of and candidates to the Internal Audit Board, and the Company's auditor when preparing for a general meeting held by personal attendance. The Company is committed to maximizing the number of candidates to the governance and control bodies of the Company present at the shareholders' meetings.</p>
		<p>3. The Board of Directors reviewed the use of telecommunication means and tools to provide the shareholders with remote access to the general meetings in 2019 when deciding on preparation and holding of the general meetings.</p>		<p>The principle is partially complied with by the Company with respect to Item 3: In 2019, the Board of Directors of the Company, when preparing for and holding the general meeting, decided to send the filled ballots to the Company's address and to the Company's registrar. A URL allowing the shareholders to fill out their voting ballots online was also provided:</p> <ul style="list-style-type: none"> <li>• the website of the Company's registrar, IRC - R.O.S.T., JSC: <a href="https://www.rrost.ru/ru/shareholder/online-services/personal-cabinet/">https://www.rrost.ru/ru/shareholder/online-services/personal-cabinet/</a></li> <li>• the Company's website: <a href="http://www.lenenergo.ru/shareholders/holders/cabinet/">http://www.lenenergo.ru/shareholders/holders/cabinet/</a></li> </ul> <p>Votes of the shareholders who filled out their voting ballots online were taken into account when determining the results of the voting on the agenda items.</p>
<p>1.2</p>	<p>The shareholders have equal and fair opportunities to participate in the Company's profit by receiving dividend.</p>			
<p>1.2.1</p>	<p>The Company designed and introduced a clear and transparent mechanism of determining and paying out dividend.</p>	<p>1. The Company has a dividend policy in place that has been approved by the Board of Directors and disclosed. 2. If the dividend policy uses indicators from the Company's reporting to determine the amount of dividend to be distributed, the relevant provisions of the</p>	<p><input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with</p>	

		dividend policy relate to the consolidated financial statements indicators.		
1.2.2	The Company does not decide on paying out the dividend if such a decision, while formally not violating the legal restrictions, is economically unreasonable and may lead to misinformation on the Company's activity.	1. The Company's dividend policy clearly specifies the financial and economic situations when the Company should not pay out the dividend.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
1.2.3	The Company does not allow for deterioration of the dividend rights of the existing shareholders.	1. In 2019, the Company did not act in such a way that would impair the dividend rights of the existing shareholders.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
1.2.4	The Company strives to prevent the shareholders from using any other means of gaining income (profit) at the Company's expense, except for the dividend and salvage value,	<p>1. In order to prevent such other means of shareholders' gaining income (profit) at the Company's expense, except for the dividend and salvage value, the internal documents set out the control mechanisms that ensure prompt identification of and approval procedure for the transactions with the affiliates (related parties) of the existing shareholders (persons entitled to exercise the votes under the voting shares) in cases when the law does not formally recognize such transactions as related party transactions.</p>	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company: The internal documents do not set out the specific control mechanisms that ensure prompt identification of and approval procedure for the transactions with the affiliates (related parties) of the existing shareholders (persons entitled to exercise the votes under the voting shares) in cases when the law does not formally recognize such transactions as related party transactions.</p> <p>At the same time, the Board of Directors established committees for preliminary review of the issues that fall within its competence, including the issues related to the transactions that may potentially result in the shareholders' receiving profit at the expense of the Company other than dividend and salvage value. Competence and proceedings of the committees are set out in the internal documents of the Company approved by the Board of Directors.</p> <p>These documents provide for the mandatory preliminary review, analysis, and creation of recommendations (opinions) on the transactions presented for review to the Board of Directors of the Company.</p> <p>Furthermore, the internal documents of the Company recommend the Board of Directors to abstain from voting on items that involve a conflict of interest. When the member of the Board of Directors has a conflict of interest, including an interest in a transaction,</p>

				such a member shall immediately notify the Board accordingly and, in any case, hold the Company's interest above his/her own. Such a notice shall be made in any case prior to the beginning of the discussion of the relevant issue at the meeting of the Board of Directors. The Company has internal divisions intended to prevent, monitor and control compliance with the laws, decisions of the management bodies, and organizational regulations of the Company, as well as prevent the illegal actions with the Company's assets. The Company regularly takes measures to prevent the actions aimed at causing losses to the Company. Such measures, despite the fact the local regulations of the Company do not set special standards for it, greatly reduce the risk of the Company's shareholders receiving profit at the expense of the Company outside of the legally stipulated procedures.
1.3	The corporate governance system and practice provide for equal conditions for all shareholders holding shares of the same category (class), including the minority (small) shareholders and foreign shareholders, and provide for equal treatment of shareholders by the Company.			
1.3.1	The Company creates a fair treatment environment for all its shareholders by the governance bodies and the controlling entities, including the conditions that prevent abuse of the minority shareholders by the large shareholders.	1. In 2019, the procedures of managing potential conflicts of interest of the substantial shareholders were effective; and the Board of Directors paid all the necessary attention to the conflicts between the shareholders, if such arose.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
1.3.2	The Company does not approve of actions that result or may result in an artificial redistribution of the corporate control.	1. The Company does not have quasi-treasury shares, or such shares did not vote in 2019.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
1.4	Shareholders are provided with reliable and efficient methods to record the rights on shares, as well as an opportunity to dispose of their shares freely and in an unencumbered manner.			
1.4	Shareholders are provided with reliable and efficient methods to record the rights on shares, as well as an opportunity to dispose of their shares freely and in an unencumbered manner.	1. The quality and reliability of the registrar's operations related to maintaining the register of shareholders meet the needs of the Company and its shareholders.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.1	The Board of Directors conducts the strategic management of the Company, determines the basic principles and approaches to creating a risk management and internal control system within the Company, controls the actions of the Company's executive bodies, and exercises other functions.			

2.1.1	<p>The Board of Directors is responsible for deciding on appointing and terminating the powers of the executive bodies' officers, including due to improper performance. The Board of Directors also monitors the executive bodies' compliance with the approved development strategy and principal development areas.</p>	<p>1. The Board of Directors has powers (set out in the Articles of Association) to appoint, dismiss, and set the provisions of the agreements with the executive bodies' officers.</p> <p>2. The Board of Directors reviewed report(s) of the sole executive body and the members of the collective executive body on implementing the Company's strategy.</p>	<p><input type="checkbox"/> Complied with  <input checked="" type="checkbox"/> Partially complied with  <input type="checkbox"/> Not complied with</p>	<p>The principle is partially complied with by the Company with respect to Item 2:  In 2019, the Board of Directors did not review the report(s) of the sole executive body and the members of the collective executive body on implementing the Company's strategy separately due to the fact the Company has no adopted strategy.  Until the Lenenergo, PJSC strategy is approved, the Company follows the Power Sector Development Strategy of Russia adopted by the Russian Government (Decree No. 511-r dd. April 3, 2013).  On December 26, 2019, the Board of Directors of Rosseti, PJSC (Chairman - Mr. A.V. Novak, the Minister of Energy of Russia) adopted a new strategy for the holding that determines the development objectives and areas for the group. In line with the approved strategy, the Board of Directors of Lenenergo, PJSC plans to adopt an internal development strategy in 2020.  Subject to the Articles of Association, the review of the report on implementation of the Company's strategy falls within the competence of the Board of Directors. Thus, the Board of Directors plans to review the report on implementation of the Company's strategy in 2020.</p>
2.1.2	<p>The Board of Directors sets out the long-term roadmap for the Company, assesses and approves the key performance indicators and main business objectives, reviews and adopts the strategy and business plans for the core activity areas.</p>	<p>1. In 2019, the Board of Directors met to review issues related to strategy implementation and updating and the business and economic plan (budget) approval, as well as to discuss the criteria and indicators (including the intermediate ones) of strategy and business plans implementation.</p>	<p><input type="checkbox"/> Complied with  <input checked="" type="checkbox"/> Partially complied with  <input type="checkbox"/> Not complied with</p>	<p>The principle is partially complied with by the Company:  In 2019, the Board of Directors reviewed issues related to the business and economic plan (budget) approval and discussed the criteria and indicators (including the intermediate ones) of business plans implementation.  Due to the fact the Company has no approved strategy, the Board of Directors did not review issues related to strategy implementation and updating, and did not discuss the criteria and indicators (including the intermediate ones) of strategy implementation</p>

				separately. Until the Lenenergo, PJSC strategy is approved, the Company follows the Power Sector Development Strategy of Russia adopted by the Russian Government (Decree No. 511-r dd. April 3, 2013).
2.1.3	The Board of Directors sets out the principles and approaches to the risk management and internal control system organization.	1. The Board of Directors set out the principles and approaches to the risk management and internal control system organization. 2. The Board of Directors assessed the Company's risk management and internal control system's performance in 2019.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.1.4	The Board of Directors sets out the Company's policy on remunerating and/or reimbursing (compensating) the members of the Board of Directors, executive bodies, and other key officers of the Company.	1. The Company has an active policy on remunerating and/or reimbursing (compensating) the members of the Board of Directors, executive bodies, and other key officers of the Company that is approved by the Board of Directors. 2. In 2019, the Board of Directors reviewed issues related to the said policy(ies).	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.1.5	The Board of Directors plays a key role in preventing, identifying, and resolving the internal conflicts between the Company's bodies, shareholders, and employees.	1. The Board of Directors plays a key role in preventing, identifying, and settling the internal conflicts. 2. The Company has a system in place for identifying transactions related to the conflict of interest, and a system of measures aimed at resolving such conflicts.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.1.6	The Board of Directors plays a key role in ensuring transparency of the Company's operations, prompt and complete disclosure of the Company's information, and unhindered shareholders' access to the Company's documents.	1. The Board of Directors approved a regulation on the information policy. 2. The Company has allocated responsibility for the information policy implementation.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.1.7	The Board of Directors controls the corporate governance practice in the Company and plays a key role in the significant corporate actions.	1. In 2019, the Board of Directors reviewed the corporate governance practice applied by the Company.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with	The principle is partially complied with by the Company: In 2019, the Board of Directors did not review the corporate governance practice separately.

			<input type="checkbox"/> Not complied with	<p>In 2019, the shareholders and the Board of Directors reviewed the corporate governance practice within the annual report for 2018 and the Corporate Secretary's report for 2018.</p> <p>The Internal Audit Department assessed the Company's corporate governance in line with the Corporate Governance Assessment Guidelines of Lenenergo, PJSC. The Board of Directors reviewed the results of the Company's corporate governance assessment (Minutes No. 18 dd. December 3, 2019) after its preliminary review by the Audit Committee of the Board of Directors (Minutes No. 112 dd. October 15, 2019).</p> <p>In 2019, the shareholders and the Board of Directors reviewed the corporate governance practice within the annual report for 2018 and the Corporate Secretary's report for 2018.</p> <p>In view of these actions aimed at analyzing and assessing the efficiency of the Company's corporate governance, it is not deemed practical for the Board of Directors to review the corporate governance practice separately.</p>
2.2	The Board of Directors answers to the shareholders of the Company.			
2.2.1	The information on the Board of Directors' operations is disclosed and presented to the shareholders.	<p>1. The annual report of the Company for 2019 contains information on the directors' attendance of the meetings of the Board of Directors and its Committees.</p> <p>2. The annual report contains the basic assessment of the Board of Directors' performance in 2019.</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.2.2	The Chairman of the Board of Directors is available for communication with the shareholders.	1. The Company has a transparent procedure in place for the shareholders to ask the Chairman of the Board of Directors questions and inform him on their opinion and position with respect to certain issues.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.3	The Board of Directors is an efficient and professional governance body of the Company capable of making objective and independent judgments and decisions in the best interest of the Company and its shareholders.			
2.3.1	Only the persons with an impeccable business and personal reputation having the necessary	1. The Company's procedure for assessing the Board of Directors' performance	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied	The principle is partially complied with by the Company with respect to Item 1:



	<p>knowledge, skills, and experience required for making decisions that fall within the competence of the Board of Directors and its efficient performance are appointed to the Board.</p>	<p>includes assessment of the Board members' professional qualifications and competence.</p>	<p>with  <input type="checkbox"/> Not complied with</p>	<p>The Company has not procedure in place for assessing the Board of Directors' performance. The annual report approved by the General Meeting of Shareholders includes certain sections containing information and statistical data that allow for making an opinion of the Board of Directors' efficiency. The annual report also contains information on the number of the Board meetings, allocation of competencies when reviewing the issues in the report period, orders and instructions issued by the Board of Directors, and their fulfillment. Furthermore, the annual report and the documents that are made available to the shareholders for their preparation for the general meeting contain biographical data and CVs of the candidates to the Board of Directors. The HR and Remuneration Committee of the Board of Directors preliminarily reviews the candidates to the Board. Since the Company's performance results are the principal criterion that reflects the overall performance (including the performance of the Board of Directors) and, particularly, confirms the high professional competence of the Board members, a separate competence assessment is not a priority in the Board's overall performance assessment. However, if reasons for a professional competence assessment of the Board members are discovered, the Company shall immediately follow up on those.</p>
		<p>2. In 2019, the Board of Directors (or its nominating committee) reviewed the candidates to the Board with respect to them having the required experience, knowledge, business reputation, lack of conflict of interest, etc.</p>		
2.3.2	<p>The members of the Board of Directors are appointed subject to a transparent procedure that allows the shareholders to obtain sufficient information on the candidates to</p>	<p>1. In every case when the agenda of the general meeting of shareholders in 2019 included items on appointing the Board of Directors, the Company provided the</p>	<p><input checked="" type="checkbox"/> Complied with  <input type="checkbox"/> Partially complied with  <input type="checkbox"/> Not complied with</p>	

	form an opinion on their personal and professional qualities.	shareholders with biographical data on all the candidates, the Board's (or the nominating committee) review results for such candidates, as well as the information on the candidates' compliance with the independence criteria subject to recommendations 102-107 of the Code, along with the candidates' written acceptance of the position on the Board of Directors.		
2.3.3	The Board of Directors is well balanced, including with respect to the members' competencies, experience, knowledge, and business qualities, and has the shareholders' trust.	1. While assessing the its performance in 2019, the Board analyzed its own needs in the areas of professional competence, experience, and business skills.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company: The Board of Directors' performance, including the analysis of its needs in the areas of professional competence, experience, and business skills, was not assessed in 2019.</p> <p>The Internal Audit Department assessed the overall Company's corporate governance in line with the Corporate Governance Assessment Guidelines of Lenenergo, PJSC in the report period.</p> <p>The Board of Directors reviewed the results of the Company's corporate governance assessment (Minutes No. 18 dd. December 3, 2019) after its preliminary review by the Audit Committee of the Board of Directors (Minutes No. 112 dd. October 15, 2019).</p> <p>According to the auditor's opinion and report, the Board of Directors meets the good practice criteria and has potential for improvement with respect to certain specific issues.</p> <p>Furthermore, the report of the Board of Directors' operations, including the information on the key competencies of its members, the meetings held, the issues reviewed, and the instructions given, is included in the annual report approved by the General Meeting of Shareholders.</p> <p>The Board members' professional competence, experience, and knowledge correspond to the Company's strategic tasks and objectives.</p>
2.3.4	The number of the members of the Board of	1. While assessing its performance in 2019,	<input type="checkbox"/> Complied with	The principle is partially complied with by the Company:

	Directors makes it possible to organize the Board's operations in the most efficient manner, including establishment of the committees, and provides the significant minority shareholders with an opportunity to suggest and vote for a candidate who can be appointed to the Board.	the Board discussed whether or not the number of its members met the needs of the Company and interests of the shareholders.	<input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The Board's performance, including the number of its members meeting the needs of the Company and interests of the shareholders, were not assessed in 2019. However, the internal auditor did assess the corporate governance of the Company, including its "Board of Directors" parameter.</p> <p>The number of the Board members is sufficient to efficiently organize its operations and the operations of the Board's Committees, is not excessive, and does not complicate the meetings or efficient interaction between the members.</p> <p>One of the most crucial factors confirming the appropriateness of the number of members of the Company is the unanimous resolutions made by the members of the Board of Directors on the majority of items discussed at the meetings.</p> <p>A separate review of the appropriateness of the number of the Board members is only deemed necessary when sufficient reasons for such a review arise.</p>
2.4	The Board of Directors has a sufficient number of independent members.			
2.4.1	A person having the required level of professional training, experience, and independence in forming their own opinion, and capable of making objective and reasonable judgments not influenced by the Company's executive bodies, certain shareholder groups, or other stakeholders is deemed an independent director. It should be noted that under normal conditions a candidate (appointed member of the Board of Directors) affiliated with the Company, its substantial shareholder, contractor, or competitor, or with the state, may not be considered independent.	1. In 2019, all the independent members of the Board of Directors met the independence criteria set out in recommendations 102-107 of the Code, or were declared independent by the Board.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.4.2	The Board candidates' independence is assessed, and the independent directors' meeting the independence criteria is regularly analyzed. In such an assessment, the actual	1. In 2019, the Board of Directors (or its nominating committee) formed an opinion on each candidate's independence and reported accordingly to the shareholders.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	

	quality of the information presented prevails over the form of the presentation.	<p>2. In 2019, the Board of Directors (or its nominating committee) at least once reviewed the independence of the acting members of the Board specified as independent in the previous annual report.</p> <p>3. The Company has procedures in place setting out the actions required from the members of the Board of Directors in case they cease being independent, including the obligations to promptly notify the Board of such an event.</p>		
2.4.3	The independent directors form at least one third of the appointed members of the Board of Directors.	1. The independent directors form at least one third of the Board of Directors.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company: In 2019, the Board of Directors included one member meeting the criteria of independence recommended by the Code.</p> <p>However, the insufficiency of the independent members in line with the recommendations did not affect the Board's efficiency and performance of the strategic objectives of the Company.</p> <p>The professional competence, knowledge, and experience of the members of the Board of Directors in 2019 allowed them to make reasonable decisions in the best interest of the Company.</p>
2.4.4	The independent directors play a key role in preventing internal conflicts and taking the significant corporate actions.	1. The independent directors (having no conflict of interest) conduct the preliminary assessment of the significant corporate actions that can potentially lead to the conflict of interest, and report the result of such assessment to the Board of Directors.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company: In 2019, the Board of Directors included one member meeting the criteria of independence recommended by the Code.</p> <p>At the same time, in line with the Regulation on the Board of Directors of Lenenergo, PJSC, the Board members are to abstain from actions that will or can result in the conflict of interest between them and the Company.</p> <p>When the member of the Board of Directors faces a risk of a potential conflict of interest, including an interest in a transaction, such a member shall immediately notify the Board accordingly and, in any case, hold the Company's interest above his/her own. Such a notice</p>

				<p>shall be made in any case prior to the beginning of the discussion of the relevant issue at the meeting of the Board of Directors.</p> <p>According to the practice applied by the Company, the Corporate Governance and Shareholder Relations Department of Lenenergo, PJSC takes preventive steps to identify a potential conflict of interest of each of the Board member.</p>
2.5	The Chairman of the Board of Directors contributes to the most efficient performance of the Board's functions.			
2.5.1	<p>The Chairman of the Board of Directors is an independent director; or the senior independent director is appointed who coordinates the other independent directors and reports to the Chairman of the Board.</p>	<p>1. The Chairman of the Board of Directors is an independent director; or the senior independent director is appointed from the independent members of the Board.</p>	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is not complied with by the Company with respect to Items 1, 2:</p> <p>In 2019, the Board of Directors included one member meeting the criteria of independence; however, he was not appointed Chairman.</p> <p>However, the insufficiency of the independent members in line with the recommendations did not affect the Board's efficiency and performance of the strategic objectives of the Company.</p> <p>The professional competence, knowledge, and experience of the members of the Board of Directors in 2019 allowed them to make reasonable decisions in the best interest of the Company.</p>
		<p>2. The Company's internal documents duly set out the role, rights, and obligations of the Chairman of the Board of Directors (and, if applicable, the senior independent director).</p>		
2.5.2	<p>The Chairman of the Board of Directors maintains the constructive environment at the meetings and a free discussion of items on the agenda, and controls the fulfillment of decisions made by the Board.</p>	<p>1. The Chairman's performance was assessed as part of the Board's overall performance assessment in the report period.</p>	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company:</p> <p>In view of the fact that the Board's performance was not assessed in 2019, the Chairman's performance was not assessed as well.</p> <p>However, the Internal Audit Department assessed the Company's corporate governance in line with the Corporate Governance Assessment Guidelines of Lenenergo, PJSC. As part of that assessment, the Board of Directors' operations were analyzed.</p> <p>The Board of Directors reviewed the results of the Company's corporate governance assessment (Minutes</p>

				<p>No. 18 dd. December 3, 2019) after its preliminary review by the Audit Committee of the Board of Directors (Minutes No. 112 dd. October 15, 2019).</p> <p>In 2019, the shareholders and the Board of Directors reviewed the corporate governance practice within the annual report for 2019 and the Corporate Secretary's report for 2019.</p> <p>The Company is continuously committed to the improvement of its corporate governance practice and, therefore, to the fullest implementation of the Corporate Governance Code principles and recommendations.</p>
2.5.3	The Chairman of the Board of Directors takes necessary steps to promptly provide the Board with information required to decide on the items on the agenda.	1. The Company's internal documents set out the Chairman's obligation to ensure the prompt provision of materials on the items on the agenda to the members of the Board.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.6	The members of the Board of Directors act in good faith and reasonably in the best interest of the Company and shareholders based on the sufficient information and due care.			
2.6.1	The members of the Board make decisions in view of all available information, lack of conflict of interest, equal treatment of the shareholders, and the usual business risk.	<p>1. The internal documents of the Company stipulate that a member of the Board of Directors has to notify the Board, if a conflict of interest arises with respect to any item on the agenda of the Board meeting (or a meeting of a Board's Committee) prior to the discussion of such an item.</p> <p>2. The internal documents of the Company stipulate that a member of the Board of Directors shall abstain from voting on an item on the agenda if he/she has a conflict of interest with respect to such an item.</p>	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company with respect to Item 2:</p> <p>In line with the Regulation on the Board of Directors of Lenenergo, PJSC, the Board members are to abstain from actions that will or can result in the conflict of interest between them and the Company.</p> <p>When the member of the Board of Directors faces a risk of a potential conflict of interest, including an interest in a transaction, such a member shall immediately notify the Board accordingly and, in any case, hold the Company's interest above his/her own. Such a notice shall be made in any case prior to the beginning of the discussion of the relevant issue at the meeting of the</p>

				<p>Board of Directors.</p> <p>In 2019, the Board of Directors did not review issues, with respect to which the Board members could have had personal interest or a conflict of interest.</p> <p>Furthermore, the majority of decisions were taken by the members unanimously.</p>
		<p>3. The Company has a procedure in place that allows the Board of Directors to obtain professional consultations and advice on the issues that fall within its competence, at the Company's expense.</p>		<p>The principle is not complied with by the Company with respect to Item 3:</p> <p>The Company's internal documents do not set out a procedure allowing the Board of Directors to obtain professional consultations and advice on the issues that fall within its competence, at the Company's expense. In line with the Company's established practice, the members of the Board obtain all required professional consultations and advice via the Board Committees, as well as by executing an instruction (order).</p> <p>The Regulation on the Board of Directors provides the Board members with a wide range of powers and tools allowing for a comprehensive assessment of the items suggested to the Board for review.</p> <p>Such a practice has proven its efficiency over the years of its application.</p>
2.6.2	The internal documents of the Company clearly set out the rights and obligations of the members of the Board of Directors.	1. The Company has an internal document that clearly sets out the rights and obligations of the members of the Board of Directors.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.6.3	The Board members have sufficient time to perform their duties.	<p>1. The individual attendance of the Board and Committees meetings, as well as the time spent to prepare for the meetings were taken into account when assessing the Board performance in 2019.</p> <p>2. Subject to the internal documents of the Company, the Board members must notify the Board of Directors of their intention to join the governance bodies of other</p>	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company with respect to Item 1:</p> <p>In 2019, the Company did not assess the Board of Directors' performance; however, the Board performance report (including the information on the individual attendance of the meetings) is part of the Company's annual report approved by the General Meeting.</p> <p>The principle is not complied with by the Company with respect to Item 2:</p> <p>The internal documents of the Company do not state that the Board members must notify the Board of</p>

		entities (except for the controlled and dependent entities of the Company), as well as of the fact of such joining.		Directors of their intention to join the governance bodies of other entities. The internal documents of the Company set out the Board members' obligation to notify the Company of the fact of such an appointment. In line with the Company's practice, the Board members notify the Board of Directors of their intention to join the governance bodies of other entities at their own discretion.
2.6.4	All members of the Board of Directors have equal access to the Company's documents and information. The newly appointed members are provided with sufficient information on the Company and the Board of Directors' operations as promptly as possible.	1. Subject to the Company's internal documents, the members of the Board of Directors are entitled to have access to the documents and make requests relating to the Company and the entities controlled by it, and the executive bodies of the Company shall provide such information and documents.  2. The Company has a formalized program of learning measures for the newly appointed members of the Board of Directors.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
				The principle is not complied with by the Company with respect to Item 2: The Company does not have a formalized program of learning measures for the newly appointed members of the Board of Directors. The Company's internal documents stipulate the Board members' right to request the necessary information and documents related to the Company's operations from the Company.
2.7	The meetings of the Board of Directors, and preparation and attendance thereof by the Board members ensure the efficient performance of the Board of Directors.			
2.7.1	The Board of Directors holds its meetings as necessary in view of the scope of the Company's operations and objectives in a particular period.	1. The Board of Directors held at least six meetings in 2019.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.7.2	The Company's internal documents set out the procedure for preparation to and holding of the Board of Directors' meetings that ensures the Board members are capable to prepare to the meeting properly.	1. The Company has an internal document that sets out the procedure for preparation to and holding of the Board of Directors' meetings, and, particularly, specifying that the notice of the meeting shall be given at least five days prior to the	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	



		date of the meeting.		
2.7.3	The manner the meeting is held in is determined by the importance of the items on the agenda. The crucial issues are discussed at the in-person meetings.	1. The Articles of Association of another internal document of the Company stipulate that the Board shall discuss the crucial issues (listed in recommendation 168 of the Code) at in-person meetings.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.7.4	The Board of Directors decides on the important issues at the meeting by a qualified majority, or a simple majority of the appointed members of the Board.	1. The Company's Articles of Association stipulates that the Board of Directors shall decide on the important issues listed in recommendation 170 of the Code at the meeting by a qualified majority of at least three fourths of votes, or a simple majority of the appointed members of the Board.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.8	The Board of Directors establishes committees for the preliminary review of the crucial issues related to the Company's operations.			
2.8.1	In order to pre-review the issues related to controlling the business and financial operations of the Company, the Board established an Audit Committee consisting of the independent directors.	<p>1. The Board of Directors established the Audit Committee consisting solely of the independent directors.</p> <p>2. The Company's internal documents set out the Audit Committee's functions, including the tasks and objectives contained in recommendation 172 of the</p>	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company with respect to Item 1:  The Board of Directors established the Audit Committee of the Board of Directors.  The Committee includes S. Pikin, an independent director and the director of the Energy Development Fund.  The other members of the Committee are not independent; however, they have enough independence to form their own positions and opinions and make objective and reasonable judgments not influenced by the Company's executive bodies, shareholders, and other stakeholders, and they are sufficiently professional and experienced to perform the functions set out in the Regulation on the Audit Committee.  The Company's full performance of this recommendation is greatly dependent on the discretion of the majority shareholder and the majority shareholder's material consent to replace their representatives in the Audit Committee with the independent directors.</p>

		Code.		
		3. At least one member of the Audit Committee who is an independent director has experience and knowledge of preparation, analysis, assessment, and audit of the accounting reports and financial statements.		
		4. The Audit Committee held its meetings at least once a quarter in 2019.		
2.8.2	In order to pre-review the issues related to forming an efficient and transparent remuneration practice, the Board of Directors established a Remuneration Committee consisting of the independent directors and headed by an independent director who is not the Chairman of the Board of Directors.	1. The Board of Directors established a Remuneration Committee consisting solely of the independent directors.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	The principle is partially complied with by the Company with respect to Item 1: The Board of Directors established an HR and Remuneration Committee. There are no independent directors in the Committee. The members of the Committee have the required level of professional training, experience, and independence in forming their own opinion, and capable of making objective and reasonable judgments not influenced by the Company's executive bodies, certain shareholder groups, or other stakeholders. The Company's performance of this recommendation is greatly dependent on the discretion of the majority shareholder and the majority shareholder's material consent to replace their representatives in the Audit Committee with the independent directors.
		2. The Chairman of the Remuneration Committee is an independent director who is not the Chairman of the Board of Directors.		
		3. The Company's internal documents set out the Remuneration Committee's functions, including the tasks and objectives contained in recommendation 180 of the Code.		
2.8.3	In order to pre-review the issues related to HR planning (succession planning), professional composition, and the Board of Directors'	1. The Board of Directors established the Nominating Committee (or another committee performs its tasks specified in	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	The principle is partially complied with by the Company with respect to Item 1: The Board of Directors did not establish a separate

	<p>efficiency, the Board of Directors established a Nominating (Appointing, Personnel) Committee, the majority of the members of which are independent directors.</p>	<p>recommendation 186 of the Code &lt;4&gt;), the majority of the members of which are independent directors.</p> <p>2. The Company's internal documents set out the tasks of the Nominating Committee (or another relevant committee with the similar functions), including the tasks contained in recommendation 186 of the Code.</p>	<input type="checkbox"/> Not complied with	<p>Nominating Committee. The HR and Remuneration Committee performs the major portion of the tasks set out in recommendation 186 of the Code.</p> <p>The Regulation on the HR and Remuneration Committee sets out the Committee's functions, as approved by the Board of Directors.</p> <p>There are no independent directors in the HR and Remuneration Committee; however, the Committee members' professional experience and skills allows them to fully perform their duties in line with the internal regulation.</p>
2.8.4	<p>In view of the operations scope and the risk level, the Board of Directors ensured that its committees' composition fully meets the Company's objectives. Additional committees have been established, or declared not required (the Strategy Committee, the Corporate Governance Committee, the Ethics Committee, the Risk Management Committee, the Budget Committee, the HSE Committee, etc.).</p>	<p>1. In 2019, the Board of Directors discussed whether its committees meet the Board's and the Company's objectives and tasks. Additional committees have been established, or declared not required.</p>	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company: In 2019, the Board of Directors did not discuss whether its committees meet the Board's and the Company's objectives and tasks.</p> <p>The Committees' reports, including the information on their composition, correspondence with the Company's objectives, and the meetings held, form part of the annual report pre-approved by the Board of Directors and the Annual General Meeting of Shareholders.</p> <p>There is no precedent in the Company's practice of the shareholders, members of the Board of Directors, or other stakeholders reporting the discrepancies between the composition of the Board Committees and the Board's and the Company's tasks and objectives.</p> <p>Furthermore, the internal regulations of the Company that govern the Board of Directors are regularly brought in compliance with the applicable laws.</p>
2.8.5	<p>The Committees are composed in such a manner as to ensure the comprehensive discussion of the preliminarily reviewed issues in view of different opinions.</p>	<p>1. The Board Committees are headed by independent directors.</p>	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is not complied with by the Company with respect to Item 1:          Some Committees of the Board of Directors include independent directors (see Section 4 of this Report);</p>

				<p>however, they are not chairmen (chairpersons) of their respective Committees.</p> <p>Such a practice does not prevent the Committees from making reasonable decisions meeting the Company's strategic goals and objectives. The Board of Directors decided in favor of the most issues pre-reviewed by its Committees.</p>
		2. The Company's internal documents (policies) enable the persons not appointed to the Audit Committee, the Nominating Committee, and the Remuneration Committee to attend the committees meetings solely at the invitation from the respective chairman (chairperson).		
2.8.6	The chairmen (chairpersons) of the Committees regularly inform the Board of Directors and its Chairman of the Committees' operations.	1. In 2019, the chairmen (chairpersons) of the Committees regularly informed the Board of Directors of their Committees' performance.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
2.9	The Board of Directors arranges for the Board's, its Committees', and members' performance assessment.			
2.9.1	The Board of Directors' performance assessment is aimed at evaluating the Board's, its Committees', or members' efficiency, compliance with the Company's development needs, promoting the Board's activity, and identifying the areas for improvement.	1. Self-assessment or external independent assessment of the Board's operations in 2019 included assessment of the Committees' performance, as well as of performance of the separate Board members and the Board in general.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company with respect to Item 1:</p> <p>In 2019, the Company did not assess (either by way of self-assessment or external independent assessment) the Board's operations, including the assessment of the Committees', separate members, and the Board's overall performance.</p> <p>The Internal Audit Department assessed the Company's corporate governance (including the Board of Directors' performance) in line with the Corporate Governance Assessment Guidelines of Lenenergo, PJSC.</p> <p>The Board of Directors reviewed the results of the Company's corporate governance assessment (Minutes No. 18 dd. December 3, 2019) after its preliminary review by the Audit Committee of the Board of Directors (Minutes No. 112 dd. October 15, 2019).</p> <p>The Company considers it necessary to assess the Board of Directors' performance (including its Committees'</p>

				performance) and plans to assess it in the next report period.
		2. An in-person meeting of the Board of Directors review the results of the self-assessment or external independent assessment of the Board's performance in the report period.		The principle is not complied with by the Company with respect to Item 2: In 2019, the Board of Directors did not review the results of the self-assessment or external independent assessment of the Board's performance due to the facts set out in Par. 2.9.1 hereof.
2.9.2	The Board of Directors', its Committees', and its individual members' performance is regularly assessed at least once a year. In order to independently assess the Board's performance the Company engages a third party (consultant) at least once every three years.	1. In order to independently assess the Board's performance in the latest three consecutive report periods, the Company engaged a third party (consultant) at least once.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	The principle is not complied with by the Company with respect to Item 1: In the latest three consecutive report periods, the Company did not engage a third party (consultant) in order to independently assess the Board's performance. However, the Regulation on the Board of Directors sets out the Board's right to self-assess its performance or engage a third party (consultant) having the necessary competence for such an assessment.
3.1	The Company's Corporate Secretary effectively manages the current interactions with the shareholders, coordinates the Company's actions to protect the shareholders' rights and interests, and supports the efficient performance of the Board of Directors.			
3.1.1	The Corporate Secretary has sufficient knowledge, experience, and competence to perform the relevant duties, as well as impeccable reputation, and has the shareholders' trust.	1. The Company has in place and disclosed an internal document - the Regulation on the Corporate Secretary. 2. The Company has published the Corporate Secretary's biographical data on its official website and in the annual report with the same level of detail as provided to the Board of Directors and the Company's executive bodies.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
3.1.2	The Corporate Secretary is sufficiently independent from the Company's executive bodies and has all the necessary powers and resources that allow her to perform her duties.	1. The Board of Directors approves the appointment, dismissal, and additional remuneration of the Corporate Secretary.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
4.1	The remuneration paid out by the Company is sufficient to attract, motivate, and retain the persons having the necessary competence and qualifications. The Company remunerates the members of the Board of Directors, executive bodies, and other key officers of the Company subject to the approved remuneration policy.			
4.1.1	The remuneration the Company provides to its directors, executive bodies, and other key	1. The Company has an internal document in place - the Policy on Remunerating the	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied	

	officers sufficiently motivates them to work efficiently, thus allowing the Company to attract and retain competent and qualified experts. At the same time, the Company avoids excessive remuneration and an unreasonable gap between the remuneration levels for the mentioned officers and the other employees.	Board of Directors, Executive Bodies, and Other Key Officers that clearly sets out the remuneration approach taken by the Company.	with <input type="checkbox"/> Not complied with	
4.1.2	The Remuneration Committee designed the Company's remuneration policy, and the Board of Directors approved it. The Board of Directors, supported by the Remuneration Committee, controls the introduction and implementation of the remuneration policy and, if necessary, revisions and adjusts it.	1. In 2019, the Remuneration Committee reviewed the remuneration policy(ies) and the introduction thereof, and provided the Board of Directors with relevant recommendations (if needed).	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
4.1.3	The Company's remuneration policy contains clear and transparent mechanisms to determine the remuneration amount for the members of the Board of Directors, executive bodies, and other key officers, as well as governs all payments, benefits, and bonuses provided to such persons.	1. The Company's remuneration policy contains clear and transparent mechanisms to determine the remuneration amount for the members of the Board of Directors, executive bodies, and other key officers, as well as governs all payments, benefits, and bonuses provided to such persons.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
4.1.4	The Company determines the reimbursement (compensation) policy listing the expenses to be reimbursed, and the service level provided to the members of the Board of Directors, executive bodies, and other key officers. Such a policy may form part of the Company's overall remuneration policy.	1. The remuneration policy(ies) and other internal documents set out the rules for reimbursing the expenses the members of the Board of Directors, executive bodies, and other key officers incur.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
4.2	The remuneration system for the members of the Board of Directors ensures their financial interests align with the long-term financial interests of the shareholders.			
4.2.1	The Company pays a fixed annual remuneration to the members of the Board of Directors. The Company does not remunerate the members of the Board for attending separate meetings of the Board or its Committees. The Company does not apply short-term	1. The fixed annual remuneration was the only monetary remuneration provided to the members of the Board of Directors for their services in 2019.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	

	incentive and additional financial incentive methods with respect to the members of the Board of Directors.			
4.2.2	Long-term holding of the Company's shares is the most efficient tool to align the financial interests of the members of the Board of Directors and the long-term financial interests of the shareholders. At the same time, the Company does not set the rights to sell its shares as dependent on certain performance indicators, and the members of the Board of Directors do not take part in the option programs.	1. If an internal document (the remuneration policy) provides for the shares to be allocated to the members of the Board of Directors, it has to contain clear and transparent rules for such shareholding aimed at promoting long-term holding of such shares.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
4.2.3	The Company does not make any additional payments or compensations if the powers of the members of the Board of Directors are terminated early due to the transfer of the control over the Company or other circumstances.	1. The Company does not make any additional payments or compensations if the powers of the members of the Board of Directors are terminated early due to the transfer of the control over the Company or other circumstances.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
4.3	The Company's remuneration system for the members of the executive bodies and other key officers stipulates the remuneration depends on the Company's performance and the specific officers' personal contribution to that performance.			
4.3.1	The remuneration of the executive bodies and other key officers of the Company is set in such a way as to ensure a reasonable and justified ratio of the fixed remuneration portion and a variable component that depends on the Company's performance and personal contribution of the officer.	1. In 2019, the annual performance indicators approved by the Board of Directors were used to determine the amount of the variable remuneration component for the members of the executive bodies and other key officers of the Company.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
		2. The latest assessment of the remuneration system for the members of the executive bodies and other key officers of the Company performed by the Board of Directors (the Remuneration Committee) showed that the Company maintains an efficient ratio of the fixed and variable remuneration components.		
		3. The Company has a procedure in place		The principle is not complied with by the Company with

		to ensure the Company gets back the bonuses distributed unevenly to the members of the executive bodies and other key officers.		respect to Item 3: Lenenergo, PJSC does not have a procedure in place to ensure the Company gets back the bonuses distributed unevenly to the members of the executive bodies and other key officers. When the fact of an uneven distribution of bonuses or other payments to such persons is discovered, the Company initiates a legal enforcement procedure to recover the funds, if amicable settlement fails.
4.3.2	The Company has a long-term incentive program for the members of the executive bodies and other key officers involving the Company's shares (options or other financial derivatives, the underlying assets of which are the Company's shares).	1. The Company has a long-term incentive program for the members of the executive bodies and other key officers involving the Company's shares (financial instruments based on the Company's shares). 2. The long-term incentive program for the members of the executive bodies and other key officers stipulates that the right to dispose of the shares and other financial instruments used in the program only occurs at least three years after the shares or instruments are issued to the officer. At the same time, the disposal right depends on certain performance indicators being reached by the Company.	<input type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input checked="" type="checkbox"/> Not complied with	The principle is not complied with by the Company with respect to Items 1, 2: The Company does not have a long-term incentive program for the members of the executive bodies and other key officers involving the Company's shares due to the shareholders not having agreed on a position with respect to this issue. The Company is continuously committed to the improvement of its corporate governance practice and, therefore, to the fullest implementation of the Corporate Governance Code principles and recommendations. However, this issue can only be resolved with the consent of the key shareholders.
4.3.3	The amount of compensation (golden handshake) the Company pays to the members of the executive bodies and other key officers in case of early termination of their powers by the Company and absence of fraudulent or unethical actions on the part of the officers shall not be more than twice the amount of the fixed annual remuneration.	1. The amount of compensation (golden handshake) the Company pays to the members of the executive bodies and other key officers in case of early termination of their powers by the Company and absence of fraudulent or unethical actions on the part of the officers did not exceed twice the amount of the fixed annual remuneration in 2019.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
5.1	The Company has an efficient risk management and internal control system aimed at creating a reasonable assurance in the possibility of reaching the set objectives and goals.			
5.1.1	The Board of Directors sets out the principles and approaches to the risk management and internal control system organization.	1. The internal documents or the relevant policies of the Company approved and adopted by the Board of Directors clearly set out the functions of various	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	



		governance bodies and divisions of the Company with respect to the risk management and internal control system.		
5.1.2	The executive bodies of the Company ensure an efficient risk management and internal control system is created and maintained.	1. The executive bodies arranged for an allocation of functions and powers with respect to risk management and internal control between the division and department heads (officers) who answer to the executive bodies.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
5.1.3	The risk management and internal control system provides for an objective, just, and clear vision of the current state and prospects of the Company, a complete and transparent reporting, and for the reasonable and acceptable level of risk-taking by the Company.	1. The Company has an anti-corruption policy in place. 2. The Company has a reasonable and simple way of informing the Board of Directors or its Audit Committee of any violations of the law, internal procedures, or the ethics code of the Company.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
5.1.4	The Board of Directors takes the necessary steps to ensure that the risk management and internal control system introduced in the Company complies with the principles and approaches set by the Board of Directors to its organization, and that it functions efficiently.	1. The Board of Directors or its Audit Committee assessed the Company's risk management and internal control system's efficiency in 2019. The main takeaways of that assessment are included in the annual report.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
5.2	In order to systematically and independently assess the reliability and efficiency of its risk management and internal control system, as well as the corporate governance practice, the Company arranges for an internal audit.			
5.2.1	In order to conduct the internal audit, the Company established a structural department or engages an independent third party. The internal audit department reports separately for its functions and organization. Functionally, it reports to the Board of Directors.	1. In order to conduct the internal audit, the Company established a separate structural division (Internal Audit Department) that functionally reports to the Board of Directors or its Audit Committee, or engages an independent third party with a similar reporting structure.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
5.2.2	The Internal Audit Department assesses the efficiency of the internal control system, the risk management system, and the corporate governance system. The Company applies the generally accepted operating standards of	1. In 2019, the internal audit assessed the efficiency of the risk management and internal control system. 2. The Company applies the generally accepted operating standards of internal	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	

	internal audit.	control and risk management.	
6.1	The Company and its operations are transparent to the shareholders, investors, and other stakeholders.		
6.1.1	The Company designed and introduced an information policy that ensures the efficient information interaction between the Company, shareholders, investors, and other stakeholders.	1. The Board of Directors adopted the information policy designed in line with the Code's recommendations.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with
		2. The Board of Directors (or its Committee) reviewed the Company's compliance with the information policy at least once in the report period.	
6.1.2	The Company discloses the information on its corporate governance system and practice, including the details on compliance with the Code's principles and recommendations.	1. The Company discloses the information on its corporate governance system and the general principles of corporate governance applied by it, including by publishing such information on the official corporate website.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with
		2. The Company discloses the composition of its executive bodies and the Board of Directors, the information on the independence of the Board members, and their membership in the Board Committees (as defined by the Code).	
		3. If any person controls the Company, the Company publishes a controlling person's memorandum regarding such a person's plans with respect to the corporate governance.	
6.2	The Company promptly publishes the complete, updated, and accurate information on its operations in order to ensure the shareholders and investors are capable of making reasonable decisions.		
6.2.1	The Company discloses its information on principles of regularity, consistency, and promptness, as well as accessibility, accuracy, completeness, and comparability of the disclosed data.	1. The information policy of the Company determines approaches and criteria for identification of the information that may materially affect the Company's assessment and the value of its securities, as well as procedures ensuring the prompt information disclosure.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with
		2. If the Company's securities are traded in the foreign regulated markets, the	

		<p>material information is disclosed in Russia and in such foreign markets at the same time and in a similar manner throughout the report year.</p> <p>3. If the foreign shareholders hold a significant number of the Company's shares, the information is disclosed throughout the report year both in Russian and in one of the most popular and widely used foreign languages.</p>		
6.2.2	The Company avoids taking a formalistic approach to information disclosure and discloses the material information on its operations, even if such a disclosure is not required by law.	<p>1. In 2019, the Company disclosed its annual and half-year financial statements subject to the IFRS. The Company's annual report for 2019 contains the annual financial statements subject to the IFRS along with the auditor's report and opinion.</p> <p>2. The Company discloses full information on the structure of its capital in line with recommendation 290 of the Code in the annual report and on the corporate website.</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
6.2.3	The annual report, being one of the crucial tools of information interaction with the shareholders and other stakeholders, contains the information that allows evaluating the Company's performance results of the year.	<p>1. The annual report of the Company contains information on the key aspects of its operations and on its financial results.</p> <p>2. The annual report of the Company contains information on the environment and social aspects of the Company's operations.</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
6.3	The Company provides the shareholders with information and documents on their request subject to the equal and unhindered access principle.			
6.3.1	The Company provides the shareholders with information and documents on their request subject to the equal and unhindered access principle.	1. The Company's information policy sets out a procedure for providing the shareholders with an unhindered access to information, including the information on the entities controlled by the Company, on the shareholders' request.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
6.3.2	When providing the shareholders with access	1. In 2019, the Company did not refuse the	<input checked="" type="checkbox"/> Complied with	

	to information, the Company maintains a reasonable balance between the certain shareholders' interests and the interests of the Company itself being concerned with keeping a material commercial information confidential, if such information may substantially affect the competitiveness of the Company.	shareholders' requests for information, or such refusals were justified. 2. In cases provided for by the Company's information policy, the shareholders are being warned of the confidential nature of the information provided to them and accept liability for keeping such information confidential.	<input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
7.1	Actions that do or can substantially affect the structure of the Company's share capital and financial position, and, therefore, the shareholders' position (material corporate actions) are carried out justly and fairly ensuring the rights and interests of shareholders and other stakeholders are observed.			
7.1.1	The material corporate actions include the Company's reorganization, purchase of over 30% of the voting shares of the Company (acquisition), large transactions, increase or reduction of the Company's capital, listing and delisting of the Company's shares, as well as other actions that may result in a significant change in the rights of shareholders or breach of their interests. The Company's Articles of Association lists the criteria for transactions and other actions that are material corporate actions; and such actions fall within the competence of the Board of Directors.	1. The Company's Articles of Association lists the transactions and other actions that are material corporate actions, and criteria for their identification. The Board of Directors decides on the material corporate actions. If such actions are clearly delegated to the general meeting by law, the Board of Directors provides the shareholders with relevant recommendations. 2. The Company's Articles of Association defines at least the following as material corporate actions: the Company's reorganization, purchase of over 30% of the voting shares of the Company (acquisition), large transactions, increase or reduction of the Company's capital, listing and delisting of the Company's shares.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
7.1.2	The Board of Directors plays a key role in deciding or recommending the material corporate actions. It relies on the position of its independent members.	1. The Company has a procedure in place, subject to which the independent directors declare their position on the material corporate actions prior to their approval.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	The principle is partially complied with by the Company: The Company does not have a procedure in place, subject to which the independent directors declare their position on the material corporate actions prior to their approval. The Company's internal documents provide for the material corporate actions to be discussed and reviewed at in-person meetings of the Board of Directors. Subject to the Regulation on the Board of Directors, the

				<p>Corporate Secretary sends the notice of the Board meeting to each director at least 11 business days prior to the date of the meeting (the closing date for the voting ballots to be registered). If the Board meeting agenda contains issues that require a pre-review by the relevant Committee, the Corporate Secretary sends the notice of the Board meeting to each director in writing at least 15 business days prior to the date of the meeting.</p> <p>Thus, the Company ensures that each director's right to form a position and opinion on the material corporate actions in advance prior to the approval thereof.</p> <p>In line with the Company's established practice, the positions of the directors on the items on the agenda are made known to the all the other directors.</p>
7.1.3	<p>When taking material corporate actions affecting the rights and vested interests of the shareholders, the Company ensures all the shareholders are treated equally; and if the law does not provide the sufficient mechanisms to protect the shareholders' rights, the Company ensures there are additional measures taken to protect the shareholders' rights and vested interests. The Company follows not only the formal requirements of the law, but also the corporate governance principles set out in the Code.</p>	<p>1. The Company's Articles of Association sets out the criteria to identify a transaction as a material corporate action that are lower than the ones set out in the laws in view of the Company's specifics.</p> <p>2. In 2019, all the material corporate actions were approved prior to their execution.</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
7.2	<p>The Company ensures such a process for taking material corporate actions as to provide the shareholders with an opportunity to promptly obtain full information on such actions, and an opportunity to affect the taking of such actions, and guarantees the shareholders' rights are adequately observed and protected during the taking of such actions.</p>			
7.2.1	<p>The information on the material corporate actions is disclosed including the reasons for such actions, their conditions and consequences.</p>	<p>1. In 2019, the Company disclosed information on its material corporate actions promptly and in a detailed manner, including the justifications of such actions and their timelines.</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	
7.2.2	<p>The Company's internal documents set out the rules and procedures related to the Company's material corporate actions.</p>	<p>1. The Company's internal documents contain a procedure for engaging an independent appraiser to evaluate the property that is disposed of or purchased</p>	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Partially complied with <input type="checkbox"/> Not complied with	<p>The principle is partially complied with by the Company with respect to Item 1:          The Company's internal documents do not contain a procedure for engaging an independent appraiser to</p>

		<p>within a large transaction or a related party transaction.</p>		<p>evaluate the property that is disposed of or purchased within a large transaction or a related party transaction. The appraising entities are engaged when such engagement is required by the law, or by the Uniform Procurement Standard of Rosseti, PJSC (Procurement Regulation) that governs the procurement process in the Company.</p> <p>Subject to the Position Determination Standard of Rosseti, PJSC with respect to the property and property rights transactions planned to be made by the SDCs of Rosseti, PJSC (including Lenenergo, PJSC), engaging an appraiser is mandatory to evaluate the object of the transaction.</p> <p>Among other factors, a practice of engaging an appraiser to determine the fair (market) value of an object of a transaction is established in Russia, including in cases when an obligation to do so is not set out in the laws.</p>
		<p>2. The Company's internal documents set out a procedure for engaging an independent appraiser to determine the purchase and redemption price of the Company's shares.</p>		
		<p>3. The Company's internal documents contain an extended list of reasons for the Board of Directors and other persons subject to the law to be deemed related parties with respect to the Company's transactions.</p>		<p>The principle is not complied with by the Company with respect to Item 3:</p> <p>The Company's internal documents do not contain an additional list of reasons for the Board of Directors and other persons subject to the Russian laws to be deemed related parties with respect to the Company's transactions in order to determine the connection between such persons.</p> <p>The Board members' interest in a transaction is determined subject to the applicable Russian laws and the Company's internal documents. Only the directors who have no personal interest in a transaction and no conflict of interest with respect to it can participate in voting on an issue of consenting to or approval of a related party transaction.</p> <p>The Company does not plan amending the internal</p>

<p>documents to set an extended list of reasons for the director to be deemed a related party with respect to the Company's transactions. The list of reasons to deem a person a related party with respect to a transaction that is set out in the Federal Law On Joint Stock Companies is exclusive and sufficient to prevent the risk of damaging the Company through a related party transaction.</p>
---

CEO of Lenenergo, PJSC

A.V. Ryumin

## 6.4 Report on Lenenergo, PJSC Related Party Transactions in 2019

Information on Related Party Transactions of Less Than 2% of Book Value of Assets of Lenenergo, PJSC in 2019.

Item No.	Transaction Date	Approval Date (obtaining consent to the transaction)	Consenting Body	Transaction Item and Material Terms	Related Parties and Persons Interested in the Transaction, Interest Grounds
-	-	-	-	-	-

There were no related party transactions of less than 2% of the book value of the Company's assets in 2019.

There were no related party transactions of over 2% of the book value of the Company's assets in 2019.

CEO of Lenenergo, PJSC

A.V. Ryumin

## 6.5 2019-2020 Electric Power Transmission Tariff Rates

**2019 Electric Power Transmission Tariff Rates****Saint Petersburg:**

a. uniform ("aggregate") two-rate or single-rate tariffs, broken down by the voltage levels, and separate tariff for residents. Decree No. 298-r dd. December 27, 2018.  
January 1, 2019 to June 30, 2019

No.	Consumer Category	Grid Maintenance Rate, RUB/MW per month	Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff, RUB/MWh
1.	Other			
	HV	789,883.89	59.72	1,277.86
	MV1	1,255,569.59	125.73	2,456.74
	MV2	1,342,633.46	302.91	3,328.11
	LV	1,207,613.10	591.11	3,639.06
2.	Residents and equivalent groups			
2.1.	Residents, except for Par. 1.2 and 1.3			2,010
2.2.	Residents from urban areas living in houses duly equipped with fixed electric stoves and/or electric heaters			1,068
2.3.	Residents from rural areas			-
2.4.	Resident-equivalent groups, except for Par. 71(1) of Pricing Guidelines:			
2.4.1.	Gardening, farming, or suburban non-profit unions of residents: non-profit entities established by the residents voluntarily to facilitate the common social and economic			1,821



	goals of gardening, farming, or suburban household keeping			
2.4.2.	Entities purchasing power (capacity) for its use by convicts at the premises for holding convicts, with separate recording of the power used in such premises			2,147
2.4.3.	Religious institutions maintained at the expense of the members of the congregation			2,023
2.4.4.	Unions of residents purchasing power (capacity) to use at their household facilities (cellars, sheds); non-profit unions of residents (garage and construction, garage cooperatives) and residents owning separate isolated garages who purchase power (capacity) to use for household purposes, and not for business purposes			2,007

July 1, 2019 to December 31, 2019

No.	Consumer Category	Grid Maintenance Rate, RUB/MW per month	Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff, RUB/MWh
1.	Other			
	HV	899,539.16	65.49	1,427.86
	MV1	1,429,873.47	137.96	2,683.08
	MV2	1,529,023.94	330.56	3,571.40
	LV	1,375,259.44	642.38	3,764.60
2.	Residents and equivalent groups			
2.1.	Residents, except for Par. 1.2 and 1.3			1,986
2.2.	Residents from urban areas living in houses duly equipped with fixed electric stoves and/or electric heaters			1,015
2.3.	Residents from rural areas			-
2.4.	Resident-equivalent groups, except for Par. 71(1) of Pricing Guidelines:			
2.4.1.	Gardening, farming, or suburban non-profit unions of residents: non-profit entities established by the residents voluntarily to facilitate the common social and economic goals of gardening, farming, or suburban household keeping			1,824
2.4.2.	Entities purchasing power (capacity) for its use by convicts at the premises for holding convicts, with separate recording of the power used in such premises			2,096

2.4.3.	Religious institutions maintained at the expense of the members of the congregation			2,006
2.4.4.	Unions of residents purchasing power (capacity) to use at their household facilities (cellars, sheds); non-profit unions of residents (garage and construction, garage cooperatives) and residents owning separate isolated garages who purchase power (capacity) to use for household purposes, and not for business purposes			1,982

b. individual two-rate tariffs applied for Lenenergo, PJSC payments to partner grid entities (for services of power transmission through their grids), not broken down by the voltage levels. Decree No. 298-r dd. December 27, 2018.

c. an individual two-rate tariff for KirovTEK, CJSC, on a "bottom-up" principle (it pays to Lenenergo, PJSC for power transmission). Decree No. 276-r dd. December 27, 2018.

January 1, 2019 to June 30, 2019

Partner Grid Company	Grid Maintenance Rate, RUB/MW per month	Technical Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff (RUB/MWh)
KirovTEK, CJSC	1,242,726.79	228.42	3,372.80

July 1, 2019 to December 31, 2019

Partner Grid Company	Grid Maintenance Rate, RUB/MW per month	Technical Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff (RUB/MWh)
KirovTEK, CJSC	1,380,285.34	285.20	3,848.63

#### Leningrad Region:

Order No. 535-p dd. December 30, 2015 by the Leningrad Region Tariff and Price Committee (as amended by Order No. 126-p dd. July 29, 2019, Order No. 158-p dd. August 30, 2019, Order No. 177-p dd. September 30, 2019).

a. uniform ("aggregate") two-rate tariffs, broken down by voltage levels, and separate tariff for residents (uniform ("aggregate") two-rate tariffs, broken down by voltage levels, and separate tariff for residents).

January 1, 2019 to June 30, 2019

No.	Consumer Category	Grid Maintenance Rate, RUB/MW per month	Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff, RUB/MWh
1.	Other			
	HV	1,611,173.45	55.77	1,829.40
	MV1	1,636,536.34	156.27	2,556.24
	MV2	1,377,241.33	283.98	2,616.31
	LV	1,639,174.69	876.77	4,745.08
2.	Residents and equivalent groups			

2.1.	Residents, except for Par. 1.2 and 1.3			1,822
2.2.	Residents from urban areas living in houses duly equipped with fixed electric stoves and/or electric heaters			907
2.3.	Residents from rural areas			882
2.4.	Resident-equivalent groups, except for Par. 71(1) of Pricing Guidelines:			
2.4.1.	Gardening, farming, or suburban non-profit unions of residents: non-profit entities established by the residents voluntarily to facilitate the common social and economic goals of gardening, farming, or suburban household keeping			1,641
2.4.2.	Entities purchasing power (capacity) for its use by convicts at the premises for holding convicts, with separate recording of the power used in such premises			1,775
2.4.3.	Religious institutions maintained at the expense of the members of the congregation			1,712
2.4.4.	Unions of residents purchasing power (capacity) to use at their household facilities (cellars, sheds); non-profit unions of residents (garage and construction, garage cooperatives) and residents owning separate isolated garages who purchase power (capacity) to use for household purposes, and not for business purposes			1,789

July 1, 2019 to July 31, 2019

No.	Consumer Category	Grid Maintenance Rate, RUB/MW per month	Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff, RUB/MWh
1.	Other			
	HV	1,611,173.45	59.62	1,929.17
	MV1	1,701,048.12	167.05	3,067.49
	MV2	1,599,695.76	303.57	3,183.38
	LV	1,862,826.10	938.14	5,399.56
2.	Residents and equivalent groups			
2.1.	Residents, except for Par. 1.2 and 1.3			1,840
2.2.	Residents from urban areas living in houses duly equipped with fixed electric stoves and/or electric heaters			956
2.3.	Residents from rural areas			899

2.4.	Resident-equivalent groups, except for Par. 71(1) of Pricing Guidelines:			
2.4.1.	Gardening, farming, or suburban non-profit unions of residents: non-profit entities established by the residents voluntarily to facilitate the common social and economic goals of gardening, farming, or suburban household keeping			1,661
2.4.2.	Entities purchasing power (capacity) for its use by convicts at the premises for holding convicts, with separate recording of the power used in such premises			1,773
2.4.3.	Religious institutions maintained at the expense of the members of the congregation			1,670
2.4.4.	Unions of residents purchasing power (capacity) to use at their household facilities (cellars, sheds); non-profit unions of residents (garage and construction, garage cooperatives) and residents owning separate isolated garages who purchase power (capacity) to use for household purposes, and not for business purposes			1,758

August 1, 2019 to August 31, 2019

No.	Consumer Category	Grid Maintenance Rate, RUB/MW per month	Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff, RUB/MWh
1.	Other			
	HV	1,611,173.45	59.62	1,929.17
	MV1	1,701,048.12	167.05	3,067.49
	MV2	1,601,106.52	303.57	3,185.92
	LV	1,862,826.10	938.14	5,399.56
2.	Residents and equivalent groups			
2.1.	Residents, except for Par. 1.2 and 1.3			1,840
2.2.	Residents from urban areas living in houses duly equipped with fixed electric stoves and/or electric heaters			956
2.3.	Residents from rural areas			899
2.4.	Resident-equivalent groups, except for Par. 71(1) of Pricing Guidelines:			
2.4.1.	Gardening, farming, or suburban non-profit unions of residents: non-profit entities established by the residents voluntarily to facilitate the common social and economic			1,661

	goals of gardening, farming, or suburban household keeping			
2.4.2.	Entities purchasing power (capacity) for its use by convicts at the premises for holding convicts, with separate recording of the power used in such premises			1,773
2.4.3.	Religious institutions maintained at the expense of the members of the congregation			1,670
2.4.4.	Unions of residents purchasing power (capacity) to use at their household facilities (cellars, sheds); non-profit unions of residents (garage and construction, garage cooperatives) and residents owning separate isolated garages who purchase power (capacity) to use for household purposes, and not for business purposes			1,758

## September 1, 2019 to October 1, 2019

No.	Consumer Category	Grid Maintenance Rate, RUB/MW per month	Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff, RUB/MWh
1.	Other			
	HV	1,611,173.45	59.62	1,929.17
	MV1	1,701,048.12	167.05	3,067.49
	MV2	1,607,937.42	303.57	3,198.22
	LV	1,862,826.10	938.14	5,399.56
2.	Residents and equivalent groups			
2.1.	Residents, except for Par. 1.2 and 1.3			1,840
2.2.	Residents from urban areas living in houses duly equipped with fixed electric stoves and/or electric heaters			956
2.3.	Residents from rural areas			899
2.4.	Resident-equivalent groups, except for Par. 71(1) of Pricing Guidelines:			
2.4.1.	Gardening, farming, or suburban non-profit unions of residents: non-profit entities established by the residents voluntarily to facilitate the common social and economic goals of gardening, farming, or suburban household keeping			1,661
2.4.2.	Entities purchasing power (capacity) for its use by convicts at the premises for holding convicts,			1,773

	with separate recording of the power used in such premises			
2.4.3.	Religious institutions maintained at the expense of the members of the congregation			1,670
2.4.4.	Unions of residents purchasing power (capacity) to use at their household facilities (cellars, sheds); non-profit unions of residents (garage and construction, garage cooperatives) and residents owning separate isolated garages who purchase power (capacity) to use for household purposes, and not for business purposes			1,758

October 1, 2019 to December 31, 2019

No.	Consumer Category	Grid Maintenance Rate, RUB/MW per month	Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff, RUB/MWh
1.	Other			
	HV	1,611,173.45	59.62	1,929.17
	MV1	1,808,992.4	167.05	3,251.54
	MV2	1,714,532.05	303.57	3,390.11
	LV	1,951,323.08	938.14	5,611.51
2.	Residents and equivalent groups			
2.1.	Residents, except for Par. 1.2 and 1.3			1,840
2.2.	Residents from urban areas living in houses duly equipped with fixed electric stoves and/or electric heaters			956
2.3.	Residents from rural areas			899
2.4.	Resident-equivalent groups, except for Par. 71(1) of Pricing Guidelines:			
2.4.1.	Gardening, farming, or suburban non-profit unions of residents: non-profit entities established by the residents voluntarily to facilitate the common social and economic goals of gardening, farming, or suburban household keeping			1,661
2.4.2.	Entities purchasing power (capacity) for its use by convicts at the premises for holding convicts, with separate recording of the power used in such premises			1,773
2.4.3.	Religious institutions maintained at the expense of the members of the congregation			1,670
2.4.4.	Unions of residents purchasing power (capacity) to use at their			1,758

	household facilities (cellars, sheds); non-profit unions of residents (garage and construction, garage cooperatives) and residents owning separate isolated garages who purchase power (capacity) to use for household purposes, and not for business purposes			
--	--	--	--	--

b) individual two-rate tariffs applied for Lenenergo, PJSC payments to partner grid entities (for services of power transmission through their grids), not broken down by the voltage levels.

## 2020 Electric Power Transmission Tariff Rates

### Saint Petersburg:

Decree No. 282-r dd. December 30, 2019 by the Saint Petersburg Tariff Committee.

a) uniform ("aggregate") two-rate or single-rate tariffs, broken down by the voltage levels, and separate tariff for residents.

January 1, 2020 to June 30, 2020

No.	Consumer Category	Grid Maintenance Rate, RUB/MW per month	Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff, RUB/MWh
1.	Other			
	HV	899,539.16	65.49	1,427.86
	MV1	1,429,873.47	137.96	2,683.08
	MV2	1,529,023.94	330.56	3,571.40
	LV	1,375,259.44	642.38	3,764.60
2.	Residents and equivalent groups			
2.1.	Residents, except for Par. 1.2 and 1.3			1,979
2.2.	Residents from urban areas living in houses duly equipped with fixed electric stoves and/or electric heaters			996
2.3.	Residents from rural areas			
2.4.	Resident-equivalent groups, except for Par. 71(1) of Pricing Guidelines:			
2.4.1.	Gardening, farming, or suburban non-profit unions of residents: non-profit entities established by the residents voluntarily to facilitate the common social and economic goals of gardening, farming, or suburban household keeping			1,916
2.4.2.	Entities purchasing power (capacity) for its use by convicts at the premises for holding convicts, with separate recording of the power used in such premises			2,055
2.4.3.	Religious institutions maintained at the expense of the members of the congregation			2,037

2.4.4.	Unions of residents purchasing power (capacity) to use at their household facilities (cellars, sheds); non-profit unions of residents (garage and construction, garage cooperatives) and residents owning separate isolated garages who purchase power (capacity) to use for household purposes, and not for business purposes			2,005
--------	--	--	--	-------

July 1, 2020 to December 31, 2020

No.	Consumer Category	Grid Maintenance Rate, RUB/MW per month	Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff, RUB/MWh
1.	Other			
	HV	899,539.16	69.14	1,510.67
	MV1	1,429,873.47	145.66	2,838.70
	MV2	1,618,980.45	349.07	3,546.93
	LV	1,375,259.44	677.80	3,982.92
2.	Residents and equivalent groups			
2.1.	Residents, except for Par. 1.2 and 1.3			2,139
2.2.	Residents from urban areas living in houses duly equipped with fixed electric stoves and/or electric heaters			1,230
2.3.	Residents from rural areas			
2.4.	Resident-equivalent groups, except for Par. 71(1) of Pricing Guidelines:			
2.4.1.	Gardening, farming, or suburban non-profit unions of residents: non-profit entities established by the residents voluntarily to facilitate the common social and economic goals of gardening, farming, or suburban household keeping			2,105
2.4.2.	Entities purchasing power (capacity) for its use by convicts at the premises for holding convicts, with separate recording of the power used in such premises			2,177
2.4.3.	Religious institutions maintained at the expense of the members of the congregation			2,195
2.4.4.	Unions of residents purchasing power (capacity) to use at their household facilities (cellars, sheds); non-profit unions of residents (garage and construction, garage cooperatives) and residents owning separate isolated garages who purchase power (capacity) to use			2,166



	for household purposes, and not for business purposes			
--	---	--	--	--

d. individual two-rate tariffs applied for Lenenergo, PJSC payments to partner grid entities (for services of power transmission through their grids), not broken down by the voltage levels.

e. an individual two-rate tariff for KirovTEK, CJSC, on a "bottom-up" principle (it pays to Lenenergo, PJSC for power transmission).

January 1, 2020 to June 30, 2020

Partner Grid Company	Grid Maintenance Rate, RUB/MW per month	Technical Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff (RUB/MWh)
KirovTEK, CJSC	1,184,938.3	257.65	3,354.23

July 1, 2020 to December 31, 2020

Partner Grid Company	Grid Maintenance Rate, RUB/MW per month	Technical Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff (RUB/MWh)
KirovTEK, CJSC	1,184,938.3	257.65	3,355.54

#### Leningrad Region:

Order No. 747-p dd. December 27, 2019 by the Leningrad Region Tariff and Price Committee (as amended by Order No. 15-p dd. February 21, 2020).

a) uniform ("aggregate") two-rate tariffs, broken down by voltage levels, and separate tariff for residents (uniform ("aggregate") two-rate tariffs, broken down by voltage levels, and separate tariff for residents).

January 1, 2020 to June 30, 2020

No.	Consumer Category	Grid Maintenance Rate, RUB/MW per month	Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff, RUB/MWh
1.	Other			
	HV	1,611,173.45	59.62	1,929.17
	MV1	1,701,048.12	167.05	3,067.49
	MV2	1,601,106.52	303.57	3,185.92
	LV	1,862,826.10	938.14	5,399.56
2.	Residents and equivalent groups			
2.1.	Residents, except for Par. 1.2 and 1.3			1,840
2.2.	Residents from urban areas living in houses duly equipped with fixed electric stoves and/or electric heaters			956
2.3.	Residents from rural areas			899
2.4.	Resident-equivalent groups, except for Par. 71(1) of Pricing Guidelines:			
2.4.1.	Gardening, farming, or suburban non-profit unions of residents: non-profit entities established by the residents voluntarily to facilitate the common social and			1,661

	economic goals of gardening, farming, or suburban household keeping			
2.4.2.	Entities purchasing power (capacity) for its use by convicts at the premises for holding convicts, with separate recording of the power used in such premises			1,773
2.4.3.	Religious institutions maintained at the expense of the members of the congregation			1,670
2.4.4.	Unions of residents purchasing power (capacity) to use at their household facilities (cellars, sheds); non-profit unions of residents (garage and construction, garage cooperatives) and residents owning separate isolated garages who purchase power (capacity) to use for household purposes, and not for business purposes			1,758

July 1, 2020 to July 31, 2020

No.	Consumer Category	Grid Maintenance Rate, RUB/MW per month	Grid Power Losses Rate, RUB/MWh	Single-Rate Tariff, RUB/MWh
1.	Other			
	HV	1,450,056.11	62.96	1,727.48
	MV1	1,808,992.40	176.41	3,236.60
	MV2	1,875,698.06	320.57	3,676.95
	LV	2,070,664.82	990.68	6,116.00
2.	Residents and equivalent groups			
2.1.	Residents, except for Par. 1.2 and 1.3			2,005
2.2.	Residents from urban areas living in houses duly equipped with fixed electric stoves and/or electric heaters			1,147
2.3.	Residents from rural areas			1,147
2.4.	Resident-equivalent groups, except for Par. 71(1) of Pricing Guidelines:			
2.4.1.	Gardening, farming, or suburban non-profit unions of residents: non-profit entities established by the residents voluntarily to facilitate the common social and economic goals of gardening, farming, or suburban household keeping			1,849
2.4.2.	Entities purchasing power (capacity) for its use by convicts at the premises for holding convicts,			1,980

	with separate recording of the power used in such premises			
2.4.3.	Religious institutions maintained at the expense of the members of the congregation			1,956
2.4.4.	Unions of residents purchasing power (capacity) to use at their household facilities (cellars, sheds); non-profit unions of residents (garage and construction, garage cooperatives) and residents owning separate isolated garages who purchase power (capacity) to use for household purposes, and not for business purposes			2,023

b. individual two-rate tariffs applied for Lenenergo, PJSC payments to partner grid entities (for services of power transmission through their grids), not broken down by the voltage levels.

#### 6.6 2019-2020 Grid Connection Tariff Rates

##### 2019 Grid Connection Tariff Rates

##### Saint Petersburg

Decree No. 299-r dd. December 27, 2019 of the Saint Petersburg Tariff Committee (as amended by Decree No. 60-r dd. June 21, 2019).

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
1	2	3	4
<b>Grid Connection Payment Rates for a Unit of Peak Capacity</b>			
R1. Rate for a unit of peak capacity used for the purposes of Par.16 (except for subparagraph b) of Urban Grid Connection Guidelines	LV	RUB/kW	715
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity		RUB/kW	449
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules		RUB/kW	266
<b>Rates for Unit of Peak Capacity With Respect to the "Last Mile" Measures</b>		X	X
R2. 10(6) kV overhead lines construction		X	X
up to 150 kW (incl.)		RUB/kW	X
from 150 kW to 670 kW		RUB/kW	254
at least 670 kW		RUB/kW	X
R3. 10(6) cable lines construction		X	X
up to 150 kW (incl.)		X	X
from 150 kW to 670 kW		RUB/kW	3,595
at least 670 kW		RUB/kW	5,540
R3. 0.4 kV cable lines construction		X	X

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
up to 150 kW (incl.)	MV2	RUB/kW	X
from 150 kW to 670 kW		RUB/kW	6,288
at least 670 kW		RUB/kW	7,199
R5. Rates for unit of peak capacity used for transformer substations construction		X	X
from 150 kW to 670 kW		RUB/kW	3,882
at least 670 kW		RUB/kW	4,695
R1. Rate for a unit of peak capacity used for the purposes of Par. 16 (except for subparagraph b) of Urban Grid Connection Guidelines		RUB/kW	715
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity		RUB/kW	449
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules		RUB/kW	266
Rates for Unit of Peak Capacity With Respect to the "Last Mile" Measures		X	X
R2. 10(6) kV overhead lines construction		X	X
up to 150 kW (incl.)		RUB/kW	X
from 150 kW to 670 kW		RUB/kW	254
at least 670 kW		RUB/kW	X
R3. 10(6) cable lines construction		X	X
up to 150 kW (incl.)	X	X	
from 150 kW to 670 kW	RUB/kW	3,595	
at least 670 kW	RUB/kW	5,540	
R3. 0.4 kV cable lines construction	X	X	
up to 150 kW (incl.)	RUB/kW	X	
from 150 kW to 670 kW	RUB/kW	X	
at least 670 kW	RUB/kW	X	
R5. Rates for unit of peak capacity used for transformer substations construction	X	X	
from 150 kW to 670 kW	X	X	
at least 670 kW	X	X	
<b>Standard Grid Connection Tariff Rates</b>			
R1. Standard tariff rate to cover the expenses for the grid connection of power receivers of power consumers, power facilities of the grid entities and other persons, for the purposes of Par. 16 (except for subparagraph b) of the Guidelines	LV	RUB per connection	41,011
Preparation and issue of technical specifications to the applicant by the grid entity		RUB per connection	24,525
The grid entity's inspection of the applicant's compliance with the technical specifications		RUB per connection	16,486

Connection Category		Unit of Measurement	Payment Rate	
Capacity Range, kW	Voltage at Connection Point, kV			
R2. Standard tariff rate to cover the expenses for the overhead lines construction, per 1 km of the line		X	X	
2 self-supporting insulated wires 3x70+1x70		RUB/km	672,215	
R3. Standard tariff rate to cover the expenses for the cable power lines construction, per 1 km of the line		RUB/km	X	
APvBbShp 4x120 (one cable in a trench)		RUB/km	4,776,497	
APvBbShp 4x120 (two cables in a trench)		RUB/km	6,687,093	
APvBbShp 4x150 (one cable in a trench)		RUB/km	4,922,687	
APvBbShp 4x150 (two cables in a trench)		RUB/km	6,891,760	
APvBbShp 4x185 (one cable in a trench)		RUB/km	5,522,667	
APvBbShp 4x185 (two cables in a trench)		RUB/km	7,731,735	
APvBbShp 4x240 (one cable in a trench)		RUB/km	5,577,895	
APvBbShp 4x240 (two cables in a trench)		RUB/km	7,809,052	
ASB2I 4x120 (one cable in a trench)		RUB/km	4,117,669	
ASB2I 4x120 (two cables in a trench)		RUB/km	5,764,735	
ASB2I 4x150 (one cable in a trench)		RUB/km	4,117,747	
ASB2I 4x150 (two cables in a trench)		RUB/km	5,764,849	
ASB2I 4x185 (one cable in a trench)		RUB/km	4,117,826	
ASB2I 4x185 (two cables in a trench)		RUB/km	5,764,964	
ASB2I 4x240 (one cable in a trench)		RUB/km	5,436,361	
ASB2I 4x240 (two cables in a trench)		RUB/km	7,610,901	
R5. Standard tariff rate to cover the expenses for transformer substations construction, except for the distribution transformer substation of up to 35 kV		LV	X	X
Terminal package transformer substation 1x63			RUB/kW	14,943
Terminal package transformer substation 1x100			RUB/kW	11,833
Terminal package transformer substation 1x160			RUB/kW	7,819

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
Terminal package transformer substation 1x250		RUB/kW	5,430
Terminal package transformer substation 1x400		RUB/kW	3,844
Terminal package transformer substation 1x630		RUB/kW	3,114
Terminal package transformer substation 1x1000		RUB/kW	2,476
Package two-transformer substations 2x63		RUB/kW	11,123
Package two-transformer substations 2x100		RUB/kW	8,515
Package two-transformer substations 2x160		RUB/kW	5,707
Package two-transformer substations 2x250		RUB/kW	4,042
Package two-transformer substations 2x400		RUB/kW	2,820
Package two-transformer substations 2x630		RUB/kW	2,280
Package two-transformer substations 2x1000		RUB/kW	3,969
Package integrated transformer substation 1x100		RUB/kW	43,412
Package integrated transformer substation 1x160		RUB/kW	27,890
Package integrated transformer substation 1x250		RUB/kW	18,825
Package integrated transformer substation 1x400		RUB/kW	26,554
Package integrated transformer substation 1x630		RUB/kW	17,452
Package integrated transformer substation 1x1000		RUB/kW	11,218
Package integrated transformer substation 1x1250		RUB/kW	10,271
Package integrated transformer substation 1x1600		RUB/kW	3,882
Package integrated transformer substation 2x100		RUB/kW	32,371
Package integrated transformer substation 2x160		RUB/kW	20,820
Package integrated transformer substation 2x250		RUB/kW	14,075
Package integrated transformer substation 2x400		RUB/kW	12,758
Package integrated transformer substation 2x630		RUB/kW	8,378
Package integrated transformer substation 2x1000		RUB/kW	6,336
Package integrated transformer substation 2x1250		RUB/kW	6,430
Package integrated transformer substation 2x1600		RUB/kW	4,695

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
R6. Standard tariff rate to cover the expenses for up to 35 kV distribution transformer substation construction		X	X
Package integrated distribution transformer substation 2x1000		RUB/kW	22,513
Package integrated distribution transformer substation 2x1250		RUB/kW	19,132
Package integrated distribution transformer substation 4x1000		RUB/kW	11,364
Package integrated distribution transformer substation 4x1250		RUB/kW	9,649
R1. Standard tariff rate to cover the expenses for the grid connection of power receivers of power consumers, power facilities of the grid entities and other persons, for the purposes of Par. 16 (except for subparagraph b) of the Guidelines	MV2	RUB per connection	41,011
Preparation and issue of technical specifications to the applicant by the grid entity		RUB per connection	24,525
The grid entity's inspection of the applicant's compliance with the technical specifications		RUB per connection	16,486
R2. Standard tariff rate to cover the expenses for the overhead lines construction, per 1 km of the line		X	X
3 self-supporting insulated wires 1x35		RUB/km	1,252,532
R3. Standard tariff rate to cover the expenses for the cable power lines construction, per 1 km of the line		X	X
ASB2I 3x70 (one cable in a trench)		RUB/km	2,488,073
ASB2I 3x70 (two cables in a trench)		RUB/km	4,494,457
ASB2I 3x120 (one cable in a trench)		RUB/km	3,041,409
ASB2I 3x120 (two cables in a trench)		RUB/km	5,516,421
ASB2I 3x150 (one cable in a trench)		RUB/km	3,520,362
ASB2I 3x150 (two cables in a trench)		RUB/km	5,956,230
ASB2I 3x185 (one cable in a trench)		RUB/km	3,628,888
ASB2I 3x185 (two cables in a trench)		RUB/km	6,671,241
ASB2I 3x240 (one cable in a trench)		RUB/km	3,960,900
ASB2I 3x240 (two cables in a trench)		RUB/km	7,730,762

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
APvPu2g 3(1x120/50) (one cable in a trench)		RUB/km	3,041,688
APvPu2g 3(1x120/50) (two cables in a trench)		RUB/km	5,976,857
APvPu2g 3(1x70/50) (one cable in a trench)		RUB/km	2,570,921
APvPu2g 3(1x70/50) (two cables in a trench)		RUB/km	4,647,388
APvPu2g 3(1x120/70) (one cable in a trench)		RUB/km	3,041,688
APvPu2g 3(1x120/70) (two cables in a trench)		RUB/km	5,976,857
APvPu2g 3(1x150/50) (one cable in a trench)		RUB/km	3,478,618
APvPu2g 3(1x150/50) (two cables in a trench)		RUB/km	6,851,982
APvPu2g 3(1x185/50) (one cable in a trench)		RUB/km	3,736,029
APvPu2g 3(1x185/50) (two cables in a trench)		RUB/km	7,365,539
APvPu2g 3(1x240/50) (one cable in a trench)		RUB/km	3,960,900
APvPu2g 3(1x240/50) (two cables in a trench)		RUB/km	7,730,762
APvPu2g 3(1x240/70) (one cable in a trench)		RUB/km	3,960,900
APvPu2g 3(1x240/70) (two cables in a trench)		RUB/km	7,815,282
APvPu2g 3(1x240/70) (1 cable lines, lateral directed drilling, 2 pipes)		RUB/km	23,393,429
APvPu2g 3(1x240/70) (2 cable lines, lateral directed drilling, 4 pipes)		RUB/km	34,298,878
APvPu2g 3(1x300/70) (one cable in a trench)		RUB/km	4,228,398
APvPu2g 3(1x300/70) (two cables in a trench)		RUB/km	8,351,543
APvPu2g 3(1x400/70) (one cable in a trench)		RUB/km	4,908,009
APvPu2g 3(1x400/70) (two cables in a trench)		RUB/km	9,710,764
PvP2g 3(1x400/95) (three cable lines in a trench)		RUB/km	41,883,885
PvP2g 3(1x400/95) (3 cable lines, lateral directed drilling, 6 pipes for section of up to 100 m)		RUB/km	111,293,700
R4. Standard tariff rate to cover the grid entity's expenses for the sectioning points		X	X



Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
(automatic circuit reclosers, distribution points) at voltage level i			
Package integrated distribution point (14 cells, nominal current of over 1000 A)		RUB/unit	27,423,538
R5. Standard tariff rate to cover the expenses for transformer substations construction, except for the distribution transformer substation of up to 35 kV		X	X
Terminal package transformer substation 1x63		RUB/kW	14,943
Terminal package transformer substation 1x100		RUB/kW	11,833
Terminal package transformer substation 1x160		RUB/kW	7,819
Terminal package transformer substation 1x250		RUB/kW	5,430
Terminal package transformer substation 1x400		RUB/kW	3,844
Terminal package transformer substation 1x630		RUB/kW	3,114
Terminal package transformer substation 1x1000		RUB/kW	2,476
Package two-transformer substations 2x63		RUB/kW	11,123
Package two-transformer substations 2x100		RUB/kW	8,515
Package two-transformer substations 2x160		RUB/kW	5,707
Package two-transformer substations 2x250		RUB/kW	4,042
Package two-transformer substations 2x400		RUB/kW	2,820
Package two-transformer substations 2x630		RUB/kW	2,280
Package two-transformer substations 2x1000		RUB/kW	3,969
Package integrated transformer substation 1x100		RUB/kW	43,412
Package integrated transformer substation 1x160		RUB/kW	27,890
Package integrated transformer substation 1x250		RUB/kW	18,825
Package integrated transformer substation 1x400		RUB/kW	26,554
Package integrated transformer substation 1x630		RUB/kW	17,452
Package integrated transformer substation 1x1000		RUB/kW	11,218
Package integrated transformer substation 1x1250		RUB/kW	10,271
Package integrated transformer substation 1x1600		RUB/kW	3,882
Package integrated transformer substation 2x100		RUB/kW	32,371

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
Package integrated transformer substation 2x160		RUB/kW	20,820
Package integrated transformer substation 2x250		RUB/kW	14,075
Package integrated transformer substation 2x400		RUB/kW	12,758
Package integrated transformer substation 2x630		RUB/kW	8,378
Package integrated transformer substation 2x1000		RUB/kW	6,336
Package integrated transformer substation 2x1250		RUB/kW	6,430
Package integrated transformer substation 2x1600		RUB/kW	4,695
R6. Standard tariff rate to cover the expenses for up to 35 kV distribution transformer substation construction		X	X
Package integrated distribution transformer substation 2x1000		RUB/kW	22,513
Package integrated distribution transformer substation 2x1250		RUB/kW	19,132
Package integrated distribution transformer substation 4x1000		RUB/kW	11,364
Package integrated distribution transformer substation 4x1250		RUB/kW	9,649

1. Standard tariff rates approved for R2, R4, R5, R6 connection are calculated for grid connection of power receivers to a single power source of power supply reliability category 3.
2. Standard tariff rates R3 (to cover the grid entity's expenses for the cable lines construction by laying one cable in a trench and one cable by lateral directed drilling) are calculated for grid connection of power receivers to a single power source of power supply reliability category 3.
3. Standard tariff rates R3 (to cover the grid entity's expenses for the cable lines construction by laying two cables in a trench and two cables by lateral directed drilling) are calculated for grid connection of power receivers under power supply reliability categories 1 and 2.
4. When connecting the power receivers to a single power source by laying two cables in a trench and two cables by lateral directed drilling, the R3 standard tariff rate (to cover the expenses for laying two cables in a trench and two cables by lateral directed drilling) shall be divided by 2.

### Leningrad Region

Order No. 726-p dd. December 29, 2018 by the Leningrad Region Tariff and Price Committee.

Rate	Voltage	Unit of Measurement	Payment Rate
<b>Standard Grid Connection Tariff Rates*</b>			
R1. Standard tariff rate to cover the expenses for the purposes of Par. 16 (except for subparagraph b) of the Guidelines	MV2	RUB per connection	31,139
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity		RUB per connection	13,205

Rate	Voltage	Unit of Measurement	Payment Rate
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules		RUB per connection	17,934
R2. Standard tariff rate to cover the expenses for the overhead lines construction, single-circuit			
urban areas		RUB/km	1,885,149
non-urban areas		RUB/km	1,982,054
R2. Standard tariff rate to cover the expenses for the overhead lines construction, double-circuit		X	X
urban areas		RUB/km	2,047,859
non-urban areas		RUB/km	2,352,512
R3. Standard tariff rate to cover the expenses for the cable power lines construction, single-circuit		X	X
urban areas		RUB/km	3,417,003
non-urban areas		RUB/km	3,536,123
R3. Standard tariff rate to cover the expenses for the cable power lines construction, double-circuit		X	X
urban areas		RUB/km	6,131,635
non-urban areas		RUB/km	6,177,944
R3. Standard tariff rate to cover the expenses for the cable power lines construction by lateral directed drilling		X	X
urban areas		RUB/km	16,510,028
non-urban areas		RUB/km	18,358,396
R4. Standard tariff rate to cover the expenses for construction of distribution points of 10 MVA		X	X
urban areas	MV2	RUB/unit	14,020,519
non-urban areas		RUB/unit	14,020,519
R5. Standard tariff rate to cover the expenses for construction of pole-mounted and mast transformer substations			
urban areas		RUB/kW	X
non-urban areas		RUB/kW	X
R5. Standard tariff rate to cover the expenses for construction of package transformer substations			
urban areas		RUB/kW	X
non-urban areas		RUB/kW	X
R5. Standard tariff rate to cover the expenses for construction of package integrated transformer substations			
urban areas		RUB/kW	X
non-urban areas		RUB/kW	X
R5. Standard tariff rate to cover the expenses for construction of package two-transformer substations			
urban areas		RUB/kW	X
non-urban areas		RUB/kW	X
R5. Standard tariff rate to cover the expenses for construction of package integrated two-transformer substations			

Rate	Voltage	Unit of Measurement	Payment Rate
urban areas		RUB/kW	X
non-urban areas		RUB/kW	X
R1. Standard tariff rate to cover the expenses for the purposes of Par. 16 (except for subparagraph b) of the Guidelines		RUB per connection	31,139
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity		RUB per connection	13,205
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules		RUB per connection	17,934
R2. Standard tariff rate to cover the expenses for the overhead lines construction, single-circuit		X	X
urban areas		RUB/km	1,351,890
non-urban areas		RUB/km	1,568,844
R2. Standard tariff rate to cover the expenses for the overhead lines construction, double-circuit		X	X
urban areas		RUB/km	2,207,595
non-urban areas		RUB/km	2,207,595
R3. Standard tariff rate to cover the expenses for the cable power lines construction, single-circuit		X	X
urban areas		RUB/km	3,453,434
non-urban areas		RUB/km	3,666,822
R3. Standard tariff rate to cover the expenses for the cable power lines construction, double-circuit		X	X
urban areas		RUB/km	5,174,998
non-urban areas	LV	RUB/km	4,236,655
R3. Standard tariff rate to cover the expenses for the cable power lines construction by lateral directed drilling		X	X
urban areas		RUB/km	16,510,028
non-urban areas		RUB/km	18,358,396
R4. Standard tariff rate to cover the expenses for construction of distribution points of 10 MVA		X	X
urban areas		RUB/unit	X
non-urban areas		RUB/unit	X
R5. Standard tariff rate to cover the expenses for construction of pole-mounted and mast transformer substations			
urban areas		RUB/kW	6,844
non-urban areas		RUB/kW	6,844
R5. Standard tariff rate to cover the expenses for construction of package transformer substations			
urban areas		RUB/kW	5,341
non-urban areas		RUB/kW	5,341
R5. Standard tariff rate to cover the expenses for construction of package integrated transformer substations			
urban areas		RUB/kW	8,968
non-urban areas		RUB/kW	8,968

Rate	Voltage	Unit of Measurement	Payment Rate
R5. Standard tariff rate to cover the expenses for construction of package two-transformer substations			
urban areas		RUB/kW	3,749
non-urban areas		RUB/kW	3,749
R5. Standard tariff rate to cover the expenses for construction of package integrated two-transformer substations			
urban areas		RUB/kW	6,638
non-urban areas		RUB/kW	6,638
<b>Grid Connection Payment Rates for a Unit of Peak Capacity</b>			
R1. Rate for a unit of peak capacity used for the purposes of Par. 16 (except for subparagraph b) of Urban Grid Connection Guidelines	MV2	RUB/kW	642
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity		RUB/kW	272
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules		RUB/kW	370
<b>Rates for Unit of Peak Capacity With Respect to the "Last Mile" Measures</b>			
R2. Construction of 10(6) overhead lines, including:	MV2		
construction of single-circuit overhead lines			
urban areas		RUB/km	8,908
non-urban areas		RUB/km	8,908
construction of double-circuit overhead lines			
urban areas		RUB/km	10,670
non-urban areas		RUB/km	10,670
R3. Construction of 10(6) cable lines, including:			
construction of cable power lines (one cable in a trench)			
urban areas		RUB/km	10,578
non-urban areas		RUB/km	10,309
construction of cable power lines (two cables in a trench)			
urban areas		RUB/km	11,298
non-urban areas		RUB/km	11,366
R4. Construction of distribution points			
urban areas		RUB/unit	1,134
non-urban areas		RUB/unit	1,134
R5. Construction of transformer substations of up to 35 kV, including:			
construction of pole-mounted and mast transformer substations			
urban areas		RUB/kW	X
non-urban areas	RUB/kW	X	
construction of package transformer substations			
urban areas	RUB/kW	X	
non-urban areas	RUB/kW	X	
construction of package integrated transformer substations			

Rate	Voltage	Unit of Measurement	Payment Rate
urban areas		RUB/kW	X
non-urban areas		RUB/kW	X
construction of package two-transformer substations			
urban areas		RUB/kW	X
non-urban areas		RUB/kW	X
construction of package integrated two-transformer substations			
urban areas		RUB/kW	X
non-urban areas		RUB/kW	X
<b>Grid Connection Payment Rates for a Unit of Peak Capacity</b>			
R1. Rate for a unit of peak capacity used for the purposes of Par. 16 (except for subparagraph b) of Urban Grid Connection Guidelines	LV	RUB/kW	642
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity		RUB/kW	272
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules		RUB/kW	370
<b>Rates for Unit of Peak Capacity With Respect to the "Last Mile" Measures</b>			
R2. Construction of 10(6) overhead lines, including:	LV		
construction of single-circuit overhead lines			
urban areas		RUB/km	8,832
non-urban areas		RUB/km	8,177
construction of double-circuit overhead lines			
urban areas		RUB/km	10,581
non-urban areas	RUB/km	10,581	
R3. Construction of 10(6) cable lines, including:	LV		
construction of cable power lines (one cable in a trench)			
urban areas		RUB/km	10,200
non-urban areas		RUB/km	10,465
construction of cable power lines (two cables in a trench)			
urban areas		RUB/km	12,339
non-urban areas		RUB/km	12,655
R4. Construction of distribution points			
urban areas		RUB/unit	X
non-urban areas		RUB/unit	X
R5. Construction of transformer substations of up to 35 kV, including:			
construction of pole-mounted and mast transformer substations			
urban areas	RUB/kW	6,844	
non-urban areas	RUB/kW	6,844	
construction of package transformer substations			
urban areas	RUB/kW	5,341	
non-urban areas	RUB/kW	5,341	
construction of package integrated transformer substations			

Rate	Voltage	Unit of Measurement	Payment Rate
urban areas		RUB/kW	8,968
non-urban areas		RUB/kW	8,968
construction of package two-transformer substations			
urban areas		RUB/kW	3,749
non-urban areas		RUB/kW	3,749
construction of package integrated two-transformer substations			
urban areas		RUB/kW	6,638
non-urban areas		RUB/kW	6,638

\* Rates for the unit of peak capacity are applied to the continuous and temporary power supply, including to power supply of the mobile power receivers of up to 150 kW incl. (including the capacity of the power receivers previously connected at the same connection point).

## 2020 Grid Connection Tariff Rates

### Saint Petersburg

Decree No. 281-r dd. December 30, 2019 by the Saint Petersburg Tariff Committee.

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
1	2	3	4
<b>Grid Connection Payment Rates for a Unit of Peak Capacity</b>			
R1. Rate for a unit of peak capacity used for the purposes of Par.16 (except for subparagraph b) of Urban Grid Connection Guidelines	LV	RUB/kW	746
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity		RUB/kW	445
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules		RUB/kW	301
<b>Rates for Unit of Peak Capacity With Respect to the "Last Mile" Measures</b>		X	X
R2. 10(6) kV overhead lines construction		X	X
up to 150 kW (incl.)		RUB/kW	X
from 150 kW to 670 kW		RUB/kW	278
at least 670 kW		RUB/kW	X
R3. 10(6) cable lines construction		X	X
up to 150 kW (incl.)		X	X
from 150 kW to 670 kW		RUB/kW	3,595
at least 670 kW		RUB/kW	5,260
R3. 0.4 kV cable lines construction		X	X
up to 150 kW (incl.)		RUB/kW	X
from 150 kW to 670 kW		RUB/kW	6,401
at least 670 kW		RUB/kW	7,711

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
R5. Rates for unit of peak capacity used for transformer substations construction	MV2	X	X
from 150 kW to 670 kW		RUB/kW	4,026
at least 670 kW		RUB/kW	4,941
R6. Rates for unit of peak capacity used for transformer substations construction			
from 150 kW to 670 kW		RUB/kW	8,108
at least 670 kW		RUB/kW	8,108
R1. Rate for a unit of peak capacity used for the purposes of Par. 16 (except for subparagraph b) of Urban Grid Connection Guidelines		RUB/kW	746
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity		RUB/kW	445
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules		RUB/kW	301
Rates for Unit of Peak Capacity With Respect to the "Last Mile" Measures		X	X
R2. 10(6) kV overhead lines construction		X	X
up to 150 kW (incl.)		RUB/kW	X
from 150 kW to 670 kW		RUB/kW	278
at least 670 kW		RUB/kW	X
R3. 10(6) cable lines construction		X	X
up to 150 kW (incl.)		X	X
from 150 kW to 670 kW		RUB/kW	3,595
at least 670 kW		RUB/kW	5,260
R3. 0.4 kV cable lines construction		X	X
up to 150 kW (incl.)		RUB/kW	X
from 150 kW to 670 kW	RUB/kW	X	
at least 670 kW	RUB/kW	X	
<b>Standard Grid Connection Tariff Rates*</b>			
R1. Standard tariff rate to cover the expenses for the network connection of power receivers of power consumers, power facilities of the grid entities and other persons, for the purposes of Par. 16 (except for subparagraph b) of the Guidelines	LV	RUB per connection	42,102
Preparation and issue of technical specifications to the applicant by the grid entity		RUB per connection	24,986
The grid entity's inspection of the applicant's compliance with the technical specifications		RUB per connection	17,116



Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
R2. Standard tariff rate to cover the expenses for the overhead lines construction, per 1 km of the line		X	X
4 self-supporting insulated wires 4x25, existing towers			1,510,940
4 self-supporting insulated wires 4x25, construction of towers			1,573,895
2 self-supporting insulated wires 3x50+1x70, existing towers			630,353
2 self-supporting insulated wires 3x70+1x70, existing towers			697,087
2 self-supporting insulated wires 3x70+1x70, construction of towers		RUB/km	1,654,839
2 self-supporting insulated wires 3x95+1x95, existing towers			850,650
2 self-supporting insulated wires 3x95+1x95, construction of towers			1,730,161
4 self-supporting insulated wires 4x70, construction of towers			1,622,237
2 self-supporting insulated wires 3x120+1x120, construction of towers			1,785,247
R3. Standard tariff rate to cover the expenses for the cable power lines construction, per 1 km of the line		RUB/km	X
APvBbShp 1x35 (one cable in a trench)		RUB/km	2,656,286
APvBbShp 4x150 (one cable in a trench)		RUB/km	4,433,821
APvBbShp 4x185 (one cable in a trench)		RUB/km	4,963,864
APvBbShp 4x240 (one cable in a trench)		RUB/km	5,026,306
APvBbShp 4x240 (1 cable line, lateral directed drilling, 2 pipes)	RUB/km	18,563,571	
APvBbShp 4x240 (1 cable line, lateral directed drilling, 4 pipes)	RUB/km	23,988,705	
ASB2I 4x120 (one cable in a trench)	RUB/km	3,805,972	
R4. Standard tariff rate to cover the grid entity's expenses for the sectioning points (automatic circuit reclosers, distribution points, switching points), per unit	MV2/LV	X	X
automatic circuit recloser			1,622,046
Package integrated distribution point (14 cells, nominal current of over 1000 A)		RUB/unit	28,054,279
R5. Standard tariff rate to cover the expenses for transformer substations		X	X

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
construction, except for the distribution transformer substation of up to 35 kV			
Package transformer substation 1x63		RUB/kW	14,527
Package transformer substation 1x100		RUB/kW	9,583
Package transformer substation 1x160		RUB/kW	6,298
Package transformer substation 1x250		RUB/kW	5,631
Package transformer substation 1x400		RUB/kW	3,366
Package transformer substation 1x630		RUB/kW	3,229
Package transformer substation 1x1000		RUB/kW	2,568
Package transformer substation 2x63		RUB/kW	11,535
Package transformer substation 2x100		RUB/kW	8,830
Package transformer substation 2x160		RUB/kW	5,918
Package transformer substation 2x250		RUB/kW	4,192
Package transformer substation 2x400		RUB/kW	2,924
Package transformer substation 2x630		RUB/kW	2,364
Package integrated transformer substation 1x100		RUB/kW	45,018
Package integrated transformer substation 1x160		RUB/kW	29,832
Package integrated transformer substation 1x250		RUB/kW	19,876
Package integrated transformer substation 1x400		RUB/kW	16,745
Package integrated transformer substation 1x630		RUB/kW	13,526
Package integrated transformer substation 1x1000		RUB/kW	8,853
Package integrated transformer substation 1x1250		RUB/kW	7,190
Package integrated transformer substation 1x1600		RUB/kW	4,026
Package integrated transformer substation 2x100		RUB/kW	28,131
Package integrated transformer substation 2x160		RUB/kW	21,590
Package integrated transformer substation 2x250		RUB/kW	14,812
Package integrated transformer substation 2x1000		RUB/kW	5,748
Package integrated transformer substation 2x1250		RUB/kW	6,306
Package integrated transformer substation 2x1600		RUB/kW	4,348
Package integrated transformer substation 2x2500		RUB/kW	4,133
R6. Standard tariff rate to cover the expenses for up to 35 kV distribution transformer substation construction		X	X

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
Package integrated distribution transformer substation 2x1000		RUB/kW	23,346
Package integrated distribution transformer substation 2x1250		RUB/kW	19,840
Package integrated distribution transformer substation 4x1000		RUB/kW	11,784
Package integrated distribution transformer substation 4x1250		RUB/kW	10,006
Package integrated distribution transformer substation 4x1600		RUB/kW	8,108
R1. Standard tariff rate to cover the expenses for the grid connection of power receivers of power consumers, power facilities of the grid entities and other persons, for the purposes of Par.16 (except for subparagraph b) of the Guidelines	MV2	RUB per connection	42,102
Preparation and issue of technical specifications to the applicant by the grid entity		RUB per connection	24,986
The grid entity's inspection of the applicant's compliance with the technical specifications		RUB per connection	17,116
R2. Standard tariff rate to cover the expenses for the overhead lines construction, per 1 km of the line		X	X
3 self-supporting insulated wires 1x35, existing towers		RUB/km	1,298,876
3 self-supporting insulated wires 1x35, construction of towers		RUB/km	1,517,759
3 self-supporting insulated wires 1x50, construction of towers		RUB/km	1,694,831
3 self-supporting insulated wires 1x70, construction of towers		RUB/km	2,743,075
3 self-supporting insulated wires 1x95, construction of towers		RUB/km	2,763,311
R3. Standard tariff rate to cover the expenses for the cable power lines construction, per 1 km of the line		X	X
ASB2I 3x70 (one cable in a trench)		RUB/km	2,593,132
ASB2I 3x70 (two cables in a trench)		RUB/km	4,672,876
ASB2I 3x120 (one cable in a trench)		RUB/km	3,217,856
ASB2I 3x120 (two cables in a trench)		RUB/km	5,796,210
ASB2I 3x150 (one cable in a trench)		RUB/km	3,679,512

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
ASB2I 3x150 (two cables in a trench)		RUB/km	6,189,524
ASB2I 3x185 (one cable in a trench)		RUB/km	3,796,879
ASB2I 3x185 (two cables in a trench)		RUB/km	6,958,632
ASB2I 3x240 (one cable in a trench)		RUB/km	4,168,527
ASB2I 3x240 (two cables in a trench)		RUB/km	8,069,523
APvPu2g 3(1x70/50) (one cable in a trench)		RUB/km	2,667,759
APvPu2g 3(1x70/50) (two cables in a trench)		RUB/km	4,819,341
APvPu2g 3(1x120/50) (one cable in a trench)		RUB/km	3,187,642
APvPu2g 3(1x120/50) (two cables in a trench)		RUB/km	6,287,459
APvPu2g 3(1x120/70) (one cable in a trench)		RUB/km	3,213,687
APvPu2g 3(1x120/70) (two cables in a trench)		RUB/km	6,258,410
APvPu2g 3(1x150/50) (one cable in a trench)		RUB/km	3,625,841
APvPu2g 3(1x150/50) (two cables in a trench)		RUB/km	7,105,505
APvPu2g 3(1x150/70) (two cables in a trench)		RUB/km	7,105,505
APvPu2g 3(1x185/35) (one cable in a trench)		RUB/km	3,874,791
APvPu2g 3(1x185/35) (lateral directed drilling, 2 pipes)		RUB/km	21,154,711
APvPu2g 3(1x185/50) (one cable in a trench)		RUB/km	3,874,791
APvPu2g 3(1x185/50) (two cables in a trench)		RUB/km	7,675,641
APvPu2g 3(1x240/50) (one cable in a trench)		RUB/km	4,159,872
APvPu2g 3(1x240/50) (two cables in a trench)		RUB/km	8,016,800
APvPu2g 3(1x240/50) (1 cable lines, lateral directed drilling, 2 pipes)		RUB/km	24,358,741
APvPu2g 3(1x240/70) (one cable in a trench)		RUB/km	4,159,872
APvPu2g 3(1x240/70) (two cables in a trench)		RUB/km	8,154,723
APvPu2g 3(1x240/70)		RUB/km	24,358,741

Connection Category		Unit of Measurement	Payment Rate
Capacity Range, kW	Voltage at Connection Point, kV		
(1 cable lines, lateral directed drilling, 2 pipes) APvPu2g 3(1x240/70)		RUB/km	35,567,936
(2 cable lines, lateral directed drilling, 4 pipes) ASB 3x240		RUB/km	15,568,224
(1 cable lines, lateral directed drilling, 1 pipe) APvPu2g 3(1x300/70)		RUB/km	4,489,625
(one cable in a trench) APvPu2g 3(1x300/70)		RUB/km	8,660,550
(two cables in a trench) APvPu2g 3(1x300/70)		RUB/km	35,026,124
(lateral directed drilling, 2 pipes) APvPu2g 3(1x300/70)		RUB/km	51,676,44
(lateral directed drilling, 4 pipes) APvPu2g 3(1x400/70)		RUB/km	5,089,605
(one cable in a trench) APvPu2g 3(1x400/70)		RUB/km	10,070,062
(two cables in a trench) APvPu2g 3x400/70		RUB/km	38,523,479
(lateral directed drilling, 2 pipes) APvPu2g 3(1x400/70)		RUB/km	62,255,356
(lateral directed drilling, 4 pipes) APvPu2g 3(1x500/70)		RUB/km	7,612,662
(one cable in a trench) APvPu2g 3(1x500/70)		RUB/km	11,814,805
(two cables in a trench) APvPu2g 3(1x630/70)		RUB/km	8,638,370
(one cable in a trench) APvPu2g 3(1x630/70)		RUB/km	13,753,495
(two cables in a trench)			

5. Standard tariff rates approved for R2, R4, R5, R6 connection are calculated for grid connection of power receivers to a single power source of power supply reliability category 3.

6. Standard tariff rates R3 (to cover the grid entity's expenses for the cable lines construction by laying one cable in a trench and one cable by lateral directed drilling) are calculated for grid connection of power receivers to a single power source of power supply reliability category 3.

7. Standard tariff rates R7 (to cover the grid entity's expenses for the cable lines construction by laying two cables in a trench and two cables by lateral directed drilling) are calculated for grid connection of power receivers under power supply reliability categories 1 and 2.

8. When connecting the power receivers to a single power source by laying two cables in a trench and two cables by lateral directed drilling, the R3 standard tariff rate (to cover the expenses for laying two cables in a trench and two cables by lateral directed drilling) shall be divided by 2.

#### Leningrad Region

Order No. 739-p dd. December 27, 2019 by the Leningrad Region Tariff and Price Committee.

Rate	Voltage	Unit of Measurement	Payment Rate
<b>Standard Grid Connection Tariff Rates*</b>			
R1. Standard tariff rate to cover the expenses for the purposes of Par. 16 (except for subparagraph b) of the Guidelines	MV2	RUB per connection	32,990
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity		RUB per connection	9,795
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules		RUB per connection	23,195
R2. Standard tariff rate to cover the expenses for the overhead lines construction, single-circuit	MV2		
urban areas		RUB/km	2,373,357
non-urban areas		RUB/km	2,658,246
R2. Standard tariff rate to cover the expenses for the overhead lines construction, double-circuit		X	X
urban areas		RUB/km	2,435,375
non-urban areas		RUB/km	2,401,621
R3. Standard tariff rate to cover the expenses for the cable power lines construction, single-circuit		X	X
urban areas		RUB/km	3,477,923
non-urban areas		RUB/km	4,399,677
R3. Standard tariff rate to cover the expenses for the cable power lines construction, double-circuit		X	X
urban areas		RUB/km	6,736,186
non-urban areas		RUB/km	6,736,186
R3. Standard tariff rate to cover the expenses for the cable power lines construction by lateral directed drilling		X	X
urban areas		RUB/km	12,217,054
non-urban areas		RUB/km	11,197,507
R4. Standard tariff rate to cover the expenses for construction of distribution points of 10 MVA		X	X
urban areas		RUB/unit	17,831,529.75
non-urban areas		RUB/unit	16,517,698.84
R5. Standard tariff rate to cover the expenses for construction of pole-mounted and mast transformer substations			
urban areas	RUB/kW	X	
non-urban areas	RUB/kW	X	
R5. Standard tariff rate to cover the expenses for construction of package transformer substations			
urban areas	RUB/kW	X	
non-urban areas	RUB/kW	X	
R5. Standard tariff rate to cover the expenses for construction of package integrated transformer substations			
urban areas	RUB/kW	X	
non-urban areas	RUB/kW	X	

Rate	Voltage	Unit of Measurement	Payment Rate
R5. Standard tariff rate to cover the expenses for construction of package two-transformer substations			
urban areas		RUB/kW	X
non-urban areas		RUB/kW	X
R5. Standard tariff rate to cover the expenses for construction of package integrated two-transformer substations			
urban areas		RUB/kW	X
non-urban areas		RUB/kW	X
R1. Standard tariff rate to cover the expenses for the purposes of Par. 16 (except for subparagraph b) of the Guidelines	LV	RUB per connection	32,990
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity		RUB per connection	9,795
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules		RUB per connection	23,195
R2. Standard tariff rate to cover the expenses for the overhead lines construction, single-circuit		X	X
urban areas		RUB/km	1,530,918
non-urban areas		RUB/km	1,660,352
R2. Standard tariff rate to cover the expenses for the overhead lines construction, double-circuit		X	X
urban areas		RUB/km	2,188,755
non-urban areas		RUB/km	2,328,107
R3. Standard tariff rate to cover the expenses for the cable power lines construction, single-circuit		X	X
urban areas		RUB/km	3,722,439
non-urban areas		RUB/km	3,861,030
R3. Standard tariff rate to cover the expenses for the cable power lines construction, double-circuit		X	X
urban areas		RUB/km	6,413,242
non-urban areas		RUB/km	6,413,242
R3. Standard tariff rate to cover the expenses for the cable power lines construction by lateral directed drilling		X	X
urban areas		RUB/km	11,976,833
non-urban areas		RUB/km	9,648,024
R4. Standard tariff rate to cover the expenses for construction of distribution points of 10 MVA		X	X
urban areas		RUB/unit	X
non-urban areas	RUB/unit	X	
R5. Standard tariff rate to cover the expenses for construction of pole-mounted and mast transformer substations			
urban areas	RUB/kW	7,628	
non-urban areas	RUB/kW	7,070	
R5. Standard tariff rate to cover the expenses for construction of package transformer substations			

Rate	Voltage	Unit of Measurement	Payment Rate	
urban areas		RUB/kW	5,465	
non-urban areas		RUB/kW	5,369	
R5. Standard tariff rate to cover the expenses for construction of package integrated transformer substations				
urban areas		RUB/kW	9,199	
non-urban areas		RUB/kW	8,059	
R5. Standard tariff rate to cover the expenses for construction of package two-transformer substations				
urban areas		RUB/kW	4,641	
non-urban areas		RUB/kW	4,277	
R5. Standard tariff rate to cover the expenses for construction of package integrated two-transformer substations				
urban areas		RUB/kW	7,810	
non-urban areas		RUB/kW	7,055	
<b>Grid Connection Payment Rates for a Unit of Peak Capacity</b>				
R1. Rate for a unit of peak capacity used for the purposes of Par. 16 (except for subparagraph b) of Urban Grid Connection Guidelines		MV2	RUB/kW	719
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity			RUB/kW	307
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules			RUB/kW	412
<b>Rates for Unit of Peak Capacity With Respect to the "Last Mile" Measures</b>				
R2. Construction of 10(6) overhead lines, including:	MV2			
construction of single-circuit overhead lines				
urban areas		RUB/km	8,680	
non-urban areas		RUB/km	10,549	
construction of double-circuit overhead lines				
urban areas		RUB/km	10,687	
non-urban areas		RUB/km	7,492	
R3. Construction of 10(6) cable lines, including:				
construction of cable power lines (one cable in a trench)				
urban areas		RUB/km	9,424	
non-urban areas		RUB/km	9,317	
construction of cable power lines (two cables in a trench)				
urban areas		RUB/km	9,725	
non-urban areas		RUB/km	11,058	
R4. Construction of distribution points				
urban areas		RUB/unit	1,897	
non-urban areas	RUB/unit	1,757		
R5. Construction of transformer substations of up to 35 kV, including:				
construction of pole-mounted and mast transformer substations				



Rate	Voltage	Unit of Measurement	Payment Rate	
urban areas		RUB/kW	X	
non-urban areas		RUB/kW	X	
construction of package transformer substations				
urban areas		RUB/kW	X	
non-urban areas		RUB/kW	X	
construction of package integrated transformer substations				
urban areas		RUB/kW	X	
non-urban areas		RUB/kW	X	
construction of package two-transformer substations				
urban areas		RUB/kW	X	
non-urban areas		RUB/kW	X	
construction of package integrated two-transformer substations				
urban areas		RUB/kW	X	
non-urban areas		RUB/kW	X	
<b>Grid Connection Payment Rates for a Unit of Peak Capacity</b>				
R1. Rate for a unit of peak capacity used for the purposes of Par. 16 (except for subparagraph b) of Urban Grid Connection Guidelines		LV	RUB/kW	719
R1.1. Preparation and issue of technical specifications to the applicant by the grid entity	RUB/kW		307	
R1.2. The grid entity's inspection of the applicant's compliance with the technical specifications subject to Section IX of the Grid Connection Rules	RUB/kW		412	
<b>Rates for Unit of Peak Capacity With Respect to the "Last Mile" Measures</b>				
R2. Construction of 10(6) overhead lines, including:	LV			
construction of single-circuit overhead lines				
urban areas		RUB/km	9,492	
non-urban areas		RUB/km	10,241	
construction of double-circuit overhead lines				
urban areas		RUB/km	7,493	
non-urban areas	RUB/km	7,970		
R3. Construction of 10(6) cable lines, including:	LV			
construction of cable power lines (one cable in a trench)				
urban areas		RUB/km	7,538	
non-urban areas		RUB/km	9,801	
construction of cable power lines (two cables in a trench)				
urban areas		RUB/km	10,799	
non-urban areas		RUB/km	10,776	
R4. Construction of distribution points				
urban areas	RUB/unit	X		
non-urban areas	RUB/unit	X		
R5. Construction of transformer substations of up to 35 kV, including:				
construction of pole-mounted and mast transformer substations				

Rate	Voltage	Unit of Measurement	Payment Rate
urban areas		RUB/kW	7,628
non-urban areas		RUB/kW	7,070
construction of package transformer substations			
urban areas		RUB/kW	5,465
non-urban areas		RUB/kW	5,369
construction of package integrated transformer substations			
urban areas		RUB/kW	9,199
non-urban areas		RUB/kW	8,059
construction of package two-transformer substations			
urban areas		RUB/kW	4,641
non-urban areas		RUB/kW	4,277
construction of package integrated two-transformer substations			
urban areas		RUB/kW	7,810
non-urban areas		RUB/kW	7,055

\* Rates for the unit of peak capacity are applied to the continuous and temporary power supply, including to power supply of the mobile power receivers of up to 150 kW incl. (including the capacity of the power receivers previously connected at the same connection point).

#### 6.7 Information on Structure of Property and Changes Thereof in 2019

Item No.	Name	Physical values: for OL, cable grid – length on circuits (km); for substations, other assets – number of facilities	Balance (book) value as of January 1, 2019 (RUB thousand)	Added from January 1, 2019 to December 31, 2019 (RUB thousand)	Disposed of from January 1, 2019 to December 31, 2019 (RUB thousand)	Depreciation accrued from January 1, 2019 to December 31, 2019 (RUB thousand)	Balance (book) value as of December 31, 2019 (RUB thousand)
I	II	III	IV	V	VI	VII	VIII
1.	<b>Assets related to the power facilities, including:</b>		151,895,682	23,912,747	1,183,759	12,516,797	162,107,873
1.1.	OL of 220 kV and higher						0
1.2.	110 kV OL	6,964.04	6,556,363	389,286	24,707	781,437	6,139,505
1.3.	35 kV OL	3,785.43	6,073,530	149,494	27,078	282,915	5,913,031
1.4.	OL of 10 kV and less	34,685.00	5,424,381	2,489,573	145,687	1,497,557	6,270,710
1.5.	Substations of 220 kV and higher						0
1.6.	110 kV substations	225	14,610,375	1,806,144	0	1,685,128	14,731,391
1.7.	35 kV substations	176	34,395,538	549,106	103,576	369,111	34,471,957
1.8.	Substations of 10 kV and less	20,604	1,006,683	5,491,009	156,163	2,517,850	3,823,679
1.9.	Cable grids (all voltage ratings)	24,095.43	65,635,506	9,422,108	387,273	2,832,440	71,837,901
1.10.	Other assets intended for the		18,193,307	3,616,027	339,275	2,550,359	18,919,700

	electric power connection support						
2.	<b>Non-core assets included in the Non-Core Assets Register</b>	<b>14</b>	<b>144</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>144</b>
3.	<b>Other assets (item 3 = item 4 - item 2 - item 1), including:</b>		<b>4,235,778</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,235,778</b>
3.1.	Land plots owned	<b>66</b>	<b>119,394</b>	<b>41,686</b>			<b>161,080</b>
4.	<b>Fixed assets (statement of financial position item)</b>		<b>156,131,604</b>	<b>23,912,747</b>	<b>1,183,759</b>	<b>12,516,797</b>	<b>166,343,795</b>
5.	<b>Leased assets related to the power facilities, including:</b>		<b>36,578,159</b>	<b>1,499,583</b>	<b>1,441,198</b>	<b>for fixed assets reflected at the off-balance account no depreciation is accrued</b>	<b>36,636,544</b>
5.1.	OL of 220 kV and higher						0
5.2.	110 kV OL	25.31	1,971,233	0	601,858	0	1,369,375
5.3.	35 kV OL	4.73	1,418	0	0	0	1,418
5.4.	OL of 10 kV and less	914.91	369,100	594,776	0	0	963,876
5.5.	Substations of 220 kV and higher						0
5.6.	110 kV substations	13	3,013,676	0	0	0	3,013,676
5.7.	35 kV substations	2	1,521,517	0	0	0	1,521,517
5.8.	Substations of 10 kV and less	1,210	9,535,919	0	317,980	0	9,217,939
5.9.	Cable grids (all voltage ratings)	3,149.85	17,758,327	904,807	0	0	18,663,134
5.10.	Other leased assets intended for the electric power connection support		2,406,969	0	521,360	0	1,885,609
6.	<b>Other leased assets, including:</b>		<b>698,601</b>	<b>843</b>	<b>0</b>	<b>for fixed assets reflected at the off-balance account no depreciation is accrued</b>	<b>699,444</b>
6.1.	Land plots	<b>18,751 of those: 4,358 (area sites), 14,393 (line sites)</b>	55,001	843	0		55,844
7.	<b>Assets used under leasing agreements, related to the power facilities, including:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

7.1.	OL of 220 kV and higher						
7.2.	110 kV OL						
7.3.	35 kV OL						
7.4.	OL of 10 kV and less						
7.5.	Substations of 220 kV and higher						
7.6.	110 kV substations						
7.8.	35 kV substations						
7.9.	Substations of 10 kV and less						
7.10.	Cable grids (all voltage ratings)						
8.	<b>Assets used under leasing agreements, intended for the electric power connection support</b>		0	0	0	0	0
9.	<b>Other assets used under leasing agreements</b>		0	0	0	0	0
10.	<b>Total leased assets, including under leasing agreements (item 10 = item 5 + item 6 + item 7 + item 8 + item 9)</b>		37,276,760	1,500,426	1,441,198	for fixed assets reflected at the off-balance account no depreciation is accrued	37,335,988
11.	<b>TOTAL (item 11 = item 4 + item 10)</b>		193,408,364	25,413,173	2,624,957	12,516,797	203,679,783

## 6.8 Capital Investments Structure Over 2017-2019:

Lenenergo, PJSC	2017	2018	2019		
			Planned	Actual	% fulfilled
<b>Investment area - total:</b>	<b>28,203</b>	<b>20,722</b>	<b>23,090</b>	<b>26,135</b>	<b>113%</b>
<b>Power grid facilities, incl.:</b>	<b>25,228</b>	<b>18,474</b>	<b>19,776</b>	<b>23,897</b>	<b>121%</b>
<b>retrofitting, upgrading, reconstruction, incl.</b>	<b>4,485</b>	<b>4,573</b>	<b>9,253</b>	<b>11,504</b>	<b>124%</b>
<b>overhead lines, incl.</b>	<b>339</b>	<b>928</b>	<b>2,199</b>	<b>2,724</b>	<b>124%</b>
110-220 kV overhead power lines (HV)	92	472	685	1,196	175%
35 kV overhead power lines (MV1)	7	12	77	49	64%
1-20 kV overhead power lines (MV2)	201	276	1,327	1,360	102%
0.4 kV overhead power lines (LV)	39	169	110	118	108%
<b>cable lines, incl.</b>	<b>264</b>	<b>539</b>	<b>1,447</b>	<b>1,465</b>	<b>101%</b>
110 kV cable power lines (HV)	14	24	85	28	33%
20-35 kV cable power lines (MV1)	29	1	154	240	155%
3-10 kV cable power lines (MV2)	200	472	1,108	991	89%
under 1 kV cable power lines (LV)	21	42	99	207	208%
<b>substations, incl.</b>	<b>3,141</b>	<b>2,425</b>	<b>3,592</b>	<b>5,497</b>	<b>153%</b>
Incoming voltage - HV	1,831	1,479	1,203	1,112	92%
Incoming voltage - MV1	782	467	1,141	1,013	89%
Incoming voltage - MV2	527	479	1,248	3,372	270%
<b>Other power grid facilities (automation, communication)</b>	<b>741</b>	<b>681</b>	<b>2,016</b>	<b>1,818</b>	<b>90%</b>

<b>Construction of new and expansion of the existing facilities, incl.:</b>	<b>20,743</b>	<b>13,901</b>	<b>10,523</b>	<b>12,392</b>	<b>118%</b>
<b>overhead lines, incl.</b>	<b>5,371</b>	<b>1,970</b>	<b>1,487</b>	<b>3,109</b>	<b>209%</b>
110-220 kV overhead power lines (HV)	314	145	2	2	124%
35 kV overhead power lines (MV1)	-	-	4	12	310%
1-20 kV overhead power lines (MV2)	-	403	94	20	21%
0.4 kV overhead power lines (LV)	5,057	1,422	1,387	3,075	222%
<b>cable lines, incl.</b>	<b>11,989</b>	<b>2,617</b>	<b>4,046</b>	<b>4,991</b>	<b>123%</b>
110 kV cable power lines (HV)	779	214	1,450	1,955	135%
20-35 kV cable power lines (MV1)	-	1	725	1,220	168%
3-10 kV cable power lines (MV2)	11,211	2,032	1,802	1,710	95%
under 1 kV cable power lines (LV)	-	371	69	106	155%
<b>substations, incl.</b>	<b>3,383</b>	<b>8,966</b>	<b>4,872</b>	<b>4,132</b>	<b>85%</b>
Incoming voltage - HV	3,328	3,848	2,698	2,492	92%
Incoming voltage - MV1	25	15	919	443	48%
Incoming voltage - MV2	30	5,103	1,255	1,197	95%
<b>Other power grid facilities (automation, communication)</b>	<b>-</b>	<b>346</b>	<b>117</b>	<b>159</b>	<b>136%</b>
<b>Electric power metering and control units</b>	<b>213</b>	<b>316</b>	<b>640</b>	<b>362</b>	<b>57%</b>
<b>Design and survey for future construction</b>	<b>-</b>	<b>7</b>	<b>216</b>	<b>58</b>	<b>27%</b>
<b>Other production and utility facilities</b>	<b>1,889</b>	<b>628</b>	<b>588</b>	<b>595</b>	<b>101%</b>
<b>Equipment not included in the construction cost estimates</b>	<b>665</b>	<b>855</b>	<b>1,554</b>	<b>893</b>	<b>57%</b>
<b>Non-production facilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital investments in intangible assets</b>	<b>48</b>	<b>259</b>	<b>269</b>	<b>263</b>	<b>98%</b>
<b>Long-term financial investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fixed assets purchase</b>	<b>134</b>	<b>153</b>	<b>-</b>	<b>26</b>	<b>-</b>
<b>RD&amp;T</b>	<b>25</b>	<b>32</b>	<b>47</b>	<b>41</b>	<b>88%</b>

## 6.9 Organizational Structure of the Company

Annex to Order  
No. \_\_\_\_\_ dd. \_\_\_\_\_**Organizational Structure of the Executive Branch of Lenenergo, PJSC**

CEO									
Deputy CEO for Economics and Finances	Deputy CEO for Electric Power Transmission	Deputy CEO for Fixed Assets Construction	Deputy CEO for Grid Connection	First Deputy CEO - Chief Engineer		Deputy CEO for Legal and Corporate Governance	Deputy CEO	Deputy CEO for Safety and Security	Deputy CEO - Chief of Staff
Finances Department	Electric Power Metering and Transmission Department	Fixed Assets Construction Department	Grid Connection Department	Deputy Chief Engineer for High-Voltage Power Lines - Head of the Department	Deputy Chief Engineer for Operative, Process and Contingency Management - Head of the Department	Corporate Governance and Shareholder Relations Department		Safety and Security Department	HR Management and Organization Design Department
Treasury	Energy Preservation and Energy Efficiency Improvement Department	Planning and Maintenance Department	Grid Connection Reporting Department	High-Voltage Grid Department	Operative, Process and Contingency Management Department	Property Management Department		State Secrets Protection Office	Training Center
Tariff Making Department		Construction Supervision Department	Prospective Development Department	Deputy Chief Engineer for Distribution Grid	Quality Management Service	Legal Department		Mobilization Training and Civil Defense Office	Administration Department
Economics Department		Estimates and Contractual Work Department		Distribution Grid Department	Deputy Chief Engineer for Technological Development and Innovations			Anti-Corruption Compliance Office	Public Relations Department
Investment Planning Department				Mechanization and Transportation Department	Technological Development and Innovations Department				Internal Control and Risk Management Department
				Deputy Chief Engineer for Production Safety and Control - Head of the Department	Engineer Preparation Department				Corporate and Process ACS Department
Chief Accountant - Head of Accounting and Tax Records and Reporting Department				Production Safety and Control Department					Internal Audit Department

Accounting and Tax Records and Reporting Department				Production and Technical Department	Metrology and Electric Power Quality Control Department				Logistics and Inventory Management Department
Director of Vyborgskiye Power Grid	Director of Gatchinskiye Power Grid	Director of Cable Grid	Director of Kingiseppskiye Power Grid	Director of Novoladozhskiye Power Grid	Director of St. Petersburg Power Grid	Director of Severniye Power Grid	Director of Tikhvinskiye Power Grid	Director of Yuzhniye Power Grid	Director of Construction Projects Directorate

## 6.10 Customer Service Offices in Saint Petersburg and the Leningrad Region

No	Name	Telephone	Work Hours
1	Tsentralny customer service office for Saint Petersburg and the Leningrad Region	8 800 700 14 71	mon-fri 9:00 to 20:00 sat, sun - closed
	Vyborgsky customer service office for the Leningrad Region	8 800 700 14 71	mon-fri 8:30 to 17:30 (no lunch break); sat, sun - closed
	Gatchinsky customer service office for the Leningrad Region	8 800 700 14 71	mon-fri 8:30 to 17:30 (no lunch break); sat, sun - closed
	Novoladozhsky customer service office for the Leningrad Region	8 800 700 14 71	mon-thu 9:00 to 12:00, 14:00 to 17:00 fri 9:00 to 12:00 sat, sun - closed
	Prigorodny customer service office for the Leningrad Region	8 800 700 14 71	mon-fri 8:30 to 17:30 (no lunch break) sat, sun - closed
2	Hotline	8-800-700-14-71, (812)595-86-62, (812) 494-31-71	24/7, no holidays
3	Call Center of Energoservice Company Lenenergo, JSC	8-800-700-14-71	mon-fri 9:00 to 20:00 sat 9:00 to 17:00 sun - closed

## 6.11 Lenenergo, PJSC Internal Control Members' Functions

Name	Main Internal Control Functions
The Internal Audit Board	<ul style="list-style-type: none"> <li>controls the business and financial operations of the Company, resulting in preparations of suggestions/recommendations aimed at the internal control system improvement</li> <li>independently assesses the validity and accuracy of the information contained in the Company's annual report and accounting report</li> </ul>
The Board of Directors	<ul style="list-style-type: none"> <li>sets out the internal control system organizational principles and approaches</li> <li>controls the executive bodies' operations with respect to the main (priority) areas</li> <li>reviews the Management Board's report on organization and functions of the internal control system</li> <li>annually reviews the internal auditor's reports on the efficiency of the internal control system</li> <li>reviews the results of the external independent assessment of the internal control system efficiency</li> </ul>
The Audit Committee of the Board of Directors	<ul style="list-style-type: none"> <li>pre-reviews the internal documents of the Company that set out the organizational structure and development strategy of the internal control system, the Internal Audit Policy, and subsequent amendments thereto prior to their approval by the Board of Directors</li> <li>pre-reviews the results of the internal control system efficiency assessment based on the internal auditor's report, as well as pre-reviews the results of the external independent assessment of the internal control system efficiency prior to their approval by the Board of Directors, and prepares suggestions/recommendations aimed at the internal control system improvement</li> <li>controls the internal control system with respect to the issues of verification of the accuracy of the accounting and financial statements, selection of the</li> </ul>



Name	Main Internal Control Functions
	independent auditor and supervision of the independent audit, monitoring compliance with the legal regulations that govern the review of the Management Board's report on the organization and functions of the internal control system, as well as issues related to the analysis and assessment of the fulfillment of the Internal Audit Policy
Other Committees of the Board of Directors	<ul style="list-style-type: none"> <li>• within their competence as set out by the Board of Directors, control the fulfillment of the set financial and operating targets, monitor the compliance with the applicable laws, as well as rules and procedures set out in the local regulations, and supervise the accuracy and timeliness of the Company's reports</li> </ul>
The executive bodies of the Company: CEO, Management Board	<ul style="list-style-type: none"> <li>• provide for the creation and efficient functioning of the internal control system</li> <li>• are responsible for the fulfillment of the Board of Directors' resolutions with respect to the internal control system organization</li> </ul>
The Management Board	<ul style="list-style-type: none"> <li>• forms improvement and development areas and plans for the internal control system</li> <li>• prepares the business and financial operations reports, as well as reports on the organization and functioning of the internal control system of the Company</li> <li>• reviews the results of the external independent assessment of the internal control system efficiency, designs measures to develop and improve the internal control system</li> </ul>
CEO	<ul style="list-style-type: none"> <li>• approves the regulating and methodology documents governing the internal control system organization and functions, except for the approval that falls within the Board of Directors' competence</li> <li>• provides for the fulfillment of the Company's operating plans that are necessary for attaining its goals</li> <li>• arranges the accounting and managerial reporting, and the preparation of the accounting reports, financial and other statements</li> <li>• submits the business and financial operations reports to the Board of Directors for review, as well as reports on the organization and functioning of the internal control system of the Company</li> </ul>
Heads of Departments, Blocks and Structural Divisions  (first deputy CEOs, deputy CEOs, area directors, department heads)	<ul style="list-style-type: none"> <li>• design, document, introduce, monitor, and develop the internal control system in the functional areas of the Company, the responsibility for the organization and coordination/introduction of which falls on them subject to the Company's regulations that govern the structural divisions</li> <li>• provide for the implementation of the internal control principles</li> <li>• arrange the creation of the efficient procedures (operating areas), including the design and introduction of new, or change of the existing, control procedures in view of the identified risks</li> <li>• provide for the regulation of the curated procedures (operating areas)</li> <li>• provide for the implementation of the control procedures</li> <li>• assess (monitor) the fulfillment of the control procedures</li> <li>• assess the curated procedures (operating areas) with respect to the necessity of their adjustment in order to improve their efficiency and correspondence to the changing environment and internal situation; arrange for the creation of the control procedures improvement suggestions</li> <li>• provide for elimination of the control procedures (operating areas) defects that have been identified</li> </ul>
Employees of the structural divisions of the Company and its branches that implement the control	<ul style="list-style-type: none"> <li>• implement the control procedures</li> <li>• provide for the prompt notification of the superior officers on the cases when the control procedures are impossible to implement for any reason, and/or the control procedures design needs changing due to the changes being introduced to the internal and/or external environment of the Company</li> </ul>

Name	Main Internal Control Functions
procedures in the line of their duties	<ul style="list-style-type: none"> <li>submit their suggestions for the control procedures to be implemented in their respective operating areas to their superiors for a review</li> </ul>
Administration Department	<ul style="list-style-type: none"> <li>controls the fulfillment of the instructions contained in the Company's orders, minutes of the meetings, and the CEO's orders; thus, mitigating the risks related to the delayed fulfillment of important orders</li> </ul>
Anti-Corruption Compliance Office	<ul style="list-style-type: none"> <li>controls the compliance with the Anti-Corruption Policy and the internal documents adopted to expand and implement the Anti-Corruption Policy by the Company's employees; thus, mitigating the risks of corruption</li> </ul>
Safety and Security Department	<ul style="list-style-type: none"> <li>arranges for the creation of the efficient security system for the Company's property and intellectual property</li> <li>arranges for and holds the inspections and control measures with respect to security (information, economic, counter-terrorism)</li> </ul>
Legal Department	<ul style="list-style-type: none"> <li>controls the Company's compliance with the legal requirements by conducting a legal expert review and approving (subject to the organizational documents of the Company) the agreement and contract drafts, the organizational document drafts, the governance bodies' resolution drafts, power of attorney drafts appointing the Company's representatives for dealing with the third parties, drafts of the applications, statements, letters, requests, complaints to be sent by the Company to the legislative and executive authorities, courts, and law enforcement agencies; and monitors and informs the Company's management of the applicable Russian laws that significantly affect the Company's operations; thus, mitigating the risks of violation of the Russian laws and breach of the Company's interests</li> </ul>
Corporate Governance and Shareholder Relations Department	<ul style="list-style-type: none"> <li>controls the compliance of the executive bodies' resolutions with the Russian laws, corporate standards, organizational documents and regulations of the Company, as well as the Company's interests; thus, mitigating the risks of violation of the shareholding-related laws and the internal documents regulating the operations of the SDCs</li> <li>controls the fulfillment of the instructions contained in the minutes of the meetings of the Board of Directors, the Board's Committees, and the Management Board; thus, mitigating the risks related to the delayed fulfillment of important orders</li> </ul>
Internal Control and Risk Management Department	<ul style="list-style-type: none"> <li>designs and provides for the implementation of principal and methodological documents regulating the creation and improvement of the internal control system</li> <li>assists the management in creating a controlled environment, designing recommendations on describing and introducing the control procedures into the operating areas, and allocating the responsibility</li> <li>coordinates the maintenance and monitoring of the target-compliance of the internal control system</li> <li>provides for the preparation of information on the status of the internal control system and its provision to the stakeholders</li> <li>interacts with the government regulatory agencies with respect to the internal control issues</li> <li>prepares recommendations to improve the control procedures, separate elements of the internal control system, and the system in general, based on the results of the internal audit</li> </ul>
Internal Audit Department	<ul style="list-style-type: none"> <li>carries out the internal independent assessment of the internal control system efficiency and provides recommendations to improve the efficiency and productivity of the internal control system</li> </ul>

6.12 Lenenergo, PJSC Accounting Report for 2019 (subject to the RAS)

Independent Auditor's  
Report  
on Accounting Report and Financial Statements of  
**Lenenergo, PJSC**  
for 2019

*February 2020*

**Independent Auditor's Report  
on Accounting Report and Financial Statements of  
Lenenergo, PJSC**

<b>Contents</b>	<b>Page</b>
Independent Auditor's Report	3
Annexes	
Accounting Report and Financial Statements of Lenenergo, PJSC for 2019:	
Statement of Financial Position	8
Statement of Financial Results	11
Annexes to Statements of Financial Position and Financial Results	13

*(Logo: EY  
Building a better working world)*  
Ernst & Young, LLC  
St. Petersburg Branch  
White Nights House Business Center  
Malaya Morskaya Street, 23  
St. Petersburg, 190000, Russia  
Tel.: +7 (812) 703 7800  
Fax: +7 (812) 703 7810  
[www.ey.com/ru](http://www.ey.com/ru)  
OKPO (Russian Business and Organizations Classification): 71457074

## **Independent Auditor's Report**

To the Shareholders and the Board of Directors of  
Lenenergo, PJSC

### ***Opinion***

We have audited the financial statements of Lenenergo, PJSC (the “Company”), which comprise the statement of financial position as at December 31, 2019, the statement of financial results for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in all material aspects in accordance with the Russian Accounting Standards.

### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (including the international independence standards, the IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Russia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key Audit Issues***

The key audit issues are the issues that, in our professional opinion, were the most significant and crucial in our audit of the Company’s financial statements for the report period. We review these issues in the overall context of our audit financial statements and when forming our opinion on such financial statements, and we do not express a separate opinion on these issues. With respect to each of the issues specified below, we provide our description of how we reviewed it within our audit in that context.

We have fulfilled our obligations described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report, including with respect to these issues. Thus, our audit included the implementation of procedures designed in response to our assessment of the risk of material misstatements in the financial statements. The result of our audit (including the procedures implemented

during the review of the issues specified below) serves as a foundation for our auditor's opinion on the accompanying financial statements.

**Key Audit Issue**

**Review of the Key Audit Issue Within Our Audit**

***Impairment of Receivables***

Impairment of receivables is one of the key issues within our audit due to the Company having a substantial receivables balance as of December 31, 2019, as well as due to the fact that the management's assessment of the possibility of the receivables recovery is based on the assumptions, particularly, on the forecast of the paying capacity of the Company's debtors.

We have analyzed the Company's accounting policy with respect to the review of the receivables for the availability of an impairment allowance, and reviewed the assessment procedures implemented by the Company's management, including the analysis of the receivables payments, of the repayment and delay timelines, and of the debtors' paying capacity.

Information on the impairment of receivables is reported in Note 10 to the statements of financial position and financial results.

We have audited the information the Company used to calculate the receivables impairment, as well as the receivables structure as to the creation and repayment timelines. We have also tested the accrued allowance calculation process based on the management's assessments.

***Recognition, Assessment, and Reporting of Reserves, Provisions, Allowances, and Contingent Liabilities***

Recognition, assessment, and reporting of reserves, provisions, allowances, and contingent liabilities with respect to the legal arguments and contractors' claims (including the territorial power grid and utility companies) were one of the key issues within our audit due to the fact that those require substantial judgments from the management with respect to the significant accounts payable balances that are being disputed in court or subject to pre-trial mediation.

Our audit included the analysis of rulings of courts at various levels, and a review of the management's judgments with respect to the assessment of the probability of the economic resources' outflow due to settlement of disputes, a study of compliance of the documents prepared with the provisions of existing valid agreements and laws, an analysis of the contingent liabilities and provisions' reporting in the Notes to the statements of financial position and financial results.

Information on the reserves, provisions, allowances, and contingent liabilities is reported in Note 14 to the statements of financial position and financial results.

***Recognition and Assessment of Revenue from the Power Transmission Services***

Recognition and assessment of revenue from the power transmission services is one of the key issues within our audit due to the certain peculiarities of the electric power market operations, which create grounds for disputes between the power grid, utility, and other entities with respect to the scope and price of the transmitted power. The revenue disputed by the contractors is a material amount for the

We have reviewed the accounting policy used by the Company with respect to the recognition of the revenue from the power transmission services, studied the recognition internal control system, audited the procedure for calculating the relevant revenue amounts based on the power transmission contracts, selectively verified the receivables balances, analyzed the legal arguments over the disputed amounts for the

Company's financial statements. The management's assessment of the probability of the disputes being resolved in favor of the Company is mostly subjective. The revenue is only recognized in the financial statements when, in view of the assumptions, the disputes are resolved in favor of the Company.

Information on the revenue from the power transmission services is reported in Note 17 to the statements of financial position and financial results.

### ***Other Information***

A different auditor conducted the audit of the financial statements of Lenenergo, PJSC for 2017. That auditor expresses its unmodified opinion on the said statements on February 22, 2018.

### ***Other Information Included in the Annual Report***

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The management is responsible for the other information. We will presumably receive the annual report of Lenenergo, PJSC after the date of our auditor's report.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when it is presented to us and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### ***Responsibilities of the Management and the Audit Committee of the Board of Directors for the Financial Statements***

The management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Russian Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee of the Board of Directors is responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that



includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- ▶ Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Audit Committee of the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also stated to the Audit Committee of the Board of Directors that we have complied with all the existing ethical independence requirements and informed it on all of the relations and other issues that may reasonably be deemed affecting the auditor's independence, and, if necessary, on the relevant precautions.

Of those issues that we have stated to the Audit Committee of the Board of Directors, we determine the issues that are key to the audit of the financial statements for the report period, and that are, consequently, the key audit issues. We describe those issues in our audit's report, except for the cases when the public disclosure of information on such issues is prohibited by law or a regulation, or when, in rare cases, we resolve that the information on any issue should not be included in our report since the adverse effects of such information disclosure are reasonably expected to exceed the socially significant advantages resulting from its disclosure.

Officer responsible for the audit resulting in the making of this independent auditor's report is Mr. A. Grebenyuk.

*(signed)*

Mr. A. Grebenyuk  
Partner  
Ernst & Young, LLC

February 21, 2020

***Information on the Audited Entity***

Name: Lenenergo, PJSC

An entry was made to the Unified State Register of Legal Entities on July 22, 2002 and assigned the following state registration number: 1027809170300.

Location: 1, Ploshchad Konstitutsii, Saint Petersburg, 196247, Russia

***Information on the Auditor***

Name: Ernst & Young, LLC

An entry was made to the Unified State Register of Legal Entities on December 5, 2002 and assigned the following state registration number: 1027739707203.

Location: 77, bldg. 1, Sadovnicheskaya naberezhnaya, Moscow, 115035, Russia

Ernst & Young, LLC is a member of the Self-regulatory organization of auditors Association Sodruzhestvo. Ernst & Young, LLC is listed in the reference copy of the Register of Auditors and Auditing Entities under entry with principal registration number 12006020327.

**Statement of Financial Position  
as of December 31, 2019**

Entity	<b>Lenenergo, PJSC</b>	OKUD Form	0710001		
Taxpayer Identification Number		Date (month, day, year)	31	12	2019
Type of Economic Activity	power industry	OKPO	00107131		
Type of business / ownership	joint stock company/	INN	7803002209		
joint private and foreign ownership		OKVED 2	35.12		
Unit of Measurement: RUB thousand		OKOPF/OKFS	1.22.47	34	
Location (Address)	196247, Saint Petersburg, 1, pl. Konstitutsii	OKEI	384		
The financial statements are subject to mandatory audit <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO					

Ernst &amp; Young, LLC

Name of the auditing entity / Full name (including the patronymic, if any) of the individual auditor

Taxpayer Identification Number of the Auditor (entity or individual)

INN 7709383532

Principal State Registration Number of the Auditor (entity or individual)

OGRN/ OGRNIP 1027739707203/  
11603050648

Notes	Parameter Name	Item	As of December 31, 2019 (1)	As of December 31, 2018 (2)	As of December 31, 2017 (3)
	<b>ASSETS</b>				
	<b>1. NON-CURRENT ASSETS</b>				
5.1.1-5.2.2	Intangible assets	1110	601,034	415,166	189,871
5.2.2	including the uncompleted intangible asset purchase transactions	1111	327,198	271,152	51,245
5.2.1-5.2.2	R&D results	1120	83,728	56,473	28,462
5.2.2	including the expenses for incomplete R&D	1121	68,041	31,375	28,462
	Intangible development assets	1130			
	Tangible development assets	1140			
5.3.1-5.3.6	Fixed assets	1150	187,017,543	175,177,277	168,639,497
	land plots and land use facilities	1151	161,079	119,394	118,595
	plant, property & equipment	1152	166,131,068	155,958,815	144,223,462
	other fixed assets	1153	51,648	53,395	58,867
5.3.5	construction in progress	1154	17,006,043	14,449,807	17,596,279
5.3.6	advances for fixed assets construction and purchase	1155	2,586,212	3,852,462	6,106,297
	raw materials intended to be used in the fixed assets creation*	1156	1,081,493	743,404	535,997
5.3.1	Income-bearing investments in tangible assets	1160			
5.4.1-5.4.3	Financial investments	1170	18,773,405	18,575,670	18,394,453
	investments in subsidiaries	1171	16,127,975	16,135,313	16,135,313
	investments in dependent companies	1172			
	investments in other entities	1173	49,707	49,415	52,818
	loans to entities for over 12 months	1174			
	financial investments	1175	2,595,723	2,390,942	2,206,322
5.7.2	Deferred tax assets	1180	3,693,919	3,519,626	3,014,171
	Other non-current assets	1190	1,441,448	642,183	263,389
	Total for Section 1	1100	211,611,077	198,386,395	190,529,843
	<b>2. CURRENT ASSETS</b>				
5.5.1-5.5.2	Inventory	1210	1,001,851	1,075,966	929,094
	raw materials and supplies, and other similar valuables	1211	1,001,851	1,075,966	929,094
	work-in-progress expenses	1212			
	end products and goods for resale	1213			
	goods dispatched	1214			
	other inventory and expenses	1215			
	Value added tax for purchased valuables	1220	460,989	330,711	228,042

Notes	Parameter Name	Item	As of December 31, 2019 (1)	As of December 31, 2018 (2)	As of December 31, 2017 (3)
5.6.1-5.6.4	Receivables	1230	4,258,980	6,424,539	7,674,509
	Payment is expected over 12 months after the report date	1231	133,146	101,652	458,916
	trade receivables	123101	38,135	10,829	186,700
	notes receivable	123102			
	advances paid	123103	18,738	18,965	31,461
	other receivables	123104	76,273	71,858	240,755
	Payment is expected within 12 months after the report date	1232	4,125,834	6,322,887	7,215,593
	trade receivables	123201	2,730,402	4,239,192	4,300,679
	notes receivable	123202			
	dividend receivables from SDCs	123203			
	authorized capital receivables from the members (founders)	123204			
	advances paid	123205	626,517	643,672	867,666
	other receivables	123206	768,915	1,440,023	2,047,248
5.4.1-5.4.3	Financial investments (except for the cash equivalents)	1240	-	-	-
	loans to entities for under 12 months	1241			
	other current financial investments	1242			
F.4	Cash and cash equivalents	1250	7,290,052	5,522,096	2,423,103
	on hand	1251			
	payment accounts	1252	2,771,071	2,914,067	2,417,686
	currency accounts	1253			
	other cash	1254	4,518,981	2,608,029	5,417
	Other current assets	1260	2,173,508	2,980,663	3,892,993
	Total for Section 2	1200	<b>15,185,380</b>	<b>16,333,975</b>	<b>15,147,741</b>
	<b>BALANCE SHEET</b>	<b>1600</b>	<b>226,796,457</b>	<b>214,720,370</b>	<b>205,677,584</b>
	<b>LIABILITIES</b>				
	<b>3. EQUITY AND RESERVES</b>				
3.1.	Authorized capital (joint capital, authorized fund, partners' contributions)	1310	8,617,050	8,617,050	8,617,050
3.1.	Capital (prior to the registration of changes and amendments)	1311			
3.1.	Treasury shares repurchased from shareholders	1320			
5.3.1,5.1.1	Non-current assets revaluation	1340	48,339,796	50,229,314	50,371,262
3.1.	Additional capital (non-revaluated)	1350	55,188,326	55,188,326	55,188,326
3.1.	Capital reserves	1360	1,292,558	1,190,365	562,315
	Retained profit (accumulated losses)	1370	37,630,448	24,476,871	16,997,201
	brought forward	1371	24,925,530	14,090,648	4,436,203
	report period	1372	12,704,918	10,386,223	12,560,998
	Total for Section 3	1300	151,060,170	139,701,926	131,736,154
	<b>4. NON-CURRENT LIABILITIES</b>				
5.6.7-5.6.8	Borrowings	1410	17,000,000	31,981,030	25,905,000
	bank loans maturing over 12 months after the report date	1411	17,000,000	31,981,030	25,905,000
	borrowings maturing over 12 months after the report date	1412			
5.7.2	Deferred tax liabilities	1420	7,033,994	6,163,932	5,254,947
5.7.1	Provisions	1430			
5.6.5-5.6.6	Other liabilities	1450	5,856,280	3,893,280	2,317,968
	Total for Section 4	1400	29,890,274	42,038,242	33,477,915
	<b>5. CURRENT LIABILITIES</b>				
5.6.7-5.6.8	Borrowings	1510	11,214,179	2,556,821	11,019,601
	bank loans maturing within 12 months after the report date	1511	8,728,523	76,061	8,524,670
	borrowings maturing within 12 months after the report date	1512	2,485,656	2,480,760	2,494,931
5.6.5-5.6.6	Payables	1520	27,953,171	25,898,853	27,960,548
	trade payables	1521	12,973,003	12,131,474	12,137,381
	notes payable	1522	66,000		
	payroll debt to the personnel	1523	341,071	243,763	236,614
	payables to the state non-budgetary funds	1524	216,627	234,171	249,160
	Taxes and levies payable	1525	1,395,560	617,789	1,704,260
	advances received	1526	10,885,016	10,879,710	11,357,277

Notes	Parameter Name	Item	As of December 31, 2019 (1)	As of December 31, 2018 (2)	As of December 31, 2017 (3)
	income payable to the members (founders)	1527	71,511	120,461	
	other payables	1528	2,004,383	1,671,485	2,275,856
	Deferred income	1530			
5.7.1	Provisions	1540	6,670,655	4,524,528	1,483,366
	Other liabilities	1550			
	Total for Section 5	1500	45,838,005	32,980,202	40,463,515
	<b>BALANCE SHEET</b>	<b>1700</b>	<b>226,796,457</b>	<b>214,720,370</b>	<b>205,677,504</b>

Acting Head (signed) I. Kuzmin Acting Chief Accountant (signed) N. Korepanova  
(signature) (name) (signature)

February 21, 2020

**Statement of Financial Results  
For 12 Months of 2019**

Entity Lenenergo, PJSC  
 Taxpayer Identification Number \_\_\_\_\_  
 Type of Economic Activity power industry  
 Type of business / ownership joint stock company/  
joint private and foreign ownership  
 Unit of Measurement: RUB thousand

OKUD Form  
 Date (month, day, year) 31 12 2019  
 OKPO 00107131  
 INN 7803002209  
 OKVED 2 35.12  
 OKOPF/OKFS 1.22.47 34  
 OKEI 384

Codes		
0710002		
31	12	2019
00107131		
7803002209		
35.12		
1.22.47	34	
384		

Notes	Parameter Name	Code	As of December 31, 2019 (1)	As of December 31, 2018 (2)
1	2	3	4	5
	Revenue	2110	82,371,277	76,449,614
	including:			
	revenue from power transmission	2111	75,696,204	68,806,735
	revenue from network connection	2112	6,242,475	7,066,096
	revenue from organizing the operations and development of distribution power sector of the unified energy system of Russia	2113		
	revenue from resale of power and capacities	2114		
	income from participation in other business	2115		
	lease income	2116	162,679	188,326
	revenue from sale of other industrial products, goods, works, services	2117	269,919	388,457
	revenue from sale of other non-industrial products, goods, works, services	2118		
2.1.	Net cost of sales	2120	(58,279,028)	(57,251,650)
	including:			
	net cost of power transmission	2121	(57,148,071)	(56,394,054)
	net cost of network connection	2122	(823,800)	(464,074)
	net cost of organizing the operations and development of distribution power sector of the unified energy system of Russia	2123		
	net cost of resale of power and capacities	2124		
	net cost of participation in other business	2125		
	net cost of lease	2126	(130,693)	(134,205)
	net cost of other industrial products, goods, works, services	2127	(176,464)	(259,317)
	net cost of other non-industrial products, goods, works, services	2128		
	Gross profit (losses)	2100	24,092,249	19,197,964
2.1.	Business expenses	2210		
2.1.	Administrative expenses	2220	(193,713)	(198,183)
	Profit (loss) from sales	2200	23,898,536	18,999,781
	Income from participation in other business	2310	293	941
	Interest receivable	2320	700,828	330,702
	Interest payable	2330	(994,717)	(1,064,762)
5.11.	Other income	2340	4,147,218	4,090,738
5.11.	Other expenses	2350	(10,576,203)	(8,679,068)
	Profit (loss) before tax	2300	17,175,955	13,678,332
2.3.	Current corporate income tax	2410	(3,820,322)	(2,867,013)
2.3.	including permanent tax liabilities (assets)	2421	1,677,332	1,172,529
2.3.	Change in the deferred tax liabilities	2430	(870,062)	(937,172)
2.3.	Change in the deferred tax assets	2450	274,193	517,430
2.3.	Other	2460	(54,846)	(5,354)
	Net profit (losses)	2400	12,704,918	10,386,223

Notes	Parameter Name	Code	As of December 31, 2019 (1)	As of December 31, 2018 (2)
5.1.1 5.3.1	<b>REFERENCE</b> Non-current assets revaluation result not included in the net profit (losses) for the period	2510		
3.2.	Other operations result not included in the net profit (losses) for the period	2520		
	Aggregate financial result for the period	2500	12,704,918	10,386,223
2.2.	Base earnings (losses) per share	2900	1.49053	1.21850
2.2.	Diluted earnings (losses) per share	2910	1.49053	1.21850

Acting Head

(signed)  
(signature)

I. Kuzmin  
(name)

Acting Chief Accountant

(signed)  
(signature)

N. Korepanova

February 21, 2020

## 2.1.Net Cost of Sold Products, Works, Services, Broken Down by Expenses Components

Parameter		For 12 Months of 2019	For 12 Months of 2018
Name	Code		
1	2	3	4
Production expenses	6510	58,279,028	57,251,650
including:			
tangible expenses	6511	1,090,156	987,799
payroll expenses	6512	6,094,062	5,413,380
mandatory insurance premiums, accident and occupational diseases insurance	6513	1,766,226	1,546,997
depreciation	6514	12,579,680	11,769,460
other expenses	6515	36,748,904	37,534,014
Reference: Change in the inventory and reserves (growth [+], decrease [-]):	6520	-	-
including:			
construction in progress	6521		
end products	6522		
purchased products	6523		
goods dispatched	6524		
auxiliary materials	6525		
<b>Total net cost of sales</b>	6500	58,279,028	57,251,650
Business expenses	6550	-	-
including:			
tangible expenses	6551		
payroll expenses	6552		
mandatory insurance premiums, accident and occupational diseases insurance	6553		
depreciation	6554		
other expenses	6555		
Administrative expenses	6560	193,713	198,183
including:			
tangible expenses	6561		
payroll expenses	6562		
mandatory insurance premiums, accident and occupational diseases insurance	6563		
depreciation	6564		
other expenses	6565	193,713	198,183

Acting Chief Accountant                     *(signed)*                    N. Korepanova  
(signature)

February 21, 2020





### 2.3. Profit Tax

Parameter	Code	For 12 Months of 2019	For 12 Months of 2018
1	2	3	4
<b>Profit (loss) before tax</b>	6710	17,175,955	13,678,332
including charged under the rate of 20%	67101	17,175,662	13,677,391
other rates	67102		
non-chargeable	67103	293	941
Permanent difference	6711	8,386,660	5,862,645
Change of the deductible temporary difference	6712	1,370,965	2,087,849
Change of the taxable temporary difference	6713	(4,350,310)	(4,685,859)
Provisional corporate income tax expenses (income)	6721	3,435,191	2,735,666
Permanent tax liabilities (assets)	6722	1,677,332	1,172,529
Change of the deferred tax assets	6723	274,193	517,430
Change of the deferred tax liabilities	6724	(870,062)	(937,172)
Current corporate income tax	6725	(3,820,322)	(2,867,013)
<b>Corporate income tax amounts charged for the pervious tax periods (according to specified tax returns, tax inspections)</b>	6726	(53,952)	(4,375)
<b>Other taxes and sanctions from the profit</b>	6727	(894)	(979)
<b>Amortization of deferred profit and losses taxes</b>	6728		
reference: of those, the deferred tax assets and liabilities amortized due to the retirement of an asset or a type of liabilities	67281		
<b>Operating profit (losses)</b>	6729	12,704,918	10,386,223

Acting Chief Accountant

*(signed)*  
\_\_\_\_\_  
(signature)

N. Korepanova  
\_\_\_\_\_  
(name)

**Statement of Changes in Equity  
2019**

Entity Lenenergo, PJSC  
 Taxpayer Identification Number \_\_\_\_\_  
 Type of Economic Activity power industry  
 Type of business / ownership joint stock company/  
joint private and foreign ownership  
 Unit of Measurement: RUB thousand

OKUD Form \_\_\_\_\_  
 Date (month, day, year) \_\_\_\_\_  
 OKPO \_\_\_\_\_  
 INN \_\_\_\_\_  
 OKVED 2 \_\_\_\_\_  
 OKOPF/OKFS \_\_\_\_\_  
 OKEI \_\_\_\_\_

Codes		
0710004		
31	12	2019
00107131		
7803002209		
35.12		
1.22.47	34	
<b>384</b>		

**3.1. Capital Account**

Parameter Name	Code	Authorized capital	Capital (prior to the registration of changes and amendments)	Treasury shares repurchased from shareholders	Additional capital	Capital reserves	Retained profit (accumulated losses)	Total
Capital as of December 31, 2017 (1)	3100	8,617,050	-	-	105,559,588	562,315	16,997,201	131,736,154
2018 (2)								
Capital increase — total:	3210	-	-	-	-	-	10,386,223	10,386,223
including:								
net profit	3211	X	X	X	X	X	10,386,223	10,386,223
property revaluation	3212	X	X	X		X		-
income related directly to the capital increase	3213	X	X	X		X		-
additional issue of shares	3214					X	X	-
increase of the nominal value of shares	3215			X	X	X		X
entity reorganization	3216							-
Capital decrease — total:	3220	-	-	-	-	-	(2,420,451)	(2,420,451)
including:								
losses	3221	X	X	X	X	X		-
property revaluation	3222	X	X	X		X		-
expenses related directly to the capital decrease	3223	X	X	X		X		-
decrease of the nominal value of shares	3224				X	X		-
decrease of the number of shares	3225				X	X		-
entity reorganization	3226							-
dividend	3227	X	X	X	X	X	(2,420,451)	(2,420,451)
Change of the additional capital	3230	X	X	X	(141,948)	X	141,948	X
Changes of the capital reserves	3240	X	X	X	X	628,050	(628,050)	X
Capital as of December 31, 2018 (2)	3200	8,617,050	-	-	105,417,640	1,190,365	24,476,871	139,701,926
2019 (3)								
Capital increase — total:	3310	-	-	-	-	-	12,704,918	12,704,918
including:								
net profit	3311	X	X	X	X	X	12,704,918	12,704,918
property revaluation	3312	X	X	X		X		-
income related directly to the capital increase	3312	X	X	X		X		-
additional issue of shares	3314					X	X	-
increase of the nominal value of shares	3315			X	X	X		X
entity reorganization	3316							-
Capital decrease — total:	3320	-	-	-	-	-	(1,338,666)	(1,338,666)
including:								
losses	3321	X	X	X	X	X		-
property revaluation	3322	X	X	X		X		-
expenses related directly to the capital decrease	3323	X	X	X		X		-
decrease of the nominal value of shares	3324			X	X	X		-

decrease of the number of shares	3325				X	X		-
entity reorganization	3326							-
dividend	3327	X	X	X	X	X	(1,338,666)	(1,338,666)
Change of the additional capital	3330	X	X	X	(1,889,518)	X	1,889,518	X
Changes of the capital reserves	3340	X	X	X	X	102,193	(102,193)	X
Capital as of December 31, 2019 (3)	3300	8,617,050	-	-	103,528,122	1,292,558	37,630,448	151,068,178

### 3.2. Adjustments Due to Accounting Policy Changes and Error Correction\*

Parameter Name	Code	As of December 31, 2017	Capital Changes in 2018		As of December 31, 2018
			from net profit	from other sources	
<b>Capital — total</b>					
before adjustments	3400	131,736,154	7,479,670	486,102	139,701,926
adjustment due to:					
accounting policy change	3410	-	-	-	-
error correction	3420	-	-	-	-
after adjustments	3500	131,736,154	7,479,670	486,102	139,701,926
including:					
retained profit (accumulated losses):					
before adjustments	3401	16,997,201	7,479,670		24,476,871
adjustment due to:					
accounting policy change	3411				-
error correction	3421				-
after adjustments	3501	16,997,201	7,479,670	-	24,476,871
other capital items adjusted (by item)					
before adjustments	3402	114,738,953	-	486,102	115,225,055
Authorized capital	34021	8,617,050			8,617,050
Capital (prior to the registration of changes and amendments)	340211	-			-
Treasury shares repurchased from shareholders	34022	-			-
Additional capital	34023	105,559,588		(141,948)	105,417,640
Capital reserves	34024	562,315		628,050	1,190,365
adjustment due to:					
accounting policy change	3412				-
error correction	3422				-
after adjustments	3502	114,738,953	-	486,102	115,225,055

(1) a year preceding the previous year is specified

(2) the previous year is specified

### 3.3. Net Assets

Parameter Name	Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Net assets	3600	151,068,178	139,701,926	131,736,154

Acting Head

\_\_\_\_\_  
(signature)

I. Kuzmin  
(name)

(signed)  
(signature)

February 21, 2020

(signed)



**Statement of Cash Flows  
For 12 Months of 2019**

Entity Lenenergo, PJSC  
 Taxpayer Identification Number \_\_\_\_\_  
 Type of Economic Activity power industry  
 Type of business / ownership joint stock company/  
 joint private and foreign ownership \_\_\_\_\_  
 Unit of Measurement: RUB thousand

OKUD Form			Codes		
Date (month, day, year)			0710005		
31	12	2019			
OKPO			00107131		
INN			7803002209		
OKVED 2			35.12		
OKOPF/OKFS		1.22.47	34		
OKEI			384		

Parameter Name	Code	2019	2018
1	2	3	4
<b>Cash Flows from Operations</b>			
Proceeds — total	4110	86,458,819	81,357,845
including:			
from sale of products, goods, works, services	4111	85,113,757	75,758,284
<i>including from sale of products, goods, works, services related to the holding entities, subsidiaries, and dependent companies</i>	411101	914,669	2,101,234
lease payments, license payments, royalties, commissions, and other similar payments	4112	54,832	57,283
<i>including from lease payments, license payments, royalties, commissions, and other similar payments from the holding entities, subsidiaries, and dependent companies</i>	411201	30,672	40,021
from resale of financial investments	4113		
<i>including from resale of financial investments to the holding entities, subsidiaries, and dependent companies</i>	411301		
other proceeds	4119	1,290,230	5,542,278
<i>including other proceeds from the holding entities, subsidiaries, and dependent companies</i>	411901	186,840	946
Payments — total	4120	(53,164,896)	(56,967,649)
including:			
to suppliers (contractors) for raw materials, items, works, services	4121	(34,776,593)	(33,812,454)
<i>including to suppliers (contractors) for raw materials, items, works, services of the holding entities, subsidiaries, and dependent companies</i>	412101	(3,935,290)	(2,041,229)
with respect to payroll	4122	(7,982,913)	(7,146,555)
interest on debt obligations	4123	(1,042,346)	(1,171,997)
<i>including interest on debt obligations to the holding entities, subsidiaries, and dependent companies</i>	412301		
corporate income tax	4124	(4,010,056)	(3,857,627)
other payments	4129	(5,352,988)	(10,979,016)
<i>including other payments to the holding entities, subsidiaries, and dependent companies</i>	412901	(421,566)	(2,173,290)
Balance of cash flows from operations	4100	33,293,923	24,390,196
<b>Cash flows from investments</b>			
Proceeds — total	4210	1,973,746	2,596,958
including:			
from sale of non-current assets (except for financial investments)	4211	31	2,759
<i>including from sale of non-current assets (except for financial investments) to the holding entities, subsidiaries, and dependent companies</i>	421101		
from sale of shares (participating interests) in other entities	4212		
<i>including from sale of shares (participating interests) in other entities to the holding entities, subsidiaries, and dependent companies</i>	421201		
from repayment of loans and borrowings, from sale of debt securities (cash-related rights of claim against other persons)	4213		
<i>including from repayment of loans and borrowings, from sale of debt securities (cash-related rights of claim against other persons) of the holding entities, subsidiaries, and dependent companies</i>	421301		
dividend, interest on debt financial investments, and other similar proceeds from participation in other entities	4214	702,529	312,367
<i>including dividend, interest on debt financial investments, and other similar proceeds from participation in other entities from the holding entities, subsidiaries, and dependent companies</i>	421401	293	714
other proceeds	4219	1,271,186	2,281,832
<i>including other proceeds from the holding entities, subsidiaries, and dependent companies</i>	421901		
Payments — total	4220	(25,868,591)	(19,043,205)
including:			
due to purchase, creation, upgrading, reconstruction or preparation of non-current assets for use	4221	(24,508,912)	(17,833,588)
<i>including payments to the holding entities, subsidiaries, and dependent companies due to purchase, creation, upgrading, reconstruction or preparation of non-current assets for use</i>	422101	(2,186,242)	(2,180,052)
due to purchase of shares (participating interests) in other entities	4222		
<i>including payments to the holding entities, subsidiaries, and dependent companies due to purchase of shares (participating interests) in other entities</i>	422201		



due to purchase of debt securities (cash-related rights of claim against other persons), provision of loans to other persons	4223		
<i>including payments to the holding entities, subsidiaries, and dependent companies due to purchase of debt securities (cash-related rights of claim against other persons), provision of loans to other persons</i>	422301		
interest on debt obligations included in the investment capital value	4224	(1,359,679)	(1,209,617)
<i>including interest on debt obligations included in the investment capital value to the holding entities, subsidiaries, and dependent companies</i>	422401		
other payments	4229		
<i>including other payments to the holding entities, subsidiaries, and dependent companies</i>	422901		
Balance of cash flows from investments	4200	(23,894,845)	(16,446,247)
<b>Cash flows from financial activities</b>			
Proceeds — total	4310	25,759,537	161,622,896
including:			
loans and borrowings obtained	4311	25,759,537	161,622,896
<i>including loans and borrowings obtained from the holding entities, subsidiaries, and dependent companies</i>	431101		
financial contributions from owners (members)	4312		
<i>including financial contributions from owners (members) of the holding entities, subsidiaries, and dependent companies</i>	431201		
from shares issue, increase of participating interests	4313		
<i>including from shares issue, increase of participating interests of the holding entities, subsidiaries, and dependent companies</i>	431301		
from issue of bonds, notes, and other debt securities, etc.	4314		
<i>including from issue of bonds, notes, and other debt securities, etc. of the holding entities, subsidiaries, and dependent companies</i>	431401		
other proceeds	4319		
<i>including other proceeds from the holding entities, subsidiaries, and dependent companies</i>	431901		
Payments — total	4320	(33,390,659)	(166,467,852)
including:			
to owners (members) due to repurchase of shares (participating interests) from them, or their resignation from membership	4321		
<i>including to owners (members) due to repurchase of shares (participating interests) from them, or their resignation from membership in the holding entities, subsidiaries, and dependent companies</i>	432101		
for dividend and other profit distributions to the owners (members)	4322	(1,338,666)	(2,420,602)
<i>including for dividend and other profit distributions to the owners (members) of the holding entities, subsidiaries, and dependent companies</i>	432201	(427,592)	(794,335)
due to repayment (redemption) of notes and other debt securities, repayment of loans and borrowings	4323	(32,051,993)	(164,026,240)
<i>including due to repayment (redemption) of notes and other debt securities, repayment of loans and borrowings to the holding entities, subsidiaries, and dependent companies</i>	432301		
other payments	4329		(21,010)
<i>including other payments to the holding entities, subsidiaries, and dependent companies</i>	432901		
Balance of cash flows from financial activities	4300	(7,631,122)	(4,844,956)
<b>Balance of cash flows for the report period</b>	<b>4400</b>	<b>1,767,956</b>	<b>3,098,993</b>
<b>Cash and cash equivalents opening balance</b>	<b>4450</b>	<b>5,522,096</b>	<b>2,423,103</b>
<b>Cash and cash equivalents closing balance</b>	<b>4500</b>	<b>7,290,052</b>	<b>5,522,096</b>
Effect of exchange rate fluctuations	4490		

Acting Head (signed) I. Kuzmin Acting Chief Accountant (signed) N. Korepanova  
(signature) (name) (signature)

February 21, 2020

## 5.1. Intangible Assets

### 5.1.1. Intangible Assets History and Availability

Parameter			Opening Balance				Changes Over Year							Closing Balance				
							Increase	Revaluation			Impairment Accrued	Impairment Loss	Initial/pre sent market value					Deprecia tion Accumul ated
Name	Code	Period	Initial/pr esent market value	Depreciati on Accumulat ed	Impairme nt Loss	Net book value		Initial/pre sent market value	Deprecia tion Accumul ated	Impair ment Loss				Initial/pr esent market value	Deprecia tion Accumul ated	Initial/pr esent market value	Deprec iation Accumul ated	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
<b>Intangible assets - total</b>	5100	2019 (1)	544,319	(400,305)	-	144,014	205,080	(43,959)	42,176	-	(73,475)	-	-	-	705,440	(431,604)	-	273,836
	5110	2018 (2)	556,476	(417,850)	-	138,626	45,812	(57,969)	57,969	-	(40,424)	-	-	-	544,319	(400,305)	-	144,014
Items of intellectual property (exclusive rights to the intellectual property items)	5101	2019 (1)	286,096	(145,811)	-	140,285	205,080	(17,829)	16,046	-	(69,746)	-	-	-	473,347	(199,511)	-	273,836
	5111	2018 (2)	298,253	(168,561)	-	129,692	45,812	(57,969)	57,969	-	(35,219)	-	-	-	286,096	(145,811)	-	140,285
including:																		
<i>patent owner's rights to inventions, industrial design, utility model</i>	51011	2019 (1)	32,334	(4,250)	-	28,084	3,927				(3,380)				36,261	(7,630)	-	28,631
	51111	2018 (2)	31,933	(934)		30,999	401				(3,316)				32,334	(4,250)	-	28,084
<i>proprietor's rights to software, databases</i>	51012	2019 (1)	253,742	(141,551)	-	112,191	201,153	(17,829)	16,046		(66,364)				437,066	(191,869)	-	245,197
	51112	2018 (2)	266,300	(167,619)		98,681	45,411	(57,969)	57,969		(31,901)				253,742	(141,551)	-	112,191
<i>owner's right to trademark, service mark, appellation of origin</i>	51013	2019 (1)	20	(10)	-	10					(2)				20	(12)	-	8
	51113	2018 (2)	20	(8)		12					(2)				20	(10)	-	10
Other	5102	2019 (1)	258,223	(254,494)	-	3,729		(26,130)	26,130		(3,729)				232,093	(232,093)	-	-
	5112	2018 (2)	258,223	(249,289)		8,934					(5,205)				258,223	(254,494)	-	3,729

(1) the report year is specified

(2) the previous year is specified

## 5.2. Research, Development, Testing, Process Works Results, and Intangible Assets

### 5.2.1. RD&T Results History and Availability

Parameter Name	Code	Period	Opening Balance		Increase	Changes Over Year		Value Written Down for Expenses in the Period	Closing		Balance	
			Initial Value	Value Written Down for Expenses		Decrease			Initial Value	Value Written Down for Expenses	Initial Value	Value Written Down for Expenses
1	2	3	4	5	6	7	8	9	10	11		
<b>RD&amp;T - total</b>	5140	2019 (1)	28,236	(3,138)	675	-	-	(10,086)	28,911	(13,224)		
	5150	2018 (2)	-	-	28,236	-	-	(3,138)	28,236	(3,138)		
<b>of those:</b>									-	-		
Patent-worthy RD&T results	5141	2019 (1)	-	-					-	-		
	5151	2018 (2)							-	-		
Other	5142	2019 (1)	28,236	(3,138)	675			(10,086)	28,911	(13,224)		
	5152	2018 (2)			28,236			(3,138)	28,236	(3,138)		
<b>Reference, of total RD&amp;T:</b>												
RD&T expenses covered by own sources	5143	2019 (1)	-	-					-	-		
	5153	2018 (2)							-	-		
RD&T expenses covered by third parties	5144	2019 (1)	28,236	-					28,236	-		
	5154	2018 (2)			28,236				28,236	-		

(1) the report year is specified  
(2) the previous year is specified

### 5.2.2. Incomplete and Non-formalized RD&T, and Intangible Assets Purchase Transactions in Progress

Parameter Name	Code	Period	Opening Balance	Changes Over Year			Closing Balance
				Expenses Over Year	expenses written down as not having positive results	accepted for recording as intangible assets or RD&T	
1	2	3	4	5	6	7	8
Expenses for incomplete R&D - total	5160	2019 (1)	31,375	41,166	-	(4,500)	68,041
	5170	2018 (2)	28,462	31,544	(395)	(28,236)	31,375
including:							
Patent-worthy RD&T results	5161	2019 (1)	31,375	41,166		(4,500)	68,041
	5171	2018 (2)	28,462	31,544	(395)	(28,236)	31,375
Other	5162	2019 (1)	-				-
	5172	2018 (2)					-
Intangible asset purchase transactions in progress - total	5180	2019 (1)	271,152	266,565	(5,440)	(205,079)	327,198
	5190	2018 (2)	51,245	258,658	7,061	(45,812)	271,152
including:							
patent owner's rights to inventions, industrial design, utility model	5181	2019 (1)	-	3,926		(3,926)	-
	5191	2018 (2)					-
proprietor's rights to software, databases	5182	2019 (1)	271,152	262,639	(5,440)	(201,153)	327,198
	5192	2018 (2)	51,245	258,658	7,061	(45,812)	271,152
owner's right to trademark, service mark, appellation of origin	5183	2019 (1)	-				-
	5193	2018 (2)					-
Other	5184	2019 (1)	-				-
	5194	2018 (2)					-

(1) the report year is specified  
(2) the previous year is specified

### 5.3. Fixed Assets

#### 5.3.1. Fixed Assets History and Availability

Parameter Name	Code	Period	Opening Balance			Changes Over Year							Closing Balance		
			Initial Value	Depreciation Accumulated	Net Book Value	Increase		Decrease		Impairment Accrued	Revaluation		Initial Value	Depreciation Accumulated	Net Book Value
						Initial Value	Depreciation Accumulated for Increase Items	Initial Value	Depreciation Accumulated		Initial Value	Depreciation Accumulated			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>Fixed assets (except for income-bearing investments into tangible assets) - total</b>	5200	2019	341,288,629	(185,157,025)	156,131,604	23,912,747	-	(5,331,465)	4,147,706	(12,516,797)	-	-	359,869,911	(193,526,116)	166,343,795
	5210	2018	318,527,255	(174,126,331)	144,400,924	23,518,691	-	(757,317)	708,798	(11,739,492)	-	-	341,288,629	(185,157,025)	156,131,604
including:															
<b>Depreciable fixed assets - total:</b>	5201	2019	341,169,235	(185,157,025)	156,012,210	23,871,062	-	(5,331,465)	4,147,706	(12,516,797)	-	-	359,708,832	(193,526,116)	166,182,716
	5211	2018	318,408,660	(174,126,331)	144,282,329	23,517,892	-	(757,317)	708,798	(11,739,492)	-	-	341,169,235	(185,157,025)	156,012,210
including:															
Production buildings	52011	2019	23,176,469	(12,820,581)	10,355,888	771,438		(65,523)	49,489	(423,005)			23,882,384	(13,194,097)	10,688,287
	52111	2018	22,519,115	(12,481,243)	10,037,872	712,216		(54,862)	45,208	(384,546)			23,176,469	(12,820,581)	10,355,888
structures, except for power lines	52012	2019	6,098,587	(2,583,322)	3,515,265	584,387		(56,867)	40,571	(247,486)			6,626,107	(2,790,237)	3,835,870
	52112	2018	5,491,883	(2,374,289)	3,117,594	642,392		(35,688)	30,390	(239,423)			6,098,587	(2,583,322)	3,515,265
power lines and accessories thereto	52013	2019	208,383,595	(122,944,459)	85,439,136	10,841,621		(4,766,595)	3,654,503	(5,370,108)			214,458,621	(124,660,064)	89,798,557
	52113	2018	198,030,526	(118,102,425)	79,928,101	10,573,212		(220,143)	203,318	(5,045,352)			208,383,595	(122,944,459)	85,439,136
machinery and equipment producing electric power, substations, electric power transformation equipment	52014	2019	103,332,119	(46,683,593)	56,648,526	11,659,401		(440,803)	401,538	(6,460,308)			114,550,717	(52,742,363)	61,808,354
	52114	2018	92,197,927	(41,058,032)	51,139,895	11,578,790		(444,598)	428,011	(6,053,572)			103,332,119	(46,683,593)	56,648,526
production and other tools	52015	2019	178,321	(125,070)	53,251	14,215		(1,677)	1,605	(15,890)			190,859	(139,355)	51,504
	52115	2018	168,697	(110,008)	58,689	11,282		(1,658)	1,503	(16,565)			178,321	(125,070)	53,251
other	52016	2019	144	-	144								144	-	144

Parameter Name	Code	Period	Opening Balance			Changes Over Year							Closing Balance		
			Initial Value	Depreciation Accumulated	Net Book Value	Increase		Decrease		Impairment Accrued	Revaluation		Initial Value	Depreciation Accumulated	Net Book Value
						Initial Value	Depreciation Accumulated for Increase Items	Initial Value	Depreciation Accumulated		Initial Value	Depreciation Accumulated			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	52116	2018	512	(334)	178			(368)	368	(34)			144	-	144
<b>Items with indefinite useful economic life, not depreciable - total</b>	5202	2019	119,394	-	119,394	41,685	-	-	-	-	-	-	161,079	-	161,079
	5212	2018	118,595	-	118,595	799	-	-	-	-	-	-	119,394	-	119,394
including:															
land plots	52021	2019	119,394	-	119,394	41,685							161,079	-	161,079
	52121	2018	118,595		118,595	799							119,394	-	119,394
land use facilities	52022	2019	-	-	-								-	-	-
	52122	2018			-								-	-	-
<b>Land capital investments</b>	5203	2019	-	-	-								-	-	-
	5213	2018			-								-	-	-
<b>Recorded in income-bearing investments into tangible assets - total</b>	5220	2019	-	-	-	-	-	-	-	-	-	-	-	-	-
	5230	2018	-	-	-	-	-	-	-	-	-	-	-	-	-
including:					-										
property for granting a lease	5221	2019	-	-	-								-	-	-
	5231	2018			-								-	-	-
property under lease agreement	5222	2019	-	-	-								-	-	-
	5232	2018			-								-	-	-

(1) the report year is specified  
(2) the previous year is specified

**5.3.3. Change of Value of Fixed Assets Due to Improvement, Improvement of Equipment, Reconstruction, and Partial Liquidation**

Parameter Name	Code	2019	2018
1	2	3	4
Increase of value of fixed assets due to improvement, improvement of equipment, reconstruction - total	5260	3,977,727	2,757,426
including:			
production buildings	5261	70,800	195,165
structures, except for power lines	5262	429,059	46,838
power lines and accessories thereto	5263	2,357,481	1,779,756
machinery and equipment producing electric power, substations, electric power transformation equipment	5264	1,119,230	735,667
production and other tools	5265		
other	5266	1,157	
Decrease of value of fixed assets due to partial liquidation - total:	5270	78,544	104,108
including:			
production buildings	5271		
structures, except for power lines	5272		15,404
power lines and accessories thereto	5273	38,037	60,511
machinery and equipment producing electric power, substations, electric power transformation equipment	5274	40,507	28,193
production and other tools	5275		
other	5276		

#### 5.3.4. Other Use of Fixed Assets

Parameter Name	Code	As of December 31, 2019 (1)	As of December 31, 2018 (2)	As of December 31, 2017 (3)
1	2	3	4	5
Leased out fixed assets in the balance sheet	5280	2,588,024	2,587,436	2,732,044
Leased out fixed assets off the balance sheet	5281			
Accepted on lease fixed assets in the balance sheet	5282			
Accepted on lease fixed assets off the balance sheet	5283	37,335,988	37,276,759	36,976,397
Real estate items accepted for use and actually used, state registration in progress	5284	2,177,583	1,906,374	1,958,009
Fixed assets laid-up	5285	99,689	287,025	44,934
Other use of fixed assets (pledge, etc.)	5286			

(1) the report date of the report period is specified

(2) the previous year is specified

(3) a year preceding the previous year is specified



### 5.3.5. Capital Investments in Progress

Parameter Name	Code	Period	Opening Balance	Changes Over Year			Closing Balance
				Expenses Over Year	written down	accepted for recording as fixed assets, or capital investments value increased	
1	2	3	4	5	6	7	8
Construction and fixed assets purchase, upgrading, etc. in progress - total	5240	2019 (1)	14,449,807	26,674,345	(326,502)	(23,791,607)	17,006,043
	5250	2018 (2)	17,596,279	21,070,327	(1,025,706)	(23,191,093)	14,449,807
including:							
construction in progress	5241	2019 (1)	13,050,902	23,622,226	(323,743)	(21,558,474)	14,790,911
	5251	2018 (2)	16,624,289	16,888,495	(986,713)	(19,475,169)	13,050,902
fixed assets purchase	5242	2019 (1)	147,184	975,740	(934)	(1,009,638)	112,352
	5252	2018 (2)	192,184	915,258		(960,258)	147,184
equipment to be installed	5243	2019 (1)	1,251,721	851,059			2,102,780
	5253	2018 (2)	738,961	512,760			1,251,721
other	5244	2019 (1)	-	1,225,320	(1,825)	(1,223,495)	-
	5254	2018 (2)	40,845	2,753,814	(38,993)	(2,755,666)	-

### 5.3.6. Advances for Fixed Assets Construction and Purchase

Parameter Name	Code	Period	Opening Balance		Changes Over Year							Closing Balance	
			recorded under conditions	provisions for doubtful	increase			decrease				recorded under conditions	provisions
					result	other accruals	accrual of provisions	repayment	written down for	written down as	recovered		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Advances for fixed assets construction	5291	2019 (1)	3,860,411	(7,949)	1,987,901	-	(429,208)	(2,831,550)	(5,671)	(1,163)	7,770	3,009,928	(423,716)
	5292	2018 (2)	6,112,315	(6,018)	4,186,787	1	(25,210)	(6,438,692)	-	-	23,279	3,860,411	(7,949)
including:													
<i>fixed assets construction</i>	52911	2019 (1)	3,857,963	(7,949)	1,953,203		(429,208)	(2,794,404)	(5,671)	(1,163)	7,770	3,009,928	(423,716)
	52921	2018 (2)	6,110,060	(6,018)	4,186,164	1	(25,210)	(6,438,262)			23,279	3,857,963	(7,949)
<i>fixed assets purchase</i>	52912	2019 (1)	2,448	-	34,698			(37,146)				-	-
	52922	2018 (2)	2,255		623			(430)				2,448	-
<i>other</i>	52913	2019 (1)	-	-								-	-
	52923	2018 (2)										-	-

## 5.4. Financial Investments

### 5.4.1. Financial Investment History and Availability

Parameter Name	Code	Period	Opening Balance		Changes Over Year					Closing Balance	
			Initial Value	adjustment accumulated	increase	decrease (repaid)		interest accrued (incl. bringing the initial value to the nominal one)	present market value (impairment loss)	initial value	adjustment accumulated
						initial value	adjustment accumulated				
1	2	3	4	5	6	7	8	9	10	11	12
<b>Long-term financial investments - total</b>	5301	2019 (1)	26,808,131	(8,232,461)	-	-	204,781	-	(7,046)	26,808,131	(8,034,726)
	5311	2018 (2)	26,808,131	(8,413,678)	-	-	184,620	-	(3,403)	26,808,131	(8,232,461)
Contributions to the authorized (joint) capitals of other entities - total	53021	2019 (1)	16,188,131	(3,403)	-	-	-	-	(7,046)	16,188,131	(10,449)
	53121	2018 (2)	16,188,131	-	-	-	-	-	(3,403)	16,188,131	(3,403)
including:											
subsidiaries	530211	2019 (1)	16,135,313	-					(7,338)	16,135,313	(7,338)
	531211	2018 (2)	16,135,313							16,135,313	-
dependent companies	530212	2019 (1)	-	-						-	-
	531212	2018 (2)								-	-
other	530213	2019 (1)	52,818	(3,403)					292	52,818	(3,111)
	531213	2018 (2)	52,818						(3,403)	52,818	(3,403)
Federal and municipal securities	53022	2019 (1)	-	-						-	-
	53122	2018 (2)								-	-
Other entities' securities - total	53023	2019 (1)	-	-						-	-
	53123	2018 (2)								-	-
including:											
debt securities (bonds, notes)	530231	2019 (1)	-	-						-	-
	531231	2018 (2)								-	-
Loans granted	53024	2019 (1)	-	-						-	-
	53124	2018 (2)								-	-
Deposits	53025	2019 (1)	10,620,000	(8,229,058)			204,781			10,620,000	(8,024,277)
	53125	2018 (2)	10,620,000	(8,413,678)			184,620			10,620,000	(8,229,058)
Other	53026	2019 (1)	-	-						-	-
	53126	2018 (2)								-	-
<b>Long-term financial investments having present market value - total</b>	5302	2019 (1)	-	-	-	-	-	-	-	-	-
	5312	2018 (2)	-	-	-	-	-	-	-	-	-
Contributions to the authorized (joint) capitals of other entities - total	53031	2019 (1)	-	-	-	-	-	-	-	-	-
	53131	2018 (2)	-	-	-	-	-	-	-	-	-

including:											
subsidiaries	530311	2019 (1)	-	-						-	-
	531311	2018 (2)								-	-
dependent companies	530312	2019 (1)	-	-						-	-
	531312	2018 (2)								-	-
other	530313	2019 (1)	-	-						-	-
	531313	2018 (2)								-	-
Federal and municipal securities	53032	2019 (1)	-	-						-	-
	53132	2018 (2)								-	-
Other entities' securities - total	53033	2019 (1)	-	-						-	-
	53133	2018 (2)								-	-
including:											
debt securities (bonds, notes)	530331	2019 (1)	-	-						-	-
	531331	2018 (2)								-	-
Other	53034	2019 (1)	-	-						-	-
	53134	2018 (2)								-	-
<b>Long-term financial investments not having present market value - total</b>	5303	2019 (1)	26,808,131	(8,232,461)			197,735			26,808,131	(8,034,726)
	5313	2018 (2)	26,808,131	(8,413,678)			184,620		(3,403)	26,808,131	(8,232,461)

## 5.4. Financial Investments

### 5.4.1. Financial Investment History and Availability (continued)

Parameter Name	Code	Period	Opening Balance		Changes Over Year					Closing Balance	
			initial value	adjustment accumulated	increase	decrease (repaid)		interest accrued (incl. bringing the initial value to the nominal one)	present market value (impairment loss)	initial value	adjustment accumulated
						initial value	adjustment accumulated				
1	2	3	4	5	6	7	8	9	10	11	12
Short-term financial investments - total	5305	2019 (1)	-	-	-	-	-	-	-	-	-
	5315	2018 (2)	-	-	-	-	-	-	-	-	-
Contributions to the authorized capitals of other entities - total	53061	2019 (1)	-	-						-	-
	53161	2018 (2)								-	-
Federal and municipal securities	53062	2019 (1)	-	-						-	-
	53162	2018 (2)								-	-
Other entities' securities - total	53063	2019 (1)	-	-						-	-
	53163	2018 (2)								-	-
including:											
debt securities (bonds, notes)	530631	2019 (1)	-	-						-	-
	531631	2018 (2)								-	-
Loans granted	53064	2019 (1)	-	-						-	-
	53164	2018 (2)								-	-
Deposits	53065	2019 (1)	-	-						-	-
	53165	2018 (2)								-	-
Other	53066	2019 (1)	-	-						-	-
	53166	2018 (2)								-	-
<b>Short-term financial investments having present market value - total</b>	5306	2019 (1)	-	-	-	-	-	-	-	-	-
	5316	2018 (2)	-	-	-	-	-	-	-	-	-
	53071	2019 (1)	-	-						-	-

Parameter Name	Code	Period	Opening Balance		Changes Over Year					Closing Balance	
			initial value	adjustment accumulated	increase	decrease (repaid)		interest accrued (incl. bringing the initial value to the nominal one)	present market value (impairment loss)	initial value	adjustment accumulated
						initial value	adjustment accumulated				
1	2	3	4	5	6	7	8	9	10	11	12
Contributions to the authorized (joint) capitals of other entities - total	53171	2018 (2)								-	-
Federal and municipal securities	53072	2019 (1)	-	-						-	-
	53172	2018 (2)								-	-
Other entities' securities - total	53073	2019 (1)	-	-						-	-
	53173	2018 (2)								-	-
including:											
debt securities (bonds, notes)	530731	2019 (1)	-	-						-	-
	531731	2018 (2)								-	-
Other	53074	2019 (1)	-	-						-	-
	53174	2018 (2)								-	-
<b>Short-term financial investments not having present market value - total</b>	5307	2019 (1)	-	-						-	-
	5317	2018 (2)								-	-
<b>Financial investments - total</b>	5300	2019 (1)	26,808,131	(8,232,461)	-	-	204,781	-	(7,046)	26,808,131	(8,034,726)
	5310	2018 (2)	26,808,131	(8,413,678)	-	-	184,620	-	(3,403)	26,808,131	(8,232,461)

#### 5.4.2. Financial Investments Assessment Adjustments

Parameter		Opening Balance	Changes Over Year			Closing Balance
Name	Code		Increase	Decrease	Retirement due to FI writing off	
1	2	3	4	5	6	7
<b>Long-term financial investments</b>	7100	(8,232,461)	-	197,735	-	(8,034,726)
Difference between the present market value and initial assessment of financial investments	7110	-	-	-	-	-
<i>including:</i>						
Contributions to the authorized (joint) capitals of other entities - total	7111	-	-	-	-	-
<i>including:</i>						
subsidiaries	71111					-
dependent companies	71112					-
other	71113					-
Federal and municipal securities	7112					-
Other entities' securities - total	7113					-
<i>including:</i>						
debt securities (bonds, notes)	71131					-
Other	7114					-
Difference between the present market value and initial assessment of debt securities	7120	-	-	-	-	-
<i>including:</i>						
Other entities' securities - total	7121					-
<i>including:</i>						
debt securities (bonds, notes)	71211					-
Other	7122					-
Impairment provision for financial investments not having market value	7130	(8,232,461)	-	197,735	-	(8,034,726)
<i>including:</i>						
Contributions to the authorized (joint) capitals of other entities - total	7131	(3,403)	-	(7,046)	-	(10,449)
<i>including:</i>						
subsidiaries	71311			(7,338)		(7,338)
dependent companies	71312					-
other	71313	(3,403)		292		(3,111)
Federal and municipal securities	7132					-
Other entities' securities - total	7133					-
<i>including:</i>						
debt securities (bonds, notes)	71331					-
Loans granted	7134					-
Deposits	7135	(8,229,058)		204,781		(8,024,277)
Other	7136					-
<b>Short-term financial investments</b>	7200	-	-	-	-	-

Difference between the present market value and initial assessment of financial investments having market value	7210	-	-	-	-	-
<i>including:</i>						
Contributions to the authorized (joint) capitals of other entities - total	7211	-	-	-	-	-
<i>including:</i>						
subsidiaries	72111					-
dependent companies	72112					-
other	72113					-
Other entities' securities - total	7212					-
<i>including:</i>						
debt securities (bonds, notes)	72121					-
Other	7213					-
Difference between the present market value and initial assessment of debt securities	7220	-	-	-	-	-
<i>including:</i>						
Other entities' securities - total	7221					-
<i>including:</i>						
debt securities (bonds, notes)	72211					-
Other	7222					-
Impairment provision for financial investments not having market value	7230	-	-	-	-	-
<i>including:</i>						
Contributions to the authorized (joint) capitals of other entities - total	7231	-	-	-	-	-
<i>including:</i>						
subsidiaries	72311					-
dependent companies	72312					-
other	72313					-
Federal and municipal securities	7232					-
Other entities' securities - total	7233					-
<i>including:</i>						
debt securities (bonds, notes)	72331					-
Loans granted	7234					-
Deposits	7235					-
Other	7236					-

**5.4.3. Other Use of Financial Investments\***

Parameter Name	Code	As of December 31, 2019 (1)	As of December 31, 2018 (2)	As of December 31, 2017 (3)
1	2	3	4	5
Financial investments pledged - total	5320			
including:				
bonds	5321			
notes	5322			
shares	5323			
Financial investments transferred to third parties (except for sale) - total	5325			
including:				
bonds	5326			
notes	5327			
shares	5328			
Other use of financial investments	5329			

(1) the report date of the report period to be specified

(2) the previous year is specified

(3) a year preceding the previous year is specified

\* - to be included in the financial statements, if there are data available



## 5.5. Inventory and Supplies

### 5.5.1. Inventory History and Availability

Parameter Name	Code	Period	Opening Balance		Changes Over Year					Closing Balance	
			net cost	provision for value decrease	increase and expenses	decrease		loss from value decrease	inventory turnover between groups (types)	net cost	provision for value decrease
						net cost	provision for value decrease				
1	2	3	4	5	6	7	8	9	10	11	12
Inventory - total	5400	2019 (1)	1,094,062	(18,096)	977,225	(1,040,726)	(10,614)	-	X	1,030,561	(28,710)
	5420	2018 (2)	933,649	(4,555)	1,109,969	(949,556)	(13,541)	-	X	1,094,062	(18,096)
raw materials and supplies	5401	2019 (1)	1,094,062	(18,096)	977,225	(1,040,726)	(10,614)			1,030,561	(28,710)
	5421	2018 (2)	933,649	(4,555)	1,109,969	(949,556)	(13,541)			1,094,062	(18,096)
construction in progress	5402	2019 (1)	-	-						-	-
	5422	2018 (2)								-	-
goods dispatched	5403	2019 (1)	-	-						-	-
	5423	2018 (2)								-	-
end products and goods	5404	2019 (1)	-	-						-	-
	5424	2018 (2)								-	-
other inventory and expenses	5405	2019 (1)	-	-						-	-
	5425	2018 (2)								-	-

### 5.5.2. Inventory Pledged

Parameter Name	Code	As of December 31, 2019 (1)	As of December 31, 2018 (2)	As of December 31, 2017 (3)
1	2	3	4	5
Inventory not paid for as of the report date - total	5440	260,811	1,147,369	987,221
including: raw materials and supplies	5441	260,811	1,147,369	987,221
construction in progress	5442			
goods dispatched	5443			
end products and goods	5444 1			
other inventory and expenses	5444 2			
Inventory pledged under agreements - total	5445	-	-	-
including: raw materials and supplies	5446			
goods dispatched	5447			
end products and goods	5448			
other inventory and expenses	5449			

(1) the report date of the report period to be specified

(2) the previous year is specified

(3) a year preceding the previous year is specified

## 5.6. Receivables and Payables

### 5.6.1. Receivables and Payables History and Availability

Parameter Name	Code	Period	Opening Balance		Changes Over Year							Closing Balance		
			recorded subject to agreement terms	provision for bad debts	increase				transfer from non-current to current debt	recorded subject to agreement terms	provision for bad debts			
					as a result of business transaction (debt amount for transaction)	interest, fines, and other accruals/charges payable	accrual of provisions	repayment				write-off from previously accrued provision	write-off for financial result	provision recovery
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Non-current receivables - total</b>	5501	2019 (1)	103,218	(1,566)	1,307,960	-	(368)	(1,273,822)	-	-	1,566	(3,842)	133,514	(368)
	5521	2018 (2)	458,916	-	1,094,743	-	(1,566)	(1,108,591)	-	-	-	(341,850)	103,218	(1,566)
including:														
Trade receivables	5502	2019 (1)	12,395	(1,566)	1,172,057	-	(368)	(1,137,432)	-	-	1,566	(8,517)	38,503	(368)
	5522	2018 (2)	186,700	-	1,068,090	-	(1,566)	(1,063,170)	-	-	-	(179,225)	12,395	(1,566)
including:														
<i>power transmission</i>	55021	2019 (1)	-	-									-	-
	55221	2018 (2)											-	-
<i>grid connection</i>	55022	2019 (1)	12,395	(1,566)	1,171,410		(368)	(1,136,668)			1,566	(8,634)	38,503	(368)
	55222	2018 (2)	141,052		1,065,941		(1,566)	(1,061,021)				(133,577)	12,395	(1,566)
<i>organization of the operations and development of distribution power sector of the unified energy system of Russia</i>	55023	2019 (1)	-	-									-	-
	55223	2018 (2)			2,149			(2,149)					-	-
<i>electric power and capacity resale</i>	55024	2019 (1)	-	-									-	-
	55224	2018 (2)											-	-
<i>lease income</i>	55025	2019 (1)	-	-									-	-
	55225	2018 (2)											-	-

Parameter Name	Code	Period	Opening Balance		Changes Over Year							Closing Balance		
			recorded subject to agreement terms	provision for bad debts	increase			repayment	write-off from previously accrued provision	write-off for financial result	provision recovery	transfer from non-current to current debt	recorded subject to agreement terms	provision for bad debts
					as a result of business transaction (debt amount for transaction)	interest, fines, and other accruals/charges payable	accrual of provisions							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>other</i>	55026	2019 (1)	-	-	647			(764)				117		-
	55226	2018 (2)	45,648									(45,648)	-	-
Advances paid	5503	2019 (1)	18,965	-	135,903			(136,368)				238	18,738	-
	5523	2018 (2)	31,461		26,619			(32,201)				(6,914)	18,965	-
Notes receivable	5504	2019 (1)	-	-									-	-
	5524	2018 (2)											-	-
Other receivables	5505	2019 (1)	71,858	-	-	-	(22)	-	-	-		4,437	76,273	-
	5525	2018 (2)	240,755		34	-	(13,220)	-	-	-		(155,711)	71,858	-
including:														
<i>interest-free notes</i>	55051	2019 (1)	-	-									-	-
	55251	2018 (2)											-	-
<i>other</i>	55052	2019 (1)	71,858	-			(22)					4,437	76,273	-
	55252	2018 (2)	240,755		34		(13,220)					(155,711)	71,858	-
<b>Of the overall non-current receivables:</b>	5506	2019 (1)	34	-	-	-	(34)	-	-	-		-	-	-
	5526	2018 (2)	232,799	-	34	-	(31,440)	-	-	-		(201,359)	34	-
subsidiaries' receivables	55061	2019 (1)	34	-			(34)						-	-
	55261	2018 (2)	213,812		34		(12,453)					(201,359)	34	-
dependent companies' receivables	55062	2019 (1)	-	-									-	-
	55262	2018 (2)	18,987				(18,987)						-	-

Parameter Name	Code	Period	Opening Balance		Changes Over Year								Closing Balance	
			recorded subject to agreement terms	provision for bad debts	increase			repayment	write-off from previously accrued provision	write-off for financial result	provision recovery	transfer from non-current to current debt	recorded subject to agreement terms	provision for bad debts
					as a result of business transaction (debt amount for transaction)	interest, fines, and other accruals/charges payable	accrual of provisions							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Current receivables - total</b>	5510	2019 (1)	10,699,872	(4,376,985)	161,363,816	-	(2,035,114)	(162,098,652)	(101,624)	(66,611)	635,666	3,842	9,800,643	(5,674,809)
	5530	2018 (2)	11,001,987	(3,786,394)	159,521,756	-	(2,497,292)	(160,011,781)	(92,212)	(61,728)	1,814,489	341,850	10,699,872	(4,376,985)
including:														
Trade receivables	5511	2019 (1)	6,797,225	(2,558,033)	99,033,283	-	(1,655,449)	(99,327,988)	(74,567)	(11,993)	572,205	(118,848)	6,297,112	(3,566,710)
	5531	2018 (2)	6,537,640	(2,236,961)	89,845,899	-	(2,132,951)	(89,146,035)	(86,592)	(53,659)	1,725,287	(300,028)	6,797,225	(2,558,033)
including:														
<i>power transmission</i>	55111	2019 (1)	4,342,786	(1,440,801)	90,877,769		(41,889)	(91,739,408)			183,272		3,481,147	(1,299,418)
	55311	2018 (2)	3,704,123	(1,053,528)	81,191,947		(457,510)	(80,553,284)			70,237		4,342,786	(1,440,801)
<i>grid connection</i>	55112	2019 (1)	1,913,311	(1,090,551)	7,525,687		(1,602,948)	(6,925,120)	(73,913)	(11,283)	380,984	(91,730)	2,336,952	(2,238,602)
	55312	2018 (2)	2,314,185	(1,162,895)	7,920,530		(1,654,212)	(8,259,546)	(83,651)	(53,579)	1,642,905	75,372	1,913,311	(1,090,551)
<i>organization of the operations and development of distribution power sector of the unified energy system of Russia</i>	55113	2019 (1)	-	-	2,186			(2,186)					-	-
	55313	2018 (2)			2,149			(2,149)					-	-
<i>electric power and capacity resale</i>	55114	2019 (1)	-	-									-	-
	55314	2018 (2)											-	-
<i>lease income</i>	55115	2019 (1)	183,724	(16,938)	196,770		(6,622)	(140,728)			212	(116)	239,650	(23,348)
	55315	2018 (2)	118,874	(7,996)	235,951		(11,324)	(168,728)	(2,324)	(49)	58		183,724	(16,938)
<i>other</i>	55116	2019 (1)	357,404	(9,743)	430,871		(3,990)	(520,546)	(654)	(710)	7,737	(27,002)	239,363	(5,342)

Parameter Name	Code	Period	Opening Balance		Changes Over Year								Closing Balance	
			recorded subject to agreement terms	provision for bad debts	increase			repayment	write-off from previously accrued provision	write-off for financial result	provision recovery	transfer from non-current to current debt	recorded subject to agreement terms	provision for bad debts
					as a result of business transaction (debt amount for transaction)	interest, fines, and other accruals/charges payable	accrual of provisions							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	55316	2018 (2)	400,458	(12,542)	495,322		(9,905)	(162,328)	(617)	(31)	12,087	(375,400)	357,404	(9,743)
Advances paid	5512	2019 (1)	1,176,121	(532,449)	16,000,864		(23,953)	(16,319,744)	(25,951)	(1,682)	7,756	319,604	1,149,212	(522,695)
	5532	2018 (2)	1,457,573	(589,907)	14,312,821		(28,127)	(14,600,108)	(1,077)	(2)	84,508	6,914	1,176,121	(532,449)
Notes receivable	5513	2019 (1)	-	-									-	-
	5533	2018 (2)											-	-
authorized capital receivables from the members (founders)	5514	2019 (1)	-	-									-	-
	5534	2018 (2)											-	-
Dividend receivables from SDCs	5515	2019 (1)	-	-									-	-
	5,535	2018 (2)											-	-
Other receivables	5516	2019 (1)	2,726,526	(1,286,503)	46,329,669	-	(355,712)	(46,450,920)	(1,106)	(52,936)	55,705	(196,914)	2,354,319	(1,585,404)
	5536	2018 (2)	3,006,774	(959,526)	55,363,036	-	(336,214)	(56,265,638)	(4,543)	(8,067)	4,694	634,964	2,726,526	(1,286,503)
including:														
interest-free notes	55161	2019 (1)	-	-									-	-
	55361	2018 (2)											-	-
taxes and levies overpaid	55162	2019 (1)	167,221	-	37,398,540			(37,485,854)					79,907	-
	55362	2018 (2)	127,284		33,861,394			(33,821,457)					167,221	-
property sale	55163	2019 (1)	-	-									-	-
	55363	2018 (2)											-	-

Parameter Name	Code	Period	Opening Balance		Changes Over Year								Closing Balance	
			recorded subject to agreement terms	provision for bad debts	increase			repayment	write-off from previously accrued provision	write-off for financial result	provision recovery	transfer from non-current to current debt	recorded subject to agreement terms	provision for bad debts
					as a result of business transaction (debt amount for transaction)	interest, fines, and other accruals/charges payable	accrual of provisions							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>other</i>	55164	2019 (1)	2,559,305	(1,286,503)	8,931,129		(355,712)	(8,965,066)	(1,106)	(52,936)	55,705	(196,914)	2,274,412	(1,585,404)
	55364	2018 (2)	2,879,490	(959,526)	21,501,642		(336,214)	(22,444,181 )	(4,543)	(8,067)	4,694	634,964	2,559,305	(1,286,503)
<b>Of the overall current receivables:</b>	5517	2019 (1)	1,361,837	-	537,730	-	-	(1,269,066)	-	-	-	(26,192)	604,309	-
	5537	2018 (2)	1,797,629	-	1,423,324	-	-	(2,060,445)	-	-	-	201,329	1,361,837	-
subsidiaries' receivables	55171	2019 (1)	1,361,837	-	537,730			(1,269,066)				(26,192)	604,309	-
	55371	2018 (2)	1,765,677		1,423,324			(2,028,493)				201,329	1,361,837	-
dependent companies' receivables	55172	2019 (1)	-	-									-	-
	55372	2018 (2)	31,952					(31,952)						-
Total	5500	2019 (1)	10,803,090	(4,378,551)	162,671,776		(2,035,482)	(163,372,474)	(101,624)	(66,611)	637,232		9,934,157	(5,675,177)
	5520	2018 (2)	11,460,903	(3,786,394)	160,616,499	-	(2,498,858)	(161,120,372)	(92,212)	(61,728)	1,814,489	-	10,803,090	(4,378,551)

### 5.6.3. Overdue Receivables

Parameter Name	Code	As of December 31, 2019 (1)		As of December 31, 2018 (2)		As of December 31, 2017 (3)	
		recorded subject to agreement terms	book value (except for provision for bad debts)	recorded subject to agreement terms	book value (except for provision for bad debts)	recorded subject to agreement terms	book value (except for provision for bad debts)
1	2	3	4	5	6		8
Payment is expected within 12 months after the report date	564	5,859,538	474,001	4,400,149	844,517	4,676,858	919,510
including, trade receivables, including	5641	3,953,985	446,092	2,867,741	799,125	3,032,606	796,416
<i>power transmission</i>	56411	1,406,179	106,762	1,121,239	62,736	1,089,245	35,717
<i>grid connection</i>	56412	2,240,524	60,737	1,547,473	564,041	1,798,896	636,000
<i>organization of the operations and development of distribution power sector of the unified energy system of Russia</i>	56413						
<i>electric power and capacity resale</i>	56414						
<i>lease income</i>	56415	223,975	200,627	168,313	151,374	105,162	97,165
<i>other</i>	56416	83,307	77,966	30,716	20,974	39,303	27,534
notes receivable	5642						
dividend receivables from SDCs	5643						
authorized capital receivables from the members (founders)	5644						
advances paid	5645	540,944	20,766	572,162	42,492	681,277	117,465
other receivables	5646	1,364,609	7,143	960,246	2,900	962,975	5,629

Acting Chief Accountant

(signed)  
(signature)

N. Korepanova

February 21, 2020

- (1) the report date of the report period to be specified
- (2) the previous year is specified
- (3) a year preceding the previous year is specified



### 5.6.5. Payables History and Availability

Parameter Name	Code	Period	Opening Balance	Changes Over Year					Closing Balance
				increase				transfer from non-current to current debt	
				as a result of business transaction (debt amount for transaction)	interest, fines, penalties, and other charges accrued	repayment	write-off for financial result		
1	2	3	4	5	6	7	8	9	10
<b>Non-current payables - total</b>	5551	2019 (1)	3,893,280	4,094,950	-	(1,363,630)	-	(768,320)	5,856,280
	5571	2018 (2)	2,317,968	3,150,040	-	(950,859)	-	(623,869)	3,893,280
including:									
trade payables	5552	2019 (1)	60,027	439,529	-	(443,111)	-	(19,743)	36,702
	5572	2018 (2)	107,937	101,072	-	(103,282)	-	(45,700)	60,027
including:									
<i>construction</i>	55521	2019 (1)	-						-
	55721	2018 (2)							-
<i>other</i>	55522	2019 (1)	60,027	439,529		(443,111)		(19,743)	36,702
	55722	2018 (2)	107,937	101,072		(103,282)		(45,700)	60,027
Other payables	5553	2019 (1)	3,833,253	3,655,421		(920,519)		(748,577)	5,819,578
	5573	2018 (2)	2,210,031	3,048,968		(847,577)		(578,169)	3,833,253
<b>Of the overall non-current payables:</b>	5554	2019 (1)	1,933	792	-	(792)	-	(1,933)	-
	5574	2018 (2)	1,078	2,172	-	-	-	(1,317)	1,933
<i>payables to subsidiaries</i>	55541	2019 (1)	1,933	792		(792)		(1,933)	-
	55741	2018 (2)	1,078	2,172				(1,317)	1,933
<i>payables to dependent companies</i>	55542	2019 (1)	-						-
	55742	2018 (2)							-
<b>Current payables - total</b>	5560	2019 (1)	25,898,853	201,507,628	-	(200,164,629)	(57,001)	768,320	27,953,171
	5500	2018 (2)	27,960,548	176,809,192	-	(179,332,110)	(162,646)	623,869	25,898,853
including:									
Trade payables	5561	2019 (1)	12,131,474	75,861,287	-	(75,169,237)	(28,699)	178,178	12,973,003
	5581	2018 (2)	12,137,381	68,508,280	-	(68,516,503)	(22,852)	25,168	12,131,474

Parameter Name	Code	Period	Opening Balance	Changes Over Year					Closing Balance
				increase				transfer from non-current to current debt	
				as a result of business transaction (debt amount for transaction)	interest, fines, penalties, and other charges accrued	repayment	write-off for financial result		
1	2	3	4	5	6	7	8	9	10
including:									
<i>construction</i>	55611	2019 (1)	6,981,396	28,313,636		(28,139,891)	(26,853)		7,128,288
	55811	2018 (2)	7,711,871	19,458,348		(20,170,572)	(18,251)		6,981,396
<i>other</i>	55612	2019 (1)	5,150,078	47,547,651		(47,029,346)	(1,846)	178,178	5,844,715
	55812	2018 (2)	4,425,510	49,049,932		(48,345,931)	(4,601)	25,168	5,150,078
Advances received	5562	2019 (1)	10,879,710	67,882,855	-	(68,678,061)	(9,628)	810,140	10,885,016
	5582	2018 (2)	11,357,277	59,235,247	-	(60,171,790)	(139,725)	598,701	10,879,710
including:									
<i>power transmission</i>	55621	2019 (1)	2,827	63,452,103		(63,450,859)			4,071
	55821	2018 (2)	2,064	55,112,326		(55,111,563)			2,827
<i>grid connection</i>	55622	2019 (1)	10,857,707	4,213,866		(5,012,993)	(8,845)	823,405	10,873,140
	55822	2018 (2)	11,327,422	3,943,859		(4,873,538)	(138,737)	598,701	10,857,707
<i>organization of the operations and development of distribution power sector of the unified energy system of Russia</i>	55623	2019 (1)	18,598	182,056		(179,379)	(783)	(13,049)	7,443
	55823	2018 (2)	23,868	151,981		(156,263)	(988)		18,598
<i>electric power and capacity resale</i>	55624	2019 (1)	-						-
	55824	2018 (2)							-
<i>interest in other entities</i>	55625	2019 (1)	-						-
	55825	2018 (2)							-
<i>lease services</i>	55626	2019 (1)	578	34,830		(34,830)		(216)	362
	55,826	2018 (2)	3,923	27,081		(30,426)			578

Parameter Name	Code	Period	Opening Balance	Changes Over Year					Closing Balance	
				increase				transfer from non-current to current debt		
				as a result of business transaction (debt amount for transaction)	interest, fines, penalties, and other charges accrued	repayment	write-off for financial result			
1	2	3	4	5	6	7	8	9	10	
<i>other</i>	55,627	2019 (1)	-							-
	55,826	2018 (2)								-
income payables to the members (founders)	5563	2019 (1)	120,461	1,338,666		(1,387,616)				71,511
	5583	2018 (2)	-	2,420,451		(2,299,990)				120,461
Notes payable	5564	2019 (1)	-					66,000		66,000
	5584	2018 (2)	-							-
Payables to the state non-budgetary funds	5565	2019 (1)	234,171	1,925,053		(1,942,597)				216,627
	5585	2018 (2)	249,160	1,730,087		(1,745,076)				234,171
Taxes and levies payable	5566	2019 (1)	617,789	38,168,756		(37,390,985)				1,395,560
	5586	2018 (2)	1,704,260	29,628,982		(30,715,453)				617,789
Payables to employees	5567	2019 (1)	243,763	6,989,762		(6,892,454)				341,071
	5587	2018 (2)	236,614	6,184,324		(6,177,175)				243,763
Other payables	5568	2019 (1)	1,671,485	9,341,249		(8,703,679)	(18,674)	(285,998)		2,004,383
	5588	2018 (2)	2,275,856	9,101,821		(9,706,123)	(69)			1,671,485
<b>Of the overall current payables:</b>	5569	2019 (1)	3,400,262	4,759,141	-	(4,189,649)	-	(176,602)		3,793,152
	5589	2018 (2)	2,658,977	8,690,410	-	(7,945,611)	(4,831)	1,317		3,400,262
<i>payables to subsidiaries</i>	55691	2019 (1)	3,400,262	4,759,141		(4,189,649)		(176,602)		3,793,152
	55891	2018 (2)	2,658,513	8,690,410		(7,945,147)	(4,831)	1,317		3,400,262
<i>payables to dependent companies</i>	55692	2019 (1)	-							-
	55892	2018 (2)	464			(464)				-
<b>Total</b>	5550	2019 (1)	29,792,133	205,602,578	-	(201,528,259)	(57,001)	-		33,809,451
	5570	2018 (2)	30,278,516	179,959,232	-	(180,282,969)	(162,646)	-		29,792,133

- (1) the report year is specified
- (2) the previous year is specified

### 5.6.6. Overdue Payables

Parameter Name	Code	As of December 31, 2019 (1)	As of December 31, 2018 (2)	As of December 31, 2017 (3)
1	2	3	4	5
<b>5. CURRENT LIABILITIES</b>				
Payables		5,101,526	5,055,477	6,346,084
including: Trade payables	5691	1,722,629	1,947,587	3,884,926
<i>including:</i> <i>construction</i>	56911	1,722,629	1,947,587	3,884,926
<i>other</i>	56912			
Notes payable	5692			
Payroll debt to the personnel	5693			
Payables to the state non-budgetary funds	5694			
Taxes and levies payable	5695			
Advances received	5696	3,378,897	3,107,890	2,398,172
Income payables to the members (founders)	5697			
Other payables	5698			62,986

(1) the report date of the report period to be specified

(2) the previous year is specified

(3) a year preceding the previous year is specified

### 5.6.7. Loans and Borrowings

Parameter Name	Code	Period	Opening Balance	Changes Over Year					Closing Balance
				Increase	Interest Accrued	Principal Repaid	Interest Paid	Transfer from non-current to current debt	
1	2	3	4	5	6	7	8	9	10
<b>Non-current borrowings - total</b>	7410	2019 (1)	31,981,030	17,000,000	-	(28,981,030)	-	(3,000,000)	17,000,000
	7430	2018 (2)	25,905,000	111,994,150	-	(105,918,120)	-	-	31,981,030
including:									
Loans	7411	2019 (1)	31,981,030	17,000,000		(28,981,030)		(3,000,000)	17,000,000
	7431	2018 (2)	25,905,000	111,994,150		(105,918,120)			31,981,030
Borrowings	7412	2019 (1)	-						-
	7432	2018 (2)	-						-
<b>Current borrowings - total</b>	7420	2019 (1)	2,556,821	8,759,537	2,370,809	(3,070,963)	(2,402,025)	3,000,000	11,214,179
	7440	2018 (2)	11,019,601	49,628,746	2,398,208	(58,108,120)	(2,381,614)	-	2,556,821
including:									
Loans	7421	2019 (1)	-	8,759,537		(3,070,963)		3,000,000	8,688,574
	7441	2018 (2)	8,479,374	49,628,746		(58,108,120)			-
<i>Loan interest</i>	74211	2019 (1)	76,061		2,179,217		(2,215,329)		39,949
	74411	2018 (2)	45,296		2,213,731		(2,182,966)		76,061
Borrowings	7422	2019 (1)	2,480,760		191,592		(186,696)		2,485,656
	7442	2018 (2)	2,494,931		184,477		(198,648)		2,480,760

- (1) the report year is specified  
(2) the previous year is specified

### 5.6.8. Loan and Borrowing Costs

Parameter		Non-current loans and borrowings	Current loans and borrowings
Name	Code		
1	2	3	4
Loan costs - total:	7510	2,003,894	175,323
written off for other expenses	7511	849,148	66,094
included in the assets value	7512	1,154,746	109,229
Borrowing costs - total:	7520	-	191,592
written off for other expenses	7521		79,475
included in the assets value	7522		112,117
Of the overall loan and borrowing costs:	7530	2,003,894	366,915
charged %	7531	2,003,894	366,915
other expenses	7532		

### 5.7.1. Provisions

Parameter		Opening Balance	Recognized	Paid	Written Off as Excess	Closing Balance
Name	Code					
1	2	3	4	5	6	7
<b>Provisions - total</b>	5700	4,524,528	4,732,084	(1,722,213)	(863,744)	6,670,655
including:						
Payment of future leaves	5701	383,253	644,170	(601,996)		425,427
Payment of the year-end bonus	5702	262,471	323,158	(228,434)	(32,004)	325,191
Court hearings in progress as of the report date	5703	596,798	842,856	(241,695)	(593,756)	604,203
Tax bodies' claims resulting from tax inspections not resolved as of the report date	5704	745,253		(599,629)	(145,624)	-
Other provisions	5705	2,536,753	2,921,900	(50,459)	(92,360)	5,315,834
<b>Of the overall contingent liabilities amount:</b>						
Created from general expenses	5706		869,355			
Created from other expenses	5707		3,685,459			
Included in the assets value	5708		177,271			



### 5.7.2. Deferred Taxes

Name	Code	Deductible temporary difference	Deferred tax assets	Taxable temporary difference	Deferred tax liabilities
1	2	3	4	5	6
Opening Balance	7700	17,994,590	3,519,626	31,226,455	6,163,932
Income	7710	5,442,425	1,088,485	9,888,082	1,977,615
Expenses	7720	(4,071,455)	(814,292)	(5,537,710)	(1,107,553)
Effect of tax rates change	7730	X		X	
Effect of correction of previous years' errors	7740				
Permanent differences between assets and liabilities values	7750				
Write-off not having tax effects	7760	(499,501)	(99,900)		
Closing Balance	7800	18,866,059	3,693,919	35,576,827	7,033,994

### 5.8. Collateral

Parameter		As of December	As of December	As of December
Name	Code	31, 2019 (1)	31, 2018 (2)	31, 2017 (3)
1	2	3	4	5
Received - total	5800	6,726,297	4,864,303	4,829,604
including:				
notes	5801			
pledged property	5802	-	-	-
of that:				
fixed assets	58021			
securities and other financial investments	58022			
other	58023			
other received	5803	6,726,297	4,864,303	4,829,604
Given for own obligations - total	5810	223,823	220,663	219,500
including:				
notes	5811	66,000	66,000	66,000
property as collateral	5812	-	-	-
of that:				
fixed assets	58121			
securities and other financial investments	58122			
other	58123			
other given	5813	157,823	154,663	153,500

**(1) the report date of the report period to be specified**

**(2) the previous year is specified**

**(3) a year preceding the previous year is specified**

### 5.9. State Support

Parameter Name	Code	Opening Balance	Received Over Year	Returned Over Year	Closing Balance	Opening Balance	Received Over Year	Returned Over Year	Closing Balance
Budget funds received - total	5900	-	-	-	-	-	-	-	-
<i>including:</i>					-				-
operating expenses	5901				-				-
compensations to Chernobyl victims and liquidators	5902				-				-
mobilization training tasks	5903				-				-
elimination of inter-territory cross-over subsidies	5904				-				-
investment into non-current assets	5905				-				-
other goals	5906				-				-
<i>of those:</i>					-				-
funding the preventive measures to reduce the number of industrial accidents and occupational diseases	5911		4,803	(4,803)	-		4,452	(4,452)	-
funding thorough medical examinations of employees engaged in works with hazardous and/or harmful occupational factors	5912				-				-

**(1) the report year is specified**

**(2) the previous year is specified**

**5.10. State Support, the Terms of Which Have Not Been Fulfilled\***

Parameter		2019 (1)		2018 (2)	
Name	Code	To be returned	Actually returned	To be returned	Actually returned
1	2	3	4	5	6
Budget funds received, the terms of which have not been fulfilled	7910	-	-	-	-
<i>including:</i>					
operating expenses	7911				
compensations to Chernobyl victims and liquidators	7912				
mobilization training tasks	7913				
elimination of inter-territory cross-over subsidies	7914				
other	7915				
<i>of those:</i>					
funding the preventive measures to reduce the number of industrial accidents and occupational diseases	7921				
funding thorough medical examinations of employees engaged in works with hazardous and/or harmful occupational factors	7922				

**(1) the report year is specified**

**(2) the previous year is specified**

\* - to be included in the financial statements, if there are data available

### 5.11. Other Income and Expenses

Parameter		For 12 Months of 2019 (1)	For 12 Months of 2018 (2)
Name	Code		
1	2		
<b>Other income - total</b>	8000	4,147,218	4,090,738
including:			
Sale of fixed assets, except for apartments	8001	931	6,769
Sale of apartments	8002		
Sale of inventories	8003	44,586	86,355
Sale of currency	8004		
Sale of intangible assets	8005		
Sale of securities	8006		
Sale of other assets	8007	1,923	82
Joint operations	8008		
2018 profit recognized in the report period	8009	77,449	433,519
2017 profit recognized in the report period	8010	224,669	76,782
2016 profit recognized in the report period	8011	150	17,628
Profit prior to January 1, 2016, recognized in the report period	8012		
Penalties and fines recognized, or for enforcement of which court (commercial court) rulings have been obtained	8013	383,191	83,392
Payables with expired statute of limitations on claims (over three years)	8014	57,001	162,646
Exchange differences	8015	41	
Surplus property as a result of inventory reconciliation	8016	18,152	55,835
Donated assets, except for fixed assets and intangible assets	8017	3,884	4,370
Income from donated fixed assets set out under the established procedure	8018	99,634	83,961
Cost of material assets remaining after writing off the unrecoverable and unusable assets	8019	43,469	29,115
Revaluation of financial investments at present market value	8020		
Income from reduction (write-off) of bad debt provision	8021	646,381	1,838,716
Income from reduction (write-off) of provisions reserve	8022	863,898	89,208
Income from reduction (write-off) of inventories depreciation provision	8023	12,776	2,358
Income from assignment agreements	8024		
Income from discovered non-contractual power consumption	8025	1,191,782	656,064
Insurance receivable	8026	32,472	4,092
Income from interest/participation in capitals of other entities	8027		
Recovery of previously written off receivables	8028	10,831	935
Discount on notes	8029		
Tariff differences compensation (budget funding)	8030		
Income from reduction (write-off) of financial investments impairment provision	8031	205,072	184,620
Revaluation of fixed assets	8032		
Income from revaluation of previously discounted fixed assets	8033		
Income from notes repayment	8034		
Other	8035	228,926	274,291
<b>Other expenses - total</b>	8100	(10,576,203)	(8,679,068)

Parameter		For 12 Months of 2019 (1)	For 12 Months of 2018 (2)
Name	Code		
1	2		
including:			
Sale of fixed assets, except for apartments	8101	(643)	(3,243)
Sale of apartments	8102		
Sale of inventories	8103	(37,785)	(81,410)
Sale of currency	8104		
Sale of intangible assets	8105		
Sale of securities	8106		
Sale of other assets	8107	(1,899)	(66)
Other taxes	8108	(17)	(6,553)
Expenses for bank services	8109	(334)	(506)
Expenses for financial investments service	8110	(4,502)	(6,083)
Bad debts provision	8111	(2,602,320)	(2,525,363)
Financial investments impairment provision	8112	(7,338)	(3,403)
Material assets depreciation provision	8113	(23,390)	(15,890)
Discontinuation provision	8114		
Provisions reserve	8115	(3,685,459)	(2,932,545)
Disposal of assets not bearing income	8116	(1,478,797)	(1,015,131)
VAT for donated property	8117	(21,778)	(15,782)
2018 loss recognized in the report period	8118	(175,356)	(170,183)
2017 loss recognized in the report period	8119	(368,118)	(12,752)
2016 loss recognized in the report period	8120	(10)	(695)
Loss prior to January 1, 2016, recognized in the report period	8121		
Penalties and fines recognized, or for enforcement of which court (commercial court) rulings have been obtained	8122	(111,513)	(287,183)
State duties under business agreements and contracts	8123	(16,677)	(27,487)
Revaluation of financial investments at present market value	8124		
Discount on notes	8125		
Expenses for assignment agreements	8126		
Non-refundable VAT	8127	(341,260)	(69,136)
Expenses for discovered non-contractual power consumption	8128	(81,774)	(106,001)
Contributions to unions and funds	8129	(4,180)	(5,402)
Receivables with expired statute of limitations on claims (over three years)	8130	(67,733)	(42,496)
Exchange differences	8131		
Court expenses	8132	(51,699)	(122,490)
Misappropriation, shortfalls	8133	(71,517)	(148,379)
Expenses for enforcement proceedings	8134	(56,291)	(129,753)
Repayment for the employees' apartments	8135		
Other material (financial) aid and other payments to the employees	8136	(223,461)	(284,418)
Financial aid to retirees (including lumpsum payments, reimbursement of utility bills)	8137	(13,600)	(13,443)
Expenses for sports events	8138	(7,873)	(7,572)
Expenses for cultural and educational events	8139	(47,034)	(40,296)
Charity expenses	8140	(97,005)	(81,500)
Cost of paid notes and bills	8141		
Net book value of written off fixed assets	8143		
Discount on the fixed assets	8144		

Parameter		For 12 Months of 2019 (1)	For 12 Months of 2018 (2)
Name	Code		
1	2		
Other	8145	(976,840)	(523,907)

Acting Head

(signed)  
(signature)

I. Kuzmin  
(name)

Acting Chief Accountant

(signed)  
(signature)

N. Korepanova

February 21, 2020

### 5.13. Information on Report Segments

	Code	Period	Saint Petersburg	Leningrad Region	Report Segment Name	Report Segment Name	Report Segment Name	Other Segments	Total
1	2	3	4	5	6	7	8	9	10
Revenue from external buyers	8310	2019	51,800,339	30,570,938					82,371,277
	8311	2018	49,690,767	26,758,847					76,449,614
Revenue from segment-to-segment sales	8320	2019							-
	8321	2018							-
<b>Total segment revenue</b>	<b>8300</b>	<b>2019</b>	<b>51,800,339</b>	<b>30,570,938</b>	-	-	-	-	<b>82,371,277</b>
including:	<b>8400</b>	<b>2018</b>	<b>49,690,767</b>	<b>26,758,847</b>	-	-	-	-	<b>76,449,614</b>
<i>revenue from transmission</i>	8301	2019	46,639,205	29,056,999					75,696,204
	8401	2018	43,275,301	25,531,433					68,806,735
<i>revenue from grid connection</i>	8302	2019	4,841,558	1,400,917					6,242,475
	8402	2018	5,968,373	1,097,723					7,066,097
<i>other revenue</i>	8303	2019	319,576	113,022					432,598
	8403	2018	447,086	129,697					576,783
Interest receivable	8303	2019	420,497	280,331					700,828
	8403	2018	198,421	132,281					330,702
Interest payable	8304	2019	376,470	618,247					994,717
	8404	2018	461,053	603,708					1,064,762
Expenses for corporate income tax	8305	2019	3,695,219	775,819					4,471,038
	8405	2018	2,839,364	452,745					3,292,109
<b>Segment profit/(loss)</b>	<b>8306</b>	<b>2019</b>	<b>10,929,972</b>	<b>1,774,946</b>					<b>12,704,918</b>
	<b>8406</b>	<b>2018</b>	<b>11,883,351</b>	<b>(1,497,128)</b>					<b>10,386,223</b>
<b>Segments' assets</b>	8307	2019	143,522,818	83,273,639					226,796,457
	8407	2018	135,797,854	78,922,516					214,720,370
including non-current assets	8308	2019	136,000,578	75,610,499					211,611,077
	8408	2018	119,920,727	78,465,668					198,386,395
<b>Segments' liabilities</b>	<b>8309</b>	<b>2019</b>	<b>38,143,920</b>	<b>37,584,356</b>					<b>75,728,276</b>
	<b>8409</b>	<b>2018</b>	<b>37,695,448</b>	<b>37,322,996</b>					<b>75,018,444</b>
<b>Depreciation of fixed and intangible assets</b>	<b>8390</b>	<b>2019</b>	<b>7,500,797</b>	<b>5,078,883</b>					<b>12,579,680</b>
	<b>8490</b>	<b>2018</b>	<b>6,948,482</b>	<b>4,820,978</b>					<b>11,769,460</b>



## Notes to the Statements of Financial Position and Financial Results of Lenenergo, PJSC for 2019

These Notes to the Statements of Financial Position and Financial Results are the integral parts of the annual accounting report and financial statements of Lenenergo, PJSC for 2019 prepared subject to the applicable laws of the Russian Federation.

The report date of these accounting report and financial statements is December 31, 2019.

All amounts are presented in thousands of RUB. The negative amounts are presented in parentheses.

### 1. GENERAL INFORMATION

Registered address: 1, pl. Konstitutsii, Saint Petersburg, 196247.

Mailing address: 1, pl. Konstitutsii, Saint Petersburg, 196247.

INN (KPP): 7803002209 (781001001).

OGRN: 1027809170300.

State registration date: January 22, 1993; Certificate No. 2084,

Registration authority: Saint Petersburg City Administration Registration Chamber. The duration of the Company is indefinite.

The Company is operating in two Russian constituent entities: Saint Petersburg and the Leningrad Region.

The main objective of the Company is to gain profit. In order to do so the Company is entitled to carry out the following types of activity:

- electric power transmission
- electric power grid operation
- connection of additional capacity for consumers
- other activities not violating the Russian laws.

The average annual headcount of the Company as of December 31, 2019 was 7,256 people (December 31, 2018: 7,109 people).

Below is the composition of the Board of Directors and the executive body of the Company as of the date of the statement:

Thirteen members of the Board of Directors were appointed by the Annual General Shareholders' Meeting on June 18, 2018. As of December 31, 2019, the following persons were the members of the Board of Directors:

No.	Name	Position
1	Pavel Livinsky	Chairman of the Board of Directors, Lenenergo, PJSC; Chairman of the Management Board, Rosseti, PJSC. CEO, Rosseti, PJSC.
2	Andrey Bondarchuk	Chairman, Saint Petersburg Energy and Building Services Committee
3	Aleksey Malukhin	First Deputy Chairman, Saint Petersburg Energy and Building Services Committee
4	Dmitry Koptin	Chairman, Saint Petersburg Tariff Committee
5	Gennady Magazinov	Chief of Staff for M.A. Shaskolsky, the Saint Petersburg Vice-Governor
6	Yelena Tsereteli	Director, Saint Petersburg Small and Medium Enterprises Development Foundation, Nonprofit Entity
7	Aleksandr German	Deputy Chairman, Saint Petersburg Property Relations Committee
8	Daniil Krainsky	Senior Advisor, Rosseti, PJSC; Deputy CEO for Legal and Corporate Governance, Lenenergo, PJSC
9	Andrey Ryumin	CEO, Lenenergo, PJSC

10	Sergey Pikin	Director, Energy Development Fund
11	Larisa Romanovskaya	Deputy CEO for Public Relations (Government Agencies Interaction), Rosseti, PJSC
12	Sergey Sergeev	CEO, Kubanenergo, PJSC (previously - Deputy CEO for Fixed Assets Construction, Rosseti, PJSC)
13	Olga Sergeeva	Senior Advisor, Rosseti, PJSC

As of December 31, 2019, the following persons were the members of the Management Board of Lenenergo, PJSC:

No	Name	Position in Lenenergo, PJSC
1	Andrey Ryumin	Chairman of the Management Board, CEO
2	Igor Kuzmin	First Deputy CEO - Chief Engineer
3	Daniil Krainsky	Senior Advisor, Rosseti, PJSC; Deputy CEO for Legal and Corporate Governance, Lenenergo, PJSC
4	Aleksey Polinov	Deputy CEO for Economics and Finances
5	Aleksey Goryachev	Deputy CEO for Fixed Assets Construction

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The Company conducts its accounting and reporting in line with Federal Law No. 402-FZ On Accounting dd. December 6, 2011, and the Regulation on the Accounting Reporting and Financial Statements in the Russian Federation approved by the Ministry of Finances (Order No. 34n dd. July 29, 1998, as amended), as well as other applicable accounting regulations. Accounting report and financial statements of the Company for 2019 were prepared subject to the Law and regulations specified above, the Accounting Policy of the Company adopted by Order No. 836 dd. December 31, 2013, as amended and restated by Orders No. 132 dd. March 27, 2015, Order No. 183 dd. April 24, 2015, Order No. 310 dd. July 8, 2015, Order No. 626 dd. December 31, 2015, Order No. 144 dd. March 31, 2016, Order No. 303 dd. June 30, 2016, Order No. 653 dd. December 9, 2016, Order No. 699 dd. December 28, 2016, Order No. 746 dd. December 31, 2016, Order No. 500 dd. September 25, 2017, Order No. 692 dd. December 8, 2017, Order No. 53 dd. February 6, 2018, Order No. 148 dd. March 27, 2019, Order No. 290 dd. June 11, 2019.

The Company's accounting report and financial statements are using the forms recommended by the Ministry of Finance of Russia (Order No. 66n dd. July 2, 2010 *On Accounting Report Forms Used by Entities*, as amended on April 6, 2015) and follow the Regulations for the accounting reporting subject to the Russian Accounting Standards by Rosseti, PJSC.

If the Company has no data on the certain assets, liabilities, income, expenses, or business transactions, the relevant parameters (items, lines) included in the template forms are excluded from the Company's forms.

The Company's accounting report and financial statements for 2019 was prepared without deviating from the principles and rules of accounting, what deviations might take place when the rules do not allow reflecting the property state and financial performance of the Company accurately.

The Company's accounting report and financial statements discloses every significant parameter. The parameter is deemed significant when failure to report is separately in the statements of financial position and results may affect the financial decisions of the stakeholders based on the reported information.

## 3. CHANGE OF THE OPENING BALANCES OF THE ACCOUNTING REPORT AND FINANCIAL STATEMENTS FOR 2019

There were no changes to the opening balances of the statements for 2019.

## 4. ACCOUNTING POLICY

The changes to the Accounting Policy that have or may have a significant effect on the Company's financial position, its financial performance, and/or cash flows, are stated in the accounting report

retrospectively, except for the cases when such an effect for the periods preceding the report period may not be assessed monetarily with a sufficient degree of accuracy.

When the requirements of laws, federal or industry standards to the development or selection of the new accounting methods change, or when the conditions of the Company's operation change substantially in such a way as to result in the appearance of new business operations, the accounting methods for which are not set out in the Accounting Policy, a supplement to the Accounting Policy shall be made. Such a supplement is executed in a form of Addendum to the Regulations for the Accounting Policy, which is not deemed its revision.

Unless the laws and regulations set out the accounting methods applied by the Company, a relevant method is to be designed when forming the Accounting Policy, given the applicable accounting regulations and standards, as well as the International Financial Reporting Standards (Par. 7 of Accounting Regulations 1/2008).

The Accounting Policy applies consistently over several years. The Accounting Policy applicable for 2019 was added to under Order No. 148 dd. March 27, 2019 by the CEO of Lenenergo, PJSC. The existing Accounting Policy for 2019 is based on the Corporate Standard of Unified Corporate Accounting Principles (UCAP) and supplemented in order to update the corporate regulations that serve as base principles for the Unified Accounting System of the Rosseti Group, subject to Rosseti, PJSC Order No. 182 dd. December 29, 2017 On Approving the Regulations for Corporate Accounting Principles.

Over the year, the following supplements were made into the Accounting Policy of Lenenergo, PJSC under Order No. 290 dd. June 11, 2019:

- Par. 3.1.6 (*Assessment of Expenses for Special Fixed Assets Construction Offices and Construction Supervision*) was changed with respect to the amount of the expenses of the Fixed Assets Construction Office distributed during the report month as compared to the guideline value.

- The List of Primary Documents annex to the Accounting Policy was changed. The Order excludes the Business Travel Authorization Form (form T-10) from the list and changes the Order (Instruction) for sending an employee on a business trip (form T-9).

Additions and specifications introduced into the Accounting Policy for the purpose of book-keeping do not affect the assessment of the items of the accounting report and financial statements for 2019 in any significant manner, and serve as more detailed descriptions of the accounting aspects that are standard for the Company.

## **5.1. INTANGIBLE ASSETS**

Subject to Par. 6 of Accounting Regulations 14/2007 (*Recognition of Intangible Assets*), intangible assets are recognized in accounting at their initial value. The initial value of the intangible assets is the monetary amount equal to the payment (in cash or otherwise) or the account payable that is made or accrued by the Company when purchasing or creating an asset, and creating the conditions for the intended use of such an asset.

Subject to Par. 28 of Accounting Regulations 14/2007 (*Recognition of Intangible Assets*), the depreciation for intangible assets with the definite useful economic life is recognized in a straight-line method.

Lenenergo, PJSC sets out the useful economic life for each depreciable intangible asset type when they are being first recorded given the expected useful life of the relevant item, during which the Company may gain economic benefit. The useful economic life of an intangible asset is determined by a designated committee.

The useful economic life of an intangible asset as well as the depreciation identification method are annually checked in order to be specified if needed. If the period, during which the Company intends to use the asset, changes significantly, the useful economic life of such an asset is to be updated.

During the report period, the Company did not discover the factors that evidence the useful economic lives and depreciation factors require updating.

Depreciation provisions for the intangible assets are recognized in the accounting report of the report period they occur in, and are charged regardless of the Company's performance during the report period (Par. 3 of Accounting Regulations 14/2007).

The useful economic life of the intangible assets is set as follows for the purpose of depreciation recognition:

Intangible asset type	Useful economic life
Automated workstations (software)	60 months
Digital archives	60 months
Digital databases	60 months
Trademark	120 months
Mathematical model parameters database	60-180 months
Utility models and appliances patents	106-120 months

Sixteen intangible asset items were not written off the books after full repayment of their cost and expiration of the useful economic life due to the fact they are still being used for economic benefit and advertising purposes (e.g., Lenenergo Website, Alfa IMS, 9 digital archives of grid facilities and cable lines).

During the report period, the following were written off the balance:

- eleven intangible asset items with expired useful economic life and zero book value, as being no longer applicable for further use
- one intangible assets item (Equipment Status Appraisal and Failure Effects Estimation System) with book value of RUB 1.783 thousand, due to the fact that more advanced intangible assets were created and commissioned, replacing the outdated item.

Table 5.1.1 (*Intangible Assets History and Availability*) hereof contains the intangible assets structure at the beginning and end of the report period and history over the period.

As of December 31, 2019, the Company has no intangible assets with indefinite useful economic life (there were no such assets as of December 31, 2018 and December 31, 2017 as well).

In 2019, the Company sustained losses for purchase (creation) of intangible assets for the overall amount of RUB 266,565 thousand, and introduced 5 intangible asset items for the amount of RUB 205,080 thousand (in 2018: expenses of RUB 258,658 thousand, 4 items introduced for RUB 45,812 thousand).

## 6. R&D RESULTS

Expenses for each separate RD&T project are written off under a straight-line method as general expenses in view of the period that is based on the expected useful life of the relevant item, starting from the moment the results are actually commissioned. The useful economic life of the RD&T item is set out by a designated committee established by the order of the CEO, or the Branch Director (within their competence) at the moment the result is recognized, but no more than 5 years.

In 2019, the Company recognized the expenses for RD&T project of ACS Design by City Distribution 6-10 kV Cable Grids as having brought positive results, and created an RD&T item of RUB 4,500 thousand. Upon the obtaining of the patent, the item of RUB 3,825 thousand was reclassified as expenses for intangible assets creation and included in the intangible assets.

Table 5.2.1 (*RD&T Results History and Availability*) and Table 5.2.2 (*Incomplete and Non-formalized RD&T, and Intangible Assets Purchase Transactions in Progress*) hereof contains the RD&T structure at the beginning and end of the report period and history over the period.

In 2019, the Company sustained losses for RD&T for the amount of RUB 41,166 thousand (in 2018: RUB 31, 544 thousand).

## 7. FIXED ASSETS AND CONSTRUCTION IN PROGRESS

Subject to Par. 7, 8 of Accounting Regulations 6/01 (*Recognition of Fixed Assets*), the fixed assets are recognized at initial value. The initial value of fixed assets purchased for payment is the amount of actual expenses the Company sustained to purchase, erect, and manufacture the relevant item, net of the value added tax and other refundable taxes (except for the cases stipulated in the Russian laws).

The Company does not reevaluate the fixed assets at present (replacement) value.

Depreciation on fixed assets commissioned prior to January 1, 2002, is charged under a straight-line method subject to standards set out by the Government of the USSR (Decree No. 1072 dd. October 22, 1990).

Depreciation on fixed assets commissioned from January 1, 2002, to December 31, 2017, is charged under the standard estimated given the useful economic lives determined subject to the Depreciable Fixed Asset Groups Classification approved by the Russian Government (Decree No. 1 dd. January 1, 2002).

Depreciation on fixed assets commissioned after January 1, 2018, is charged given the useful economic life set out when accepting the relevant item for recording.

The useful economic life is determined by the authorized committees of the branches and structural divisions of the Executive Branch of the Company that deal with the acceptance of the fixed assets and determination of the useful economic lives based on the technical experts' reports given the information specified in the technical documents for the relevant item along with filling out of Form OS-17 (Technical Report on Useful Economic Life and OKOF Code of Depreciable Property Determination) approved in the Accounting Policy of the Company.

The fixed assets' useful economic life is determined based on the following:

- expected useful life of the item in view of the expected productivity or capacity
- expected actual deterioration depending on the operation mode (number of shifts), natural conditions and adverse environment, repair system
- legal and other restrictions of the use of the item (e.g., lease term)
- standard useful life set out by the manufacturer.

Depreciation provisions for the fixed assets are recognized in the accounting report of the report period they occur in, and are charged regardless of the Company's performance during the report period (Accounting Regulations 6/01).

Subject to Par. 11 of Accounting Regulations 6/01 (*Recognition of Fixed Assets*), the fixed asset items received under agreements and contracts stipulating fulfillment of obligations (payment) in non-monetary manner are assessed as follows:

- the initial value of fixed assets received under agreements and contracts stipulating fulfillment of obligations (payment) in non-monetary manner is the cost of the valuables transferred or transferrable by the company. The cost of such valuables is determined based on the usual price of similar valuables set by the company under similar circumstances.
- When it is impossible to assess the cost of such valuables, the value of fixed assets received under agreements and contracts stipulating fulfillment of obligations (payment) in non-monetary manner is based on the price, for which the similar fixed assets are being purchased under similar circumstances.

Table 5.3.1 (*Fixed Assets History and Availability*) hereof contains the information on the history and availability of fixed assets and relevant accumulated deterioration.

Lenenergo, PJSC does not have any fixed assets that are pledged as security for bank loans as of December 31, 2019.

The fixed assets include items that do not change their consumer attributes (i.e., are not subject to depreciation) over time. The table below contains the information on the book value of such items as of December 31:

Fixed assets	2019	2018	2017
Land plots	161,079	119,394	118,595
<b>Total</b>	<b>161,079</b>	<b>119,394</b>	<b>118,594</b>

The Innovative Development Program 2018 Report was approved by the Board of Directors of Lenenergo, PJSC (Minutes No. 3 dd. July 26, 2019). According to it, the expenses for the Innovative Development Program (the IDP) in 2018 were RUB 295 thousand.

Table 5.3.3 (*Change of Value of Fixed Assets Due to Improvement, Improvement of Equipment, Reconstruction, and Partial Liquidation*) hereof contains information on the changes in the value of fixed assets at which those are recognized (improvement, improvement of equipment, reconstruction, partial liquidation, revaluation).

Table 5.3.4 (*Other Use of Fixed Assets*) hereof contains information on the fixed assets leased out or accepted on lease, laid-up or undergoing state registration.

Table 5.3.5 (*Capital Investments in Progress*) hereof contains information on the history and availability of fixed assets construction and purchase, upgrading, etc. in progress.

## 8. FINANCIAL INVESTMENTS

When the asset recognized as a financial investment (except for the ones listed in Par. 27, 30 of Accounting Regulations 19/02) not having present market value is disposed of, its value is determined as the initial value of each recorded unit.

The initial value of the financial investments purchased under agreements and contracts stipulating fulfillment of obligations (payment) in non-monetary manner is the cost of the assets transferred or transferrable. The cost of such assets is determined based on the usual price of similar assets set by the Company under similar circumstances.

The difference between the initial and nominal value for debt securities not having present market value is recognized for the duration of their turnover evenly (monthly) in line with the income under their terms and conditions of issue in other income or expenses.

As of December 31, the value of financial investments was:

	2019	2018	2017
Equity financial investments not having present market value, net of impairment provisions, RUB thousand	16,177,682	16,184,729	16,188,131
Debt financial investments not having present market value	2,595,723	2,390,942	2,206,322
<i>including:</i>			
Long-term portion	2,595,723	2,390,942	2,206,322
Short-term portion			

### Equity Financial Investments

Equity financial investments on the Company's balance as of December 31, 2019 and classified as long-term investments into subsidiaries, dependent and other companies were RUB 16,177,682 thousand (December 31, 2018: RUB 16,184,729 thousand; December 31, 2017: RUB 16,188,131 thousand).

Name	Type	Quantity	Participatory Interest	Investment Year	as of December 31, 2019	as of December 31, 2018	as of December 31, 2017
Kurortenergo, JSC	ordinary shares preference shares	1,599 77	98.13%	2010	517,140	517,140	517,140
TSEK, JSC	ordinary shares preference shares	7,229 1,272	96.96%	2010	372,313	372,313	372,313
NWEMC, PJSC	ordinary shares preference shares	74,180,864 38,063,689	12.51%	2005	49,318	49,318	49,318
LESR, JSC	ordinary shares	1,000	100%	1,999	0	7,338	7,338
Energoservice Company Lenenergo, JSC	ordinary shares	1,000,000	100%	2011	1,000	1,000	1,000
FITS, JSC	ordinary shares	3,500	1%	2014	389	97	3,500
PES, JSC	ordinary	6,232	60.1%	2015	800,000	800,000	800,000

	y shares						
SPb ES, JSC	ordinar y shares	357,692	100%	2015	14,437,522	14,437,522	14,437,522
Total					16,177,682	16,184,729	16,188,131

As a result of a check for the existence of financial investments consistent impairment conditions as of December 31, 2019 subject to Accounting Regulations 19/02 (*Recognition of Financial Investments*), the provision for impairment of shares of FITS, JSC was recovered at RUB 292 thousand, and a provision for impairment of shares of LESR. JSC was created at RUB 7,338 thousand.

### Debt Financial Investments

As of December 31, 2019, the amount of the Company's deposits with credit institutions was RUB 10,620,000 thousand (December 31, 2018: RUB 10,620,000 thousand; December 31, 2017: RUB 10,620,000 thousand).

Breakdown of Deposits as of December 31, 2019:

Deposits broken down by maturity	Interest rate (from/to)	Maturity	Amount, RUB thousand
Tavrisheskiy Bank, PJSC	0.51	April 9, 2035	10,620,000

In the beginning of 2015, a financial recovery procedure was initiated against Tavrisheskiy Bank, PJSC. The specific attribute of this procedure is participation of the largest lenders of the Bank: Lenenergo, PJSC and IDGC of the North-West, PJSC. The project involves joint funding of the financial recovery measures by providing financial assistance to the Bank from State Corporation Deposit Insurance Agency in the amount of RUB 28 bn for the period of 10 years through the funds of the Bank of Russia, and by creating a subordinate deposit of Lenenergo, PJSC in the amount of RUB 10,620,000 thousand for the period of 20 years with quarterly payment of interest under the rate of 0.51% per annum of the amount of the deposit.

As of now, the Bank operates as normal, providing a full range of services to its clients, including timely performance of accounts and payments.

As of December 31, 2019, the financial investments (subordinate deposit) not having present market value are assessed at estimate value. The estimate value of debt financial investments is the amount of economic benefits the Company expects to obtain from such financial investments under ordinary conditions.

The accounting report of Lenenergo, PJSC includes a financial investments impairment provision (deposit with Tavrisheskiy Bank, OJSC) for the difference between the initial and fair value of the financial investments. The fair value of financial investments is determined by discounting the non-current debt in view of the industry, market, financial, or other risks, including the risk of financial investments being non-recoverable.

The provision as of December 31, 2017 was RUB 8,413,678 thousand, as of December 31, 2018: RUB 8,229,058 thousand; as of December 31, 2019: RUB 8,024,277 thousand.

As of December 31, 2019, the Company does not have loans granted.

Tables 5.4.1 (*Financial Investment History and Availability*) and 5.4.2 (*Financial Investment History and Availability (cont.)*) hereto contain information on the history and availability of financial investments during the report period.

## 9. INVENTORY AND SUPPLIES

Subject to Par. 5.6 of Accounting Regulations 5/01 (*Recognition of Inventory and Supplies*), inventory and supplies are recognized at actual cost of acquisition. The actual cost of inventory and supplies purchased for payment is the amount of actual expenses the Company sustained to purchase the relevant item, net of the value added tax and other refundable taxes (except for the cases stipulated in the Russian laws).

When released to production or otherwise disposed of, the inventory and supplies are to be assessed using the FIFO method.

Table 5.5.1 (*Inventory History and Availability*) hereof contains information on the history and availability of inventory during the report period.

No inventory and supplies were pledged as of December 31, 2019, December 31, 2018, December 31, 2017.

## 10. RECEIVABLES AND PAYABLES

### Receivables

Accounts receivable of the Company that is not repaid in due time subject to the relevant agreement or contract and is not secured by any relevant guarantees is deemed bad debt. The bad debt provision is created based on the inventory of receivables of the Company.

The amount of the provision is set separately for each bad debt depending on the financial position (paying capacity) of the debtor and the probability of the debt being repaid in full or in part.

The Company creates bad debt provisions, when the receivables are recognized bad debt, and the amounts of provisions are recognized in financial results of the Company.

Table 5.6.3 (*Overdue Receivables*) hereof contains the breakdown of overdue **payables** as of December 31, 2017, 2018, and 2019, created upon analyzing the contractual terms of the Company for debt recovery and enforcement.

Table 5.6.1 (*Receivables History and Availability*) hereof contains information on the history and availability of receivables during the report period.

No.	Receivables	Item Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
<b>1</b>	<b>Total</b>	1230	<b>4,258,980</b>	<b>6,424,539</b>	<b>7,674,509</b>
<b>1.1</b>	Non-current receivables	1231	133,146	101,652	458,916
<b>1.1.1</b>	Grid connection trade receivables	123101	38,135	10,829	186,700
<b>1.1.2</b>	Advances paid	123205	18,738	18,965	31,461
<b>1.1.3</b>	Other receivables	123206	76,273	71,858	240,755
<b>1.2</b>	Current receivables	1232	4,125,834	6,322,887	7,215,593
<b>1.2.1</b>	Trade receivables, including	123201	2,730,402	4,239,192	4,300,679
1.2.1.1	Off-the-meter power consumption		-	112,290	115,569
1.2.1.2	Grid connection trade receivables		98,350	710,470	1,035,721
1.2.1.3	Electric power transmission trade receivables		2,181,729	2,901,985	2,650,595
1.2.1.4	Lease income		216,302	166,786	110,878
1.2.1.5	Other trade receivables		234,021	347,661	387,916
<b>1.2.2</b>	Advances paid	123205	626,517	643,672	867,666
1.2.2.1	To suppliers of materials		851	1,045	2,078
1.2.2.2	To repair entities		24	-	-
1.2.2.3	To service providers		625,642	642,627	865,588
<b>1.2.3</b>	Other debtors	123206	768,915	1,440,023	2,047,248
1.2.3.1	Taxes overpaid		79,907	167,221	127,284
1.2.3.2	Other debtors, including:		689,008	1,272,802	1,919,964
	transactions with grid entities under Supplementary Agreements on change of a party		56,934	652,616	1,308,150

### Payables

Table 5.6.5 (*Payables History and Availability*) hereof contains information on the history and availability of payables over the report period.

The following is the payables structure:

No.	Payables	Item Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
<b>1.1.</b>	Non-current payables	1450	5,856,280	3,893,280	2,317,968
	<i>Grid connection advances</i>		5,789,980	3,765,687	2,186,671
<b>1.2.</b>	Payables	1520	27,953,171	25,898,853	27,960,548



<b>1.2.1</b>	Trade payables	1521	12,973,003	12,131,474	12,137,381
	To construction entities	15211	7,128,288	6,981,396	7,711,871
	To repair entities	15212	360,533	263,498	271,533
	Other trade payables, including:	15213	5,484,182	4,886,580	4,153,977
	<i>electric power transmission services of other grid companies</i>		1,413,905	1,419,236	1,778,151
	Other trade payables		2,907,525	2,749,528	1,694,997
<b>1.2.2</b>	Notes payable	1522	66,000	-	-
<b>1.2.3</b>	Payroll liabilities	1523	341,071	243,763	236,614
<b>1.2.4</b>	Payables to the state non-budgetary funds	1524	216,627	234,171	249,160
<b>1.2.5</b>	Taxes and levies payable	1525	1,395,560	617,789	1,704,260
<b>1.2.6</b>	Advances received	1526	10,885,016	10,879,710	11,357,277
	for grid connection		10,860,090	10,857,707	11,327,422
	other advances received		24,926	22,003	29,855
<b>1.2.7</b>	Income payables to the members (founders)	1527	71,511	120,461	-
<b>1.2.8</b>	Other creditors	1528	2,004,383	1,671,485	2,275,856
	Lawsuits		99,611	169,712	40,547
	<i>Collateral received</i>		808,194	994,399	1,158,976
	<i>Compensation agreements</i>		755,328	376,046	327,180
	<i>Other</i>		22,695	79,282	100,694

Table 5.6.6 (*Overdue Payables*) hereof contains the breakdown of overdue payables as of December 31, 2017, 2018, and 2019, created upon analyzing the contractual obligations of the Company for debt payment.

*Payables to the state non-budgetary funds*

Payables to the state non-budgetary funds had the following structure as of December 31:

Name	2019	2018	2017
Insurance premiums:			
Social Insurance Fund	-	-	3213
Pension Fund	145,361	183,786	188,872
Statutory Health Insurance Fund	70,886	49,881	53,169
Statutory Social Insurance Fund (statutory insurance of industrial accidents and occupational diseases)	380	504	3,906
Total payables to the state budgetary funds	216,627	234,171	249,160

Taxes payable as of December 31 is as follows:

Name	2019	2018	2017
Corporate income tax	149,380	247,826	1,266,696
Value added tax	482,559	275,356	347,110
Property tax	695,003	38,972	35,319
Personal income tax	66,298	53,040	52,421
Other	2,320	2,589	2,713
Total taxes and levies payable	1,395,560	617,789	1,704,260

As of December 31, 2019, the Company has no overdue taxes and levies payable.

## 11. AUTHORIZED, ADDITIONAL CAPITAL, AND CAPITAL RESERVES; EARNINGS PER SHARE

The authorized capital of the Company is fully paid and amounts to RUB 8,617,050 thousand as of December 31, 2019. The number of issued and fully paid shares as of December 31, 2019 was 8,617,050 thousand (December 31, 2018: RUB 8,617,050 thousand; December 31, 2017: 8,617,050 thousand).

The nominal value of the ordinary and preference share is RUB 1.

Ordinary uncertificated registered shares, number of shares	8,523,785,320
---	---------------

Preference uncertificated registered shares, Class A, number of shares	93,264,311
--	------------

As of December 31, 2019, the Company has no shares that have been issued but not have been paid for yet, or that have been partially paid. As of the report date, the Company does not hold any treasury shares. SPb ES, JSC, the subsidiary of Lenenergo, PJSC, owns 300 ordinary uncertificated registered shares and 200 preference uncertificated registered shares (Class A) in Lenenergo, PJSC, which amounts to 0.00003% of the authorized capital.

	Number of shares in circulation		Authorized capital (RUB thousand)
	Preference shares	Ordinary shares	
As of December 31, 2017	93,264,311	8,523,785,320	8,617,050
As of December 31, 2018	93,264,311	8,523,785,320	8,617,050
As of December 31, 2019	93,264,311	8,523,785,320	8,617,050

Information on shareholders owning 1% and more of voting shares of the Company as of December 23, 2019\*:

Name	% of the ordinary shares	% of the authorized
Rosseti, PJSC	68.22	67.48
Saint Petersburg, represented by the PRC	29.11	28.8
IDGC of the Urals, OJSC	0.95	1.21
Other	1.72	2.51
Total	100.00	100.00

\* as of the shareholders' register closing deadline

In 2019, the dividend for 2018 was declared in the amount of RUB 1,338,666 thousand:

- for ordinary shares in the amount of RUB 0.0352 per one ordinary share of the Company, in monetary form
- for preference shares in the amount of RUB 11.1364 per one preference share of the Company, in monetary form.

#### *Earnings Per Share*

The Company has no potentially dilutive ordinary shares; therefore, the diluted EPS equals the base EPS.

	As of December 31, 2019	As of December 31, 2018
The average weighted number of ordinary shares in circulation (in thousands)	8,523,785	8,523,785
Net of the average weighted number of treasury shares redeemed (in thousands)		
The average weighted number of ordinary shares in circulation (in thousands)	8,523,785	8,523,785
Earnings over the year (RUB thousand)	12,704,918	10,386,223
Base and diluted EPS, RUB	1.49053	1.21850

## **12. LOANS AND BORROWINGS**

The Company recognizes loans and borrowings subject to Accounting Regulations 15/2008 (*Recognition of Expenses for Loans and Borrowings*) approved by the Ministry of Finance of Russia (Order No. 107n dd. October 6, 2008).

Loans and borrowings payable is recognized in view the interest payable as of the end of the report period.

Interest payable to the lenders are accrued on a monthly basis. The interest accrued is recognized separately.

The coupon yield on bonds is recognized in other expenses for the report period it is accrued. It is also accrued on a monthly basis.

Additional expenses for loans and borrowings (cost of information and consulting services, etc.) are recognized separately and reflected in other expenses as they occur.

The transactions related to the issue of bonds are recorded subject to Accounting Regulations 15/01 (*Recognition of Loans and Borrowings*).

Interest on loans and borrowings obtains are capitalized subject to the Guidelines on Distribution of Interest on Borrowed Funds to Be Included in the Cost of Investment Assets, and are included into the cost of created assets and paid by accruing the depreciation, except for the cases when the accounting rules do not provide for accrual of depreciation for the asset.

The borrowed funds as of December 31, 2019 included the following (principal debt, RUB thousand):

	2019		2018		2017	
	Current	Non-current	Current	Non-current	Current	Non-current
Bank loans	8,688,574	17,000,000	-	31,981,030	8,479,374	25,905,000
Bonds	2,400,000		2,400,000	-	2,400,000	-
Total	11,088,574	17,000,000	2,400,000	31,981,030	10,879,374	25,905,000
	28,088,574		34,381,030		36,784,374	

The current liabilities as of December 31, 2019 include the bonded loan of listed bonds (certificated interest-bearing non-convertible bearer bonds with mandatory centralized storage, Series BO-05) for the amount of RUB 2,400,000 thousand.

The number of bonds issued for the loan was 4,000,000, with nominal value of RUB 1 thousand, listed bonds Series BO-05 were placed on July 22, 2015; the issue scope was 2,400,000 for the amount of RUB 2,400,000 thousand.

Listed bonds Series BO-05 redemption date: July 9, 2025. Early redemption is possible upon the holders' demand and at the Issuer's discretion. Nearest put date: January 20, 2020. Each bond yield is 7.8% per annum; payable twice a year.

The interest for the use of loans and borrowings in 2019 amounted to RUB 2,370,809 thousand (2018: RUB 2,398,208 thousand).

The expenses for loans and borrowings included in the other expenses and the investment assets cost in 2019 amounted to RUB 994,717 thousand (other expenses) and RUB 1,376,092 thousand (capitalization); in 2018: RUB 1,064,762 thousand and RUB 1,333,446 thousand, respectively.

Table 5.6.7 (*Loans and Borrowings*) hereof contains the structure of borrowed funds as of December 31, 2019.

The average weighted loan rate as of the end of the report period was 7.16% per annum (2018: 7.47%).

In 2019, the Company repaid the loans in the amount of RUB 32,051,993 thousand early due to a high interest rate on the loans.

Below is the repayment schedule for non-current borrowings (principal debt):

Repayment year	Amount, RUB thousand
2021	0
2022	17,000,000
Total non-current loans	17,000,000

All loans and borrowings are attracted in RUB, without collateral.

### 13. DEFERRED INCOME

Lenenergo, PJSC has no deferred income in its statements.

### 14. PROVISIONS AND CONTINGENT LIABILITIES

Below is the provisions flow:

	Provisions for future expenses for payment of leaves	Provisions for payment of annual bonus	Provisions for court hearings	Provisions for disputed claims of tax bodies	Other provisions	Total
As of December 31, 2017	<b>221,828</b>	<b>77,120</b>	<b>12,810</b>	-	<b>1,171,607</b>	<b>1,483,365</b>
Recognized in the report period	695,264	252,546	596,798	745,253	1,514,051	3,803,912
Written off to expenses or payables	533,839	67,195	12,810		148,905	762,749
Written off due to excess or termination of conditions of recognition						
As of December 31, 2018	<b>383,253</b>	<b>262,471</b>	<b>596,798</b>	<b>745,253</b>	<b>2,536,753</b>	<b>4,524,528</b>
Recognized in the report period	644,170	323,158	842,856	-	2,921,901	4,732,085
Written off to expenses or payables	601,996	228,434	241,695	599,629	50,459	1,722,214
Written off due to excess or termination of conditions of recognition	-	32,004	593,756	145,624	92,360	863,744
As of December 31, 2019	<b>425,427</b>	<b>325,191</b>	<b>604,203</b>	-	<b>5,315,835</b>	<b>6,670,655</b>

Provisions as of December 31 had the following structure:

	2019	2018	2017
Of the overall provisions amount:			
Non-current	—	—	-
Current	6,670,655	4,524,528	1,483,366
Total	6,670,655	4,524,528	1,483,366

#### ***Provisions for future expenses for payment of leaves***

The provisions were created for future expenses for payment of leaves not used as of December 31, 2019. The balance as of December 31, 2019 is expected to be used in H1 2020. The management believes the actual expenses for payment of leaves will not exceed the amount of provisions reflected in the statements as of December 31, 2019.

#### ***Provisions for future expenses for payment of end-of-year bonus for the report period***

The provisions were created for future expenses for payment of the end-of-year bonuses to the employees for the report period not paid as of December 31, 2019.

#### ***Provisions for court hearings***

The provisions for court hearings in progress as of the report date include the commercial court cases, in which the second instance court ruled against Lenenergo, PJSC, and the possibility of a favorable outcome for the Company was estimated as low. The amount of these provisions as of December 31, 2019 was RUB 604,203 thousand. The overall number of cases is 65, the largest of which are:

- Oboronenergosbyt, JSC for the amount of RUB 363,184 thousand, on enforcement of the effect of the transaction invalidity
- Altair, LLC for the amount of RUB 18,250 thousand, on recovery of unreasonable earnings
- BUSINESS TELECOM-IMPORT, LLC for the amount of RUB 35,317 thousand, on the supply agreement - improper fulfillment of obligations
- Pulkovskaya Investment Company, LLC for the amount RUB 57,172 thousand, for the damage incurred.

#### ***Other provisions***

The other provisions include the provisions for commissioning bonuses, quarterly bonuses, disputes not settled out of court, and claims of the tax body.

Provisions for commissioning bonuses are created for the items commissioned in the report period.

The provisions as of December 31, 2017 were RUB 179,477 thousand (December 31, 2018: RUB 90,128 thousand; December 31, 2017: RUB 42,907 thousand).

The provisions for future expenses for payment of the quarterly bonuses were created for future expenses for payment of the quarterly bonuses to the employees for the report period not paid as of December 31, 2019.

The provisions amount as of December 31, 2019 was RUB 134,487 thousand (December 31, 2018: RUB 70,046 thousand, December 31, 2017: no provisions accrued).

The provisions for liabilities under disputes with partner grid companies that are not settled out of court and are in progress as of the report date include the reviewed claims ruled against Lenenergo, PJSC, and the possibility of a favorable outcome of which for the Company was estimated as low. Disputes with partner grid companies arose with respect to the scopes and costs of electric power transmission.

These provisions amount as of December 31, 2019 was RUB 2,188,344 thousand (December 31, 2018: RUB 1,584,387 thousand, December 31, 2017: RUB 1,128,700 thousand).

The amount of other provisions for liabilities not settled with the counterparties is included in other expenses.

*Provisions for tax risks (disputed claims of tax bodies resulting from tax inspections, in progress as of the report period)*

The provisions are for disputed claims of tax bodies resulting from on-site tax inspection for 2014-2016. The possibility of the favorable outcome for the Company is low, while the possibility of transitioning of the dispute to the court is high. The ruling was made on June 4, 2019.

The amount of the property tax provisions as of December 31, 2019 was RUB 2,813,527 thousand (December 31, 2018: RUB 792,191 thousand; December 31, 2017: there was no such provision due to absence of disputes).

As the practice of application of tax property rules develops further, the tax bodies or courts may dispute the criteria of classifying property as real estate or personal property applied by the Company. The management of the Company does not rule out resources outflow; however, the effect of such an event may not be estimated with a sufficient degree of accuracy.

The management believes that the relevant legislation as of December 31, 2019 are interpreted correctly; and the Company's position may be justified and defended from the point of view of tax laws.

Table 5.7.1 (*Provisions*) hereof contains information on the history of provisions.

## **15. COLLATERAL FOR OBLIGATIONS**

Table 5.8 (*Collateral*) hereof contains the information on the collateral given by the Company to third parties for the Company's obligations, as well as the collateral received as of December 31, 2019.

## **16. STATE SUPPORT**

Table 5.9 (*State Support*) hereof contains the information on the Company's use of budget funds.

Budget funds of RUB 4,452 thousand (2017: RUB 3,631 thousand; 2016: RUB 2,996 thousand) were received to finance preventive measures to reduce the number of industrial accidents and occupational diseases.

As of December 31, 2019, the Company received and used all the budget funds it was entitled to.

## **17. GENERAL INCOME AND EXPENSES**

### ***Income***

The following are the proceeds that are recognized as general income of the Company:

- revenue from power transmission
- revenue from grid connection
- lease revenue
- revenue from industrial works and services.

The revenue from specific work, service, or sale of specific product is recognized when available, if it is possible to determine the availability of the work, service, or product.

The Company's income not related to the disposal of products, conducting of works, provision of services, or sale of goods is not recognized as general income and is subject to recording in other income under Accounting Regulations 9/99.

Revenue from sale of products and goods, including proceeds from works and services, is recognized in line with the accrual principle (when shipped) and presentation of payment documents. The revenue is recognized broken down by the types of activity.

Revenue from sales is recorded in the statement of financial results net of VAT, discounts, and other similar statutory payments.

Income for the report year is recorded in the statement of financial results separately for general activities, and for other income and expenses broken down by types and scopes (and compared yoy).

### **Expenses**

Subject to Par. 18 of Accounting Regulations 10/99 (*Expenses of the Entity*), the expenses are recognized in the report period they occur in, regardless of the time of actual payment or other effectuation.

The administrative expenses are recognized separately from the general expenses; while the business expenses are not separated.

Expenses for the report year are recorded in the statement of financial results separately for general activities, and for other income and expenses broken down by types and scopes (and compared yoy).

Below is the information on revenue (net) from sale of products, goods, works, and services (net of VAT, excise tax, and other similar statutory payments) under Accounting Regulations 9/99, net cost of sold goods, products, works, and services, as well as business and administrative expenses (Accounting Regulations 10/99):

Types of activity	Revenue (net) from sale of products, goods, works, services	Net cost of sold of products, goods, works, services	Gross profit/ (losses)
from power transmission	75,696,204	57,148,071	18,548,133
from network connection	6,242,475	823,800	5,418,675
from lease	162,679	130,693	31,986
from industrial works and services	269,919	176,464	93,455
<b>Total for 2019</b>	<b>82,371,277</b>	<b>58,279,028</b>	<b>24,092,249</b>
from power transmission	68,806,734	56,394,054	12,412,680
from network connection	7,066,097	464,074	6,602,023
from lease	188,326	134,205	54,121
from industrial works and services	388,457	259,317	129,140
<b>Total for 2018</b>	<b>76,449,614</b>	<b>57,251,650</b>	<b>19,197,964</b>

Saint Petersburg Power Supply Company, JSC is the buyer, the revenue from sales to which is at least 10% of the overall Company's revenue from sales to external buyers. The overall revenue in 2019 from sales of services of power transmission to Saint Petersburg Power Supply Company, JSC is RUB 59,239,146 thousand (net of VAT). In 2018, it was RUB 51,544,200 thousand (net of VAT).

Revenue from grid connection to the grids of Lenenergo, PJSC made subject to contracts stipulating non-monetary means of payment was formed for 49 entities and amounted to RUB 1,207,462 thousand (net of VAT).

Table 2.1 (*Net Cost of Sold Products, Works, Services, Broken Down by Expenses Components*) hereof contains information on the net cost of produced and sold goods (works, services) broken down by the expenses components, for the report year.

The net cost for 2019 includes general expenses of RUB 1,032,917 thousand (2018: RUB 862,335 thousand).

Administrative expenses are recognized separately (Item 2220), and for 2019 amounted to RUB 193,713 thousand (2018: RUB 198,183 thousand).

## 18. OTHER INCOME AND EXPENSES

Table 5.11 (*Other Income and Expenses*) hereof contains information on the other income and expenses received or incurred in the report period with respect to goods (works, services) broken down by components.

## 19. DEFERRED TAX ASSETS AND LIABILITIES; PERMANENT TAX ASSETS AND LIABILITIES

In 2019, accounting profit before tax in the amount of RUB 17,175,955 thousand was gained from business operations, and tax revenue of RUB 22,583,099 thousand. The present corporate income tax for the report year is RUB 3,820,322 thousand.

The Company applies a low corporate income tax rate subject to Saint Petersburg Law No. 81-11 dd. June 28, 1995 *On Tax Benefits*.

In 2019, the Company specified and updated its tax liabilities for previous years:

- The Company paid the remainder of the corporate income tax for 2017 and 2018 in the amount of RUB 85,972 thousand subject to court rulings against the Company that came into force to resolve the disputes with partner grid companies related to power transmission and non-contractual power consumption.

- The Company redeemed deferred corporate income tax assets of RUB 99,860 thousand subject to On-Site Tax Inspection Resolution No. 03-1-29/1/22 dd. June 4, 2019, recorded in 2018 in case of implementation of the tax risk of additional charge of property tax for the movable property items. In line with the Resolution, the Company reduced its obligations to the budget with respect to corporate income tax by RUB 54,773 thousand as a result of review of the effect of additional measures, and reflected the reduction effect on the corporate income tax of RUB 77,067 thousand subject to the Resolution.

- The Company paid the penalties charged for insurance premiums, property tax, transportation tax in the amount of RUB 854 thousand.

### ***Application of Accounting Regulations 18/02 (Recognition of Corporate Income Tax Accounts)***

The corporate income tax accounts are recognized in line with Accounting Regulations 18/02 (approved by the Ministry of Finance of Russia, Order No. 114n dd. November 19, 2002).

Section 2.3 (*Profit Tax*) hereof contains the information on the occurring and redeemed permanent and temporary differences that decrease or increase the taxable profit, as well as on the creation of contingent expenses for corporate income tax and the present corporate income tax.

Annex 5.7.2 (*Deferred Taxes*) hereof contains the information on the deferred taxes.

## 20. CASH AND CASH EQUIVALENTS

The Company's cash includes funds in non-cash form on the RUB accounts of the Executive Branch, the special accounts, including deposits of up to 3 months, and cash-in-transit.

Ledger 57 (*Cash-In-Transit*) records the movement of funds between the Company's accounts.

### ***Aggregated recognition of cash flows***

Cash flows are recognized in the statement of cash flows in aggregated format when they characterize the activity of the Company's counterparties rather than the Company's own activity, and/or when the payments to one person is made contingent on the relevant proceeds from another person.

In order to form the Statement of Cash Flows subject to Accounting Regulations 23/2011 (*Statement of Cash Flows*), the net amount of indirect taxes is reported in other payments of the Statement and is not broken down by types of activity (present, investment, financial operations). Payments to sellers and proceeds from buyers are recorded net of VAT.

The Company's cash as of December 31 includes the following:

Name	2019	2018	2017
Cash on hand and in bank (RUB)	2,771,071	2,914,067	2,417,686
Cash equivalents	4,518,981	2,608,029	5,417
<b>Total</b>	<b>7,290,052</b>	<b>5,522,096</b>	<b>2,423,103</b>

As of December 31, 2019, Lenenergo, PJSC has available credit limit, under which it is able to obtain the following additional cash in the overall amount of RUB 65,232,048.78 thousand:

- RUB 49,000,000.00 thousand within the revolving facilities available for the Company with the bank's obligation to give the loan
- RUB 14,311,425.78 thousand within the revolving facilities available for the Company without the bank's obligation to give the loan
- RUB 1,920,623.00 thousand within the credit sources in the form of overdraft.

## 21. INFORMATION ON THE RELATED PARTIES

Within its business and financial operations, the Company conducts transactions with entities that are related parties.

The information on the affiliates of Lenenergo, PJSC is disclosed and published on the Company's website at [www.lenenergo.ru](http://www.lenenergo.ru) <http://www.lenenergo.ru/> and on the website of the authorized information agency at <http://www.e-disclosure.ru/portal/company.aspx?id=65> subject to the applicable Russian laws.

The balance for payments between the Company and its related parties as of December 31, is presented below (in RUB thousand):

Name	2019	2018	2017
Receivables and advances paid	902,744	1,771,683	2,491,914
- parent entity			100,618
- subsidiaries	597,481	1,361,867	2,339,319
- other related parties	305,264	409,816	51,977
Payables	4,962,076	4,334,079	4,133,625
- parent entity	33,838	33,274	6,085
- subsidiaries	3,737,533	3,355,436	2,602,263
- other related parties	1,190,705	945,369	1,525,277
Advances received	50,400	53,748	57,792
- parent entity			
- subsidiaries	48,761	52,109	57,328
- other related parties	1,639	1,639	464

Types and scope of transactions between the Company and its related parties (RUB thousand):

Name	2019	2018
Sale of goods, works, services	116,997	296,785
- parent entity	1,821	2,149
- subsidiaries	45,721	175,142
- other related parties	69,454	119,494
Purchase of goods, works, services	14,493,346	25,778,122
- parent entity	195,657	354,875
- subsidiaries	3,582,386	19,103,687
- other related parties	10,715,303	6,319,559
Lease of property from related parties	1,845,301	3,012,141
- parent entity		
- subsidiaries	1,844,785	3,010,964
- other related parties	515	1,177
Leasing property out to the related parties	142,319	190,084
- parent entity		
- subsidiaries	142,165	189,703
- other related parties	154	381

In 2019, the Company did not make related party transactions.



In 2019, the remunerations, in line with the Articles of Association of the Company, amounted to RUB 8,814 thousand (2018: RUB 5,742 thousand):

- to the members of the Board of Directors: RUB 8,168 thousand (2018: RUB 5,103 thousand)

- to the members of the Internal Audit Board: RUB 646 thousand (2018: RUB 639 thousand).

The payments to the key management amounted to RUB 256,491 thousand (2018: RUB 84,066 thousand).

## **22. EVENTS AFTER THE REPORT DATE**

The Company did not decide on paying the interim dividend for 2019. The distribution of 2019 profit (including the payment of dividend for 2019) will be decided on at the Annual General Meeting of Shareholders of the Company.

From February 4, 2020, Lenenergo, PJSC is being reorganized by way of merger with other entities (will continue its operations after the reorganization). The following SDCs of Lenenergo, PJSC will cease their operations after the reorganization: Kurortenergo, JSC, St. Petersburg Power Grid, JSC, Petrodvorets Power Grid, JSC, Tsarskoe Selo Energy Company, JSC.

In January 2020, the coupon rate for the bonded loan Series BO-05 was decreased from 7.80 to 6.50% per annum as a result of the offer.

No other significant events after the date of signing of the 2019 accounting report were discovered that may affect the reports of Lenenergo, PJSC in a substantial way.

## **23. INFORMATION ON THE SEGMENTS**

The Company carries out its core regulated operations in two Russian constituent entities: Saint Petersburg and the Leningrad Region. The regional regulatory bodies set out tariffs for the core activities: electric power transmission and grid connection services.

In order to meet the requirements of Federal Law No. 35-FZ dd. March 26, 2003 *On Electric Power Industry*, Russian Government Decree No. 707 dd. September 22, 2008 *On Separate Accounting of Income and Expenses by Natural Monopolists*, Russian Government Decree No. 24 dd. January 21, 2004 *On Approving the Information Disclosure Standards for the Wholesale and Retail Electric Power Markets*, Russian Government Decree No. 1178 dd. December 29, 2011 *On Pricing in Regulated Segment (Tariffs) of the Electric Power Industry*, Russian Ministry of Energy Order No. 585 dd. December 13, 2011 *On Approving the Separate Accounting of Income and Expenses by Natural Monopolists in Electric Power Transmission and Supervisory Control in Electric Power Industry*, the Company carries out separate accounting for the Russian constituent entities and for different types of activity.

Furthermore, the Company gains revenue from lease and from sale of other industrial products, goods, works, and services. Income and expenses are also separated for the Russian constituent entities.

The separate accounting within the management accounting is provided for the following: product assets, income and expenses, corporate income tax, net profit, and borrowings, and is performed using the breakdowns of primary accounting, the technical information, the statistics, and the business plan of Lenenergo, PJSC. The management accounting separated 2 segments (by geographical factor):

Segment A - the Company's operations in Saint Petersburg

Segment B - the Company's operations in the Leningrad Region.

The Company gains revenue from the sale of the following types (groups) of products, goods, works, services:

- Segment A:

- electric power transmission in Saint Petersburg
- grid connection in Saint Petersburg
- lease income in Saint Petersburg
- other industrial services in Saint Petersburg.

- Segment B:

- electric power transmission in the Leningrad Region
- grid connection in the Leningrad Region
- lease income in the Leningrad Region

- other industrial services in the Leningrad Region.

Table 5.13 hereof contains breakdown of the Company's operations in 2019 by these segments.

The Accounting Policy of the Company approved by Lenenergo, PJSC Order No. 836 dd. December 31, 2013 *On Approving the Accounting Policy* (as amended by Orders No. 132 dd. March 27, 2015, No. 183 dd. April 24, 2015, No. 310 dd. July 8, 2015, No. 626 dd. December 31, 2015, No. 303 dd. June 30, 2016, No. 653 dd. December 9, 2016, No. 699 dd. December 28, 2016, No. 746 dd. December 31, 2016, No. 500 dd. September 25, 2017, No. 692 dd. December 8, 2017, No. 665 dd. December 29, 2018, No. 148 dd. March 27, 2019, No. 290 dd. June 11, 2019) sets out the principle regulating the distribution of parameters between the Russian constituent entities that is carried out as follows:

- by territorial belonging of the facility
- by territorial belonging of the branch
- by scope of services provided in the constituent entity and by tariffs for the services applicable in the relevant constituent entity
- by territorial belonging of the land plot to the municipality
- by registration location of the vehicle
- by territorial belonging of the services provided
- by location of discovered off-the-meter and non-contractual power consumption.

<b>For 2019</b>	Saint Petersburg	Leningrad Region	Total for the Company
Result of operating cash flow	25,463,357	7,830,566	33,293,923
Result of investment cash flow	-17,030,548	-6,864,296	-23,894,845
Result of financial activity cash flow	-7,628,591	-2,531	-7,631,122

Annex 5.13 (*Information on Report Segments*) hereof contains the information on income, expenses, profit, and assets and liabilities for the operating segments of the Company.

There were no changes in the reporting segments structure yoy in 2019.

## **24. THE MOST SIGNIFICANT CHANGES IN THE ACCOUNTING POLICY AS OF THE YEAR FOLLOWING THE REPORT YEAR**

Additions introduced into the Accounting Policy for the purpose of book-keeping in 2019 are not significant and will not affect the assessment of the items of the accounting report and financial statements in any significant manner, and serve as more detailed descriptions of the accounting procedures and primary documents that are standard for the Company.

From January 1, 2020, a revised version of Accounting Regulations 18/02 (*Recognition of Corporate Income Tax Payments*) comes into force.

The Company expects that changes to the accounting policy due to the introduction of the revised version of these Accounting Regulations will significantly affect the financial position of the Company and its financial performance, namely:

- the Equity and Reserves section will decrease approximately by RUB 2,668,847 thousand
- the deferred tax assets / liabilities will increase approximately by RUB 2,668,847 thousand.

The Company is finalizing the estimation of the effect.

The change of the Accounting Regulations will be reflected in the statements for Q1 2020 and will result in the change of the comparables for the periods preceding the report period.

## **25. INFORMATION ON THE BUSINESS OPERATIONS RISKS**

### ***Potential Significant Business Operations Risks of the Company***

Within its business operations, the Company is subject to industry, legal, and other internal and external factors (significant conditions, events, circumstances, actions). Therefore, various risks arise that may affect the Company's financial position and performance in a significant manner.

The Company is subject to industry, financial, country, regional, and legal risks, as well as risks specific for the Company.

#### ***Risk Management Mechanism***

The Company's Board of Directors approved its risk management policy in order to identify and analyses the risks of the Company, set out permissible risk limits and relevant control mechanisms, as well as to monitor risks and observe the established restrictions. The risk management policies and systems are regularly analyzed in order to be amended if necessary due to the changes in the market conditions and the Company's operations. Risk management is deemed one of the crucial elements of strategic management and internal control.

The Company has training and management standards and procedures in place in order to create a consistent and effective control system, in which all the employees understand their roles and responsibilities.

#### ***Industry Risks***

These risks are the risks of industry regulation as well as the risk of deterioration in demand for the services. The main services provided by the Company are electric power transmission in distribution grids, and grid connection of consumers. These activities are regulated by the state.

Therefore, the Company may bear the regulatory risks related to authorities' containment of the planned electric power transmission tariff growth, adjustment of the required gross proceeds due to the deviation of the actual regulated parameters from the established ones, and to the possible changes in legislation that governs the tariff regulation. If the electric power consumption by the end consumers decreases, and it has an adverse impact on the Company's financial performance, the Company plans to intensify the steps it takes to cut costs, as well as to compensate for the income shortfalls in the next regulated period tariff by addressing the state regulatory bodies.

The Russian laws governing the electric power industry is subject to frequent changes and allows ambiguous interpretation. Therefore, the market participants often interpret the legal regulations and, based on those, contractual terms and conditions differently, which results in disputes in assessment of mutual obligations.

The Company takes the following steps to minimize the above mentioned risks:

- continuous control of fulfillment of terms and conditions of contracts with counterparties, and prompt initiation of amicable settlement procedure for resolution of disputes
- interaction with regional authorities that regulate tariffs in order to set the feasible tariffs that compensate all of the Company's expenses and allow for the investment program implementation as required
- drafting of cost management programs, introduction of parameters that reflect the reduction of the operating expenses and procurement value into the system of management efficiency assessment
- interaction with the regional administrations in order to review and approve the investment programs that include the required scope of works to maintain the reliability of the system, and to carry out reconstruction of facilities in order to connect new applicants
- implementation of the energy preservation and energy efficiency improvement program.

#### ***Country and Regional Risks***

Despite the stabilization efforts of the Russian Government in order to ensure the liquidity and refinancing of foreign loans to the Russian Banks and entities, there is still uncertainty with respect to possible access to the capital sources, and the cost of capital for the Company and its counterparties, which may affect the Company's financial position, operating results, and economic prospects. The instability of the capital markets may result in the significant deterioration of the liquidity in the banking sector and strengthening of loan conditions in Russia.

Overall, the Company cannot significantly affect the economic situation in the country. However, if the situation in the country or the region of the Company's operations changes for the worse, the Company will do everything in its power to mitigate the adverse effect on its financial position and performance.

#### ***Legal Risks***

In order to mitigate the risks with respect to relations with shareholders, the shareholders register is kept and maintained by a professional registrar. The Company regularly acts in order to ensure

informational interaction with the shareholders and to protect the shareholders' lawful rights and interests.

*Risk of antimonopoly regulation*

In order to reduce the effect of factors that result in the antimonopoly regulation risks occurring, the Company improves its grid connection business processes by simplifying its internal procedures and reducing the timelines thereof and introduces the new types of servicing the consumers, particularly with respect to the interactive methods of servicing, which reduces the impact the personnel errors and abuse have. The Company also regularly assessed the consumer satisfaction and designs corrective measures as a result of such assessment.

**Financial Risks**

The Company is exposed to market risk, credit risk, and liquidity risk.

**Market Risk**

Market risk is the risk of the Company facing adverse consequences of changes in certain market parameters. Market parameters include the following risk types: interest rate risk, currency risk, and price risk.

*Interest Rate Risk*

The Company obtains borrowed funds within its business and financial operations. Due to the growth of the Central Bank key rate and the instability of the financial markets, there is a possibility of the interest rate increase for separate loans in view of the fact the loan agreements provide for the banks' right to increase the interest rate unilaterally.

Below is the quantitative sensitivity analysis of the interest rate change affecting the profit before tax:

	Interest rate change	Effect on the profit before tax, RUB thousand
Effect in 2019	+1.25	(204,107)
	-1.25	143,406
Effect in 2018	+1.25	(172,441)
	-1.40	193,134

In order to reduce the interest rate risk, the Company takes the following steps:

- business planning in view of the growing interest rates
- making long-term agreements on revolving facilities with a substantial loan limit and established restrictions on the maximum interest rate for the loan depending on the refinancing rate of the Central Bank of Russia
- selection of financial institutions for the provision of services by holding public tenders, which allows attracting borrowings under the most favorable conditions for the Company.

*Currency Risk*

The Company provides services, sells products, purchases goods and attracts substantial borrowings only in RUB. Therefore, the management believes the Company is not exposed to currency risk.

*Inflation Risks*

The adverse effect of the inflation on the financial and economic operations of the Company may be related to the losses in the actual receivables, increase of the interest payable, increase of the net costs, and decrease of the actual value of the investment program funds. The Company conducts its business planning in view of the expected growth in prices of the products, works, and services.

In order to accelerate the inflation rates, the Company plans taking additional steps to cut costs. Furthermore, the actual inflation is taken into consideration when adjusting the required gross proceeds in order for the regulatory authorities to make tariff and balance decisions, which partially sets off the impact of the risk on the business and financial operations of the Company.

### ***Credit Risk***

Credit risk arises from a possibility of failure by counterparties to discharge their obligations to the Company in due time, which could result in losses. The Company is exposed to credit risk with respect to its operations (primarily, the trade receivables) and investment activities, including the bank deposits. The amount of credit risk is limited to the book value of the receivables, financial investments, and cash as of the report date.

#### *Trade Receivables*

Credit risk related to the clients is managed subject to the policy, procedures, and control system established by the Company with respect to the management of such a risk. The credit quality of the client is assessed in view of the detailed borrowing capacity questionnaire review. Outstanding receivables are monitored regularly in order to ensure prompt measures to recover or create provisions. Section 10. *Receivables and Payables* hereof contains information on the significant debtors. Annex 5.6.3 contains the overdue receivable figures.

#### *Asset Impairment Loss*

The necessity to recognize assets impairment is assessed for each report date individually for large clients and assets. Annex 5.6.2 contains information on bad receivables. Section 8. *Financial Investments* hereof contains information on the composition of financial investments. The Company does not have property pledged to it as collateral for the receivables.

#### *Borrowings Granted and Cash*

Credit risk due to the balance on accounts with banks and financial institutions is managed subject to the relevant Company's policy. Sections 20. *Cash and Cash Equivalents* and 8. *Financial Investments* hereof contain information on the balance of cash and financial investments.

### ***Liquidity Risk***

Liquidity risk is related to the Company's ability to repay the financial liabilities existing as of the report date in due time and in full: trade payables, loan and borrowing debt.

In its business and financial operations, the Company uses its own sources as well as current and non-current borrowings. The fair value of funds, loans and receivables, trade and other payables, and current borrowings as of December 31, 2019 equals the book value of those due to their short terms of maturity.

Sections 12. *Loans and Borrowings* and 10. *Receivables and Payables* hereof disclose information on the availability and composition of liabilities and their maturity terms.

#### *Risk Management*

The Company manages its liquidity risk by selecting the best ratio between own and borrowed funds.

The management also established a set of restrictions on attracting the aggregate borrowed funds. The following limits are simultaneously set on the debts of the Group:

- given the structure of the operating assets (medium-term liquidity limit)

- given the structure of liabilities (financial leverage limit)

- given the operating cash flow (debt cover limit and debt service limit).

Apart from the Debt Limits, the Group management also sets out the borrowing cost limit, within which the Company attracts borrowed funds. Borrowing in excess of the borrowing cost limit is not allowed.

In order to control the behavior of receivables and payables over time, the Company has regulations of operating nature that determine the competence of structural divisions, responsible officers, and experts that work with the debts, and that govern their actions. The Company also monitors the overdue receivables and payables: see Tables 5.6.3 (Overdue Receivables) and 5.6.6 (Overdue Payables) hereof.

#### *Current Financial Position*

As of December 31, 2019, the current liabilities exceeded the current assets by RUB 30,652,625 thousand (December 31, 2018: RUB 16,591,454 thousand; December 31, 2017: RUB 20,644,568

thousand). However, the Company is capable of supplying the operating assets from unused facilities: see Section 20. *Cash and Cash Equivalents*.

In 2019, the Company gained profit of RUB 12,704,918 thousand (2018: RUB 10,386,223 thousand). Operational cash flow was RUB 33,516,408 thousand (2018: RUB 23,796,516 thousand).

liabilities, PJSC management believes the Company will be able to continue as going concern and, therefore, will be able to realize the assets and fulfill the obligations within its normal operations.

Acting CEO	<i>(signed)</i>	I. Kuzmin
------------	-----------------	-----------

Acting Chief Accountant	<i>(signed)</i>	N. Korepanova
-------------------------	-----------------	---------------

February 21, 2020

**Ernst & Young, LLC**

***Eighty-four* pages bound and numbered**