

**JSC RUSNANO**

**International Financial Reporting Standards  
Interim Condensed  
Consolidated Financial Statements**

**Six months ended 30 June 2021**

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## **Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Statements**

To the Shareholder and Board of Directors of JSC RUSNANO

### ***Introduction***

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

### ***Scope of Review***

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

### ***Material Uncertainty as to the Group's Ability to Continue as a Going Concern***

We draw attention to Note 3 of the interim condensed consolidated financial statements, which indicates that based on management assessment of the Group's liquidity position, management anticipates that in the foreseeable future Group's liabilities, including its servicing costs, may be not secured by the Group's assets and additional financing may be required from the shareholder to meet obligations, including debt servicing, and to further perform financial and business operations. These conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast

Reviewed entity: JSC RUSNANO.

Registration number in the Unified State Register of Legal Entities:  
No 1117799004333.

Moscow, Russia.

Audit firm: JSC "KPMG", a company incorporated under the Laws of the Russian Federation.

Registration number in the Unified State Register of Legal Entities:  
No. 1027700125628.

Member of the Self-regulatory Organization of Auditors Association "Sodruzhestvo" (SRO AAS). Principal registration number of the entry in the Register of Auditors and Audit Organizations: No. 12006020351.



**JSC RUSNANO**

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significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Conclusion**

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

Elena Polischuk

JSC "KPMG"

Moscow, Russia

30 August 2021



<i>In million of Russian Roubles</i>	<i>Note</i>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equity instruments at fair value through profit or loss	6	32,800	40,665
Debt instruments at fair value through profit or loss	6	16,263	21,224
Investment in associate		1,824	1,862
Deferred tax asset		2,972	2,972
Property, plant and equipment		2,357	2,480
Receivables and prepayments		3	3
Other non-current assets		130	130
<b>Total non-current assets</b>		<b>56,349</b>	<b>69,336</b>
<b>Current assets</b>			
Equity instruments at fair value through profit or loss	6	27,621	27,293
Debt instruments at fair value through profit or loss	6	9,207	6,320
Other debt instruments	7	12,049	4,861
Receivables and prepayments		1,603	721
Income tax prepayments		975	37
Cash and cash equivalents		5,579	790
Other current assets		6	7
<b>Total current assets</b>		<b>57,040</b>	<b>40,029</b>
<b>TOTAL ASSETS</b>		<b>113,389</b>	<b>109,365</b>
<b>EQUITY</b>			
Share capital	8, 16	53,742	53,742
Paid-in capital	8, 16	1,800	1,800
Additional paid-in capital	8	61,858	62,829
Currency translation reserve	8	78	(65)
Accumulated losses		(92,432)	(96,945)
<b>TOTAL EQUITY</b>		<b>25,046</b>	<b>21,361</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liability		485	526
Long-term borrowings	9	43,645	53,630
Liabilities on returns on additional paid-in capital	9	21,137	21,025
<b>Total non-current liabilities</b>		<b>65,267</b>	<b>75,181</b>
<b>Current liabilities</b>			
Current portion of long-term borrowings	9	15,082	5,078
Income tax payable		30	36
Payables and accrued expenses		1,222	1,826
Liabilities on returns on additional paid-in capital	9	6,742	5,883
<b>Total current liabilities</b>		<b>23,076</b>	<b>12,823</b>
<b>TOTAL LIABILITIES</b>		<b>88,343</b>	<b>88,004</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>113,389</b>	<b>109,365</b>

Approved for issue and signed on 27 August 2021.

Saharov Maxim Vyacheslavovich  
Acting Chairman of the Executive Board  
of Management Company "RUSNANO" LLC



**JSC RUSNANO**  
**Interim Condensed Consolidated Statement of Profit or Loss**

<i>In million of Russian Roubles</i>	<b>Note</b>	<b>For the six months ended 30 June 2021 (unaudited)</b>	<b>For the six months ended 30 June 2020 (unaudited)</b>
Net financial performance of financial assets at fair value through profit or loss	11	11,189	(3,687)
Interest income		368	272
Other operating income		563	252
Operating expenses	10	(1,821)	(2,177)
Foreign currency exchange gains/(losses)		(20)	390
<b>Operating profit/(loss)</b>		<b>10,279</b>	<b>(4,950)</b>
Finance costs	12	(6,674)	(2,259)
<b>Profit/(loss) before income tax</b>		<b>3,605</b>	<b>(7,209)</b>
Income tax expense		(63)	(26)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>3,542</b>	<b>(7,235)</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

**JSC RUSNANO****Interim Condensed Consolidated Statement of Comprehensive Income**

<i>In million of Russian Roubles</i>		<b>For the six months ended 30 June 2021 (unaudited)</b>	<b>For the six months ended 30 June 2020 (unaudited)</b>
	<b>Note</b>		
<b>Profit/(loss) for the period</b>		<b>3,542</b>	<b>(7,235)</b>
<i>Other comprehensive income</i>			
Foreign currency translation differences	8	143	87
<b>Total comprehensive income for the period</b>		<b>3,685</b>	<b>(7,148)</b>

**JSC RUSNANO**  
**Interim Condensed Consolidated Statement of Changes in Equity**

<i>In million of Russian Roubles</i>	<b>Note</b>	<b>Share capital</b>	<b>Paid-in capital</b>	<b>Additional paid-in capital</b>	<b>Accumulated losses</b>	<b>Currency translation reserve</b>	<b>Total equity</b>
<b>As at 1 January 2020</b>		<b>53,742</b>	<b>2,000</b>	<b>56,342</b>	<b>(32,720)</b>	<b>(146)</b>	<b>79,218</b>
<b>Total comprehensive income</b>							
Loss for the period		-	-	-	(7,235)	-	(7,235)
Other comprehensive income	8	-	-	-	-	87	87
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,235)</b>	<b>87</b>	<b>(7,148)</b>
Recognition of additional paid-in capital	8	-	-	852	-	-	852
Returns on additional paid-in capital		-	-	4,517	(4,517)	-	-
Repayment of additional paid-in capital		-	-	(1,500)	-	-	(1,500)
<b>As at 30 June 2020 (unaudited)</b>		<b>53,742</b>	<b>2,000</b>	<b>60,211</b>	<b>(44,472)</b>	<b>(59)</b>	<b>71,422</b>
<b>As at 1 January 2021</b>		<b>53,742</b>	<b>1,800</b>	<b>62,829</b>	<b>(96,945)</b>	<b>(65)</b>	<b>21,361</b>
<b>Total comprehensive income</b>							
Profit for the period		-	-	-	3,542	-	3,542
Other comprehensive income	8	-	-	-	-	143	143
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>3,542</b>	<b>143</b>	<b>3,685</b>
Returns on additional paid-in capital		-	-	(971)	971	-	-
<b>As at 30 June 2021 (unaudited)</b>		<b>53,742</b>	<b>1,800</b>	<b>61,858</b>	<b>(92,432)</b>	<b>78</b>	<b>25,046</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.



**JSC RUSNANO**  
**Consolidated Interim Condensed Statement of Cash Flows**

<i>In million of Russian Roubles</i>	<b>For the six months ended 30 June 2021 (unaudited)</b>	<b>For the six months ended 30 June 2020 (unaudited)</b>
<b>Cash flows from operating activities</b>		
<b>Operations with investment portfolio</b>		
Proceeds from equity instruments at fair value through profit or loss	21,964	8,167
Proceeds from debt instruments at fair value through profit or loss	59	42
Investments in equity instruments at fair value through profit or loss	(2,358)	(2,860)
Investments in debt instruments at fair value through profit or loss	(50)	(201)
	<b>19,615</b>	<b>5,148</b>
<b>Other operations</b>		
Repayment of debt securities	-	872
Receipts of cash from deposit accounts	55,171	22,145
Placement of cash on deposit accounts	(62,371)	(27,422)
Interest income received	363	160
Operating payments	(1,491)	(1,659)
Income taxes paid	(1,090)	(519)
Other receipts	291	93
	<b>(9,127)</b>	<b>(6,330)</b>
<b>Net cash (used in)/from operating activities</b>	<b>10,488</b>	<b>(1,182)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	-	8,178
Proceeds from of additional paid-in capital	-	1,314
Repayment of additional paid-in capital	-	(1,500)
Returns on additional paid-in capital	-	(4,517)
Interest paid	(5,684)	(2,145)
<b>Net cash from/(used in) financing activities</b>	<b>(5,684)</b>	<b>1,330</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,804</b>	<b>148</b>
<b>Effect of exchange rate changes on cash and cash equivalents held in foreign currencies</b>	<b>(15)</b>	<b>11</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>790</b>	<b>2,244</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,579</b>	<b>2,403</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

## **1 RUSNANO Group and Its Operations**

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards for the six months ended 30 June 2021 for the Joint-Stock Company RUSNANO (JSC RUSNANO, the “Company”) and its consolidated subsidiaries disclosed in Note 14 (together referred to as the “Group” or the “RUSNANO Group”).

Initially the Russian Corporation of Nanotechnologies (the “Corporation”) was established on 19 September 2007 by the Government of the Russian Federation in accordance with the Federal Law No. 139-FZ “On the Russian Corporation of Nanotechnologies” dated 19 July 2007.

In accordance with Federal Law No. 211-FZ “On Reorganization of the Russian Corporation of Nanotechnologies” adopted on 27 July 2010, the Corporation was reorganized into OJSC RUSNANO and ceased its operations upon the state registration of the Company on 11 March 2011. As the result OJSC RUSNANO assumed all rights and responsibilities of the Corporation under the principle of universal succession.

In 2014 the Group transferred its key operating activities and staff from the Company to its subsidiary Management Company RUSNANO LLC founded in 2013 (Note 14).

In February 2016 the Company changed its legal entity status from Open Joint-Stock Company to Joint-Stock Company.

In accordance with Russian Federation Government Order No. 3710-r dated 31 December 2020 “On Development Institutes” JSC RUSNANO is included in the list of development institutes subject to reform. The reform stages plan (“the road map”) is approved by the Order.

**Principal activity.** The Group was formed to implement the policy of the Russian Federation with respect to nanotechnology, to develop an innovative infrastructure for nanotechnology and initiate projects on the creation of advanced nanotechnologies and nano-industry in Russia. The main activity of the Group is to invest funds in line with the above-mentioned State policy.

The Company is an investment entity.

The RUSNANO Group’s investment activity is focused on funding nano-technology projects at the initial stage, when the opportunities to raise funds from other sources are limited due to high risks and market and technological uncertainty. The Group plans to withdraw from projects when certain production criteria are met and other investors are ready to finance the project independently. The return on the Group’s investments in such projects is determined by the terms and conditions stipulated in the investment agreements. Starting 2016 the Group focused its primary activities on investments in newly-founded investment funds.

The subsidiaries of the Group were formed or acquired in line with the main Group’s activities stated above.

**Registered address and place of business.** The Company’s registered address is: Prospekt 60-letiya Oktyabrya, 10A, Moscow, Russian Federation.

**Segment information.** Under the IFRS 8 “Operating Segments” operating segments are components of an enterprise on which separate financial information is available and is evaluated regularly by the chief operating decision-maker (further – “CODM”) in deciding how to allocate resources and in assessing performance. The Executive Board of the Group company Management Company RUSNANO LLC has been determined as the CODM. For management purposes, the Group is organised into one main operating segment in accordance with IFRS 8, which invests in equity and debt instruments and related derivatives. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The Group operates in one industry segment being the investor with respect to developing projects on the creation of advanced nanotechnologies. The financial position and results of this segment as at 30 June 2021 are presented in the interim condensed consolidated statement of financial position, interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income, respectively.

The Group performs most of its activities in the Russian Federation and does not have any significant non-current assets other than financial assets located in foreign countries or any significant income from foreign countries except for gains on financial assets at fair value through profit or loss from foreign projects.

## **2 Operating Environment of the Group**

The Group's operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation.

The Group's major assets are the financial instruments, i.e. equity or debt instruments, the most of which are not quoted in the active market. The fair values of these financial instruments as at 30 June 2021 and 31 December 2020 have been determined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. As the most of the Group's investee shares are not traded in the active market, the fair value calculations are based on transaction prices, valuation models and discounted cash flows prepared by the Group. Determining fair value requires consideration of current market conditions, future business plans of investees, potential liquidity of the market and current credit spreads. The valuation techniques used by management to determine fair values in the absence of an active market include adjusted present value and utilizes interest rates applicable to similar investments on the Russian market or international markets where applicable.

## **3 Summary of Significant Accounting Policies**

### ***Basis of preparation***

The interim condensed consolidated financial statements of the RUSNANO Group have been prepared in accordance with IAS 34 "Interim Financial Reporting". Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2020. These interim condensed consolidated financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets measured at fair value through profit or loss, that have been measured at fair value.

The Group's current assets as at 30 June 2021 are RUB 33,964 million over current liabilities. However, management anticipates that the obligations, including servicing costs, can be not secured by the assets in the sufficient amount in the foreseeable future due to inter alia uncertainty in their disposal. Based on the assessment of the Group's liquidity position in the foreseeable future, management believes that additional financing will be required from the shareholder to meet obligations, including debt servicing, and for performing financial and business operations. The Group is currently in the process of discussing the possibility of additional financing with the shareholder. At the same time, there is no certainty that such financing can be obtained in the necessary amount. If the Group is unable to obtain financing from a shareholder or other sources, it may not be able to continue as a going concern.

Accordingly, these events and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, which may result in the Group being unable to sale its assets and meet its obligations in the normal course of business.

These interim condensed consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts or classification of assets, liabilities and recognized expenses that might otherwise be necessary if the going concern assumption is not appropriate.

The accounting policies of the Group applied in preparation of these interim condensed consolidated financial statements were consistent with those applied in the annual consolidated financial statements for the year ended 31 December 2020.

Several new standards, amendments and interpretations apply for the first time in 2021. They have no material impact on the interim condensed consolidated financial statements of the Group.

#### 4 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the interim condensed consolidated financial statements and the carrying amounts of assets and liabilities in future. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. The judgements that have the most significant effect on the amounts recognised in the financial statements and the estimates that can cause a significant adjustment in the carrying amount of assets and liabilities in the future are the same as those applied to the consolidated financial statements for the year ended 31 December 2020.

#### 5 Balances and Transactions with Related Parties

Parties are generally considered to be related if they are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is focused on the substance of the relationship, and not merely the legal form. All related party transactions were made at an arm's length on normal commercial terms and conditions.

##### *Ultimate controlling party*

The Group's ultimate controlling party is the Government of the Russian Federation. Hence, all parties related to the Government of the Russian Federation are also related parties of the Group.

##### *Government-related entities*

In the normal course of business, the Group enters into multiple transactions with state-related entities, such as placing cash and cash equivalents and bank deposits, paying taxes, purchasing services from utilities and other similar payments. However, not all such transactions have a significant impact on the financial statements of the Group. Management presents hereunder only the balances and transactions with entities in which the government has control, joint control or significant influence, which relate to the core operating activities of the Group.

The tables below present individually significant transactions with government-related entities and the individually insignificant transactions with regard to which it was practicable to identify and report them.

	30 June 2021 (unaudited)		31 December 2020	
<i>In million of Russian Roubles</i>	Russian Government	State-owned entities	Russian Government	State-owned entities
<b>Assets</b>				
Receivables	-	-	-	16
Debt securities	-	663	-	668
Deposits	-	11	-	4,173
Cash and cash equivalents	-	2,237	-	617
<b>Liabilities and commitments</b>				
Liabilities on returns on additional paid-in capital	-	4,163	-	3,884
Borrowings	-	1,254	-	1,236
	Six months ended 30 June 2021 (unaudited)		Six months ended 30 June 2020 (unaudited)	
<i>In millions of Russian Roubles</i>	Russian Government	State-owned entities	Russian Government	State-owned entities
<b>Income</b>				
Interest income	-	252	-	169
<b>Expenses</b>				
Finance costs	-	770	-	-

As at 30 June 2021 and 31 December 2020 contractual interest rates of RUB denominated deposits were 4%-6% and 2%-5% respectively. As at 30 June 2021 and 31 December 2020 there were no deposits denominated in other currencies.

## **5 Balances and Transactions with Related Parties (continued)**

### **Government-related entities (continued)**

Liabilities on returns on additional paid-in capital relates to financing under the state guarantees (Note 9). Liabilities on returns on additional paid-in capital as at 30 June 2021 have effective annual interest rates 6%-7% (31 December 2020: 5%-8%) and maturity in 2021-2026 (31 December 2020: 2021-2026).

### **Portfolio companies**

In the ordinary course of business the Group invests in nano-technology projects. Usually the Group maintains control or significant influence over its investees. So most of financial assets accounted at fair value through profit or loss represents investments in related parties.

Balances with subsidiaries accounted at fair value through profit or loss are as follows:

<i>In million of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
Equity instruments at fair value	15,736	18,475
Debt instruments at fair value	667	370
Equity investments with embedded options	334	2,522

Other balances on core investment activities relate primarily to investment operations with associates and joint ventures.

During the six months ended 30 June 2021 and 2020 Group did not have any material transactions with its portfolio companies other than investment activities.

## **6 Financial Assets at Fair Value through Profit or Loss**

The structure of the Group's investments at fair value through profit or loss is detailed below:

<i>In million of Russian Roubles</i>	<b>Note</b>	<b>30 June 2021 (Unaudited) Fair value</b>	<b>31 December 2020 Fair value</b>
<b>Current assets</b>			
Equity instruments		27,587	18,482
<i>including equity instruments in investment funds</i>	6.3	19,585	16,182
Equity instruments with embedded options		34	8,811
<i>including equity instruments in investment funds</i>		-	7,845
<b>Total equity instruments at fair value through profit or loss within current assets</b>		<b>27,621</b>	<b>27,293</b>
<b>Non-current assets</b>			
Equity instruments		32,466	40,295
<i>including equity instruments in investment funds</i>	6.3	9,514	24,441
Equity instruments with embedded options		334	370
<b>Total equity instruments at fair value through profit or loss within non-current assets</b>		<b>32,800</b>	<b>40,665</b>
<b>Total equity instruments at fair value through profit or loss</b>	6.1	<b>60,421</b>	<b>67,958</b>
Current portion of debt instruments		9,207	6,320
Non-current portion of debt instruments		16,263	21,224
<b>Total debt instruments at fair value through profit or loss</b>	6.2	<b>25,470</b>	<b>27,544</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>85,891</b>	<b>95,502</b>

**6 Financial Assets at Fair Value through Profit or Loss (continued)****6.1 Equity instruments at fair value through profit or loss**

Equity investments of the Group at fair value through profit or loss are represented by the equity investments in portfolio companies without embedded options, equity investments with embedded options and shares in investment funds.

Management believes that the financial models used for fair value assessment are reliable, and they have been updated for the facts and circumstances occurred as at 30 June 2021.

**6.2 Debt instruments at fair value through profit or loss**

As part of its operating activity, the Group provides debt financing to its portfolio companies. These debt instruments are sometimes secured by collateral (pledged equipment, shares and intangible assets) and bear interest ranging from 6% to 20% p.a.

**6.3 Equity instruments in investment funds**

The Group invests in funds with activities that are in-line with the Group strategy. Shares in investment funds are carried at fair value through profit or loss and amount to RUB 17,296 million and RUB 48,468 million as at 30 June 2021 and 31 December 2020, respectively.

**7 Other Debt Instruments**

The structure of other debt instruments is detailed below:

<i>In million of Russian Roubles</i>	<b>Note</b>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
<b>Current assets</b>			
Deposits	7.2	11,386	4,193
Debt securities	7.1	663	668
<b>Total other debt instruments</b>		<b>12,049</b>	<b>4,861</b>

**7.1 Debt securities**

The portfolio structure of debt securities that the Group intends to hold until maturity or offer is presented in the table below.

<i>In million of Russian Roubles</i>	<b>Issuer Rating</b>	<b>Currency</b>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
<i>Neither past due nor impaired</i>				
Debt securities	Baa3**	RUB	389	388
Debt securities	Baa3**	USD	274	280
<b>Total debt securities</b>			<b>663</b>	<b>668</b>

\*- Fitch

\*\* - Moody's

\*\*\* - Standard&Poor's.

The effective annual interest rates for debt securities are similar to their yield rates at acquisition. As at 30 June 2021 the actual annual interest rates amount to 8.5% for debt securities nominated in Russian Roubles (as at 31 December 2020: 8.5%). As at 30 June 2021 the actual annual interest rates for debt securities nominated in other currencies amount to 5.3% (as at 31 December 2020: 5.3%). The maturity or offer time frame at acquisition for debt securities is below 12 months.

As at 30 June 2021 and 31 December 2020 the carrying value of debt securities approximates their fair value.

## **7 Other Debt Instruments (continued)**

### **7.2 Deposits**

The portfolio structure of deposits is presented in the table below.

<i>In million of Russian Roubles</i>	<b>Counterparty rating</b>	<b>Currency</b>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
<i>Neither past due nor impaired</i>				
Deposits	BBB*	RUB	11,342	4,158
Deposits	BBB*	RUB	44	15
Deposits	BBB*	RUB	-	20
<b>Total deposits</b>			<b>11,386</b>	<b>4,193</b>

\* - Fitch's;

\*\* - Moody's;

\*\*\* - Standard&Poor's.

The effective annual interest rates for deposits are similar to their contractual rates. As at 30 June 2021 the actual annual interest rates amount to 3.2%-5.5% for deposits nominated in Russian Roubles (31 December 2020: 2.3%-5.0%). The maturity or offer time frame at acquisition deposits is below 12 months.

As at 30 June 2021 and 31 December 2020 the carrying value of deposits approximates their fair value.

## **8 Equity**

### **Share capital**

As at 30 June 2021, the share capital of the Company comprises 53,741,700,000 ordinary shares of RUB 1 each (as at 31 December 2020: 53,741,700,000 ordinary shares of RUB 1 each). All these shares were authorized and fully paid at par value.

### **Paid-in capital**

Paid-in capital include contributions of shareholders to equity before the related shares are authorized within share capital.

### **Distributions**

During the six months ended 30 June 2021 and 2020 the Company did not declare or pay dividends.

### **Additional paid-in capital**

Additional paid-in capital include financing under the state guarantees that meet definition of equity. During six months ended 30 June 2021 and 2020 subject to agreed credit terms, certain borrowings received under the state guarantees were recognised in equity.

Component of financing under the state guarantees that relates to returns on additional-paid-in-capital and does not meet definition of equity is recognised as financial liabilities (Note 9).

### **Currency translation reserve**

The Group's consolidated financial statements are presented in Russian Roubles. Currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries with functional currency other than Russian Roubles into presentation currency.

## 9 Borrowings

<i>In million of Russian Roubles</i>	<b>Currency</b>	<b>Effective annual interest rate</b>	<b>Due</b>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
Bonds (Series 06-07)	RUB	12.5, 12.75%	2022	18,272	18,278
Bonds (Series 5O-002P-03) – unsecured	RUB	7.7%	2022	12,144	12,135
Bonds (Series 5O-Π01) – unsecured	RUB	Key rate of the Russian Central Bank +2.5%	2023	10,004	10,005
Bonds (Series 5O-002P-05) – unsecured	RUB	6.75%	2023	5,510	5,510
Bonds (Series 5O-002P-04) – unsecured	RUB	6.75%	2024	5,306	5,306
Bonds (Series 5O-002P-01) – unsecured	RUB	9.1%	2021	4,557	4,559
Bonds (Series 5O-002P-02) – unsecured	RUB	Key rate of the Russian Central Bank +2.45%	2025	1,680	1,678
Other borrowings				1,254	1,237
<b>Total borrowings</b>				<b>58,727</b>	<b>58,708</b>
Less					
<b>Current portion of long-term borrowings</b>				<b>(15,082)</b>	<b>(5,078)</b>
<b>Total long-term borrowings</b>				<b>43,645</b>	<b>53,630</b>

The effective interest rate is the market interest rate applicable to the loan at the date of origin for fixed rate loans and the current market rate for floating rate loans. The carrying value of borrowings approximates their fair values.

Changes in borrowings for the six months ended 30 June 2021 and 2020 are presented in the table below.

<i>In million of Russian Roubles</i>	<b>Six months ended 30 June 2021 (unaudited)</b>	<b>Six months ended 30 June 2020 (unaudited)</b>
<b>Borrowings as at 1 January</b>	58,708	47,274
<b>Changes from financing cash flows</b>		
Proceeds from of loans and borrowings	-	8,178
Proceeds from of additional paid-in capital	-	1,314
Interest paid	(2,563)	(2,380)
<b>Total changes from financing cash flows</b>	<b>(2,563)</b>	<b>7,112</b>
<b>Other changes</b>		
Recognition of additional paid-in capital	-	(1,314)
Finance costs	2,582	2,494
<b>Total other changes</b>	<b>2,582</b>	<b>1,180</b>
<b>Borrowings as at 30 June</b>	<b>58,727</b>	<b>55,566</b>

Bonds Series 06-07 are secured by the guarantees issued by the Government of the Russian Federation in respect of bondholders.

During the six months ended 30 June 2021 for one of borrowings was not complied with the covenant. As a result as at 30 June 2021 the borrowing in the amount of RUB 10,004 million has been recognized within current liabilities due to creditors' rights on early redemption. However the Group management does not expect creditors to execute their early redemption rights.

Financing under the state guarantees that meet definition of equity is recognised within additional paid-in capital (Note 8).

Component of financing under the state guarantees that relates to returns on additional-paid-in-capital and does not meet definition of equity is recognised as financial liabilities.

Liabilities on returns on additional paid-in capital as at 30 June 2021 have effective annual interest rates 6%-9% (31 December 2020: 5%-10%) and maturity in 2021-2028 (31 December 2020: 2021-2028).



**9 Borrowings (continued)**

Changes in liabilities on returns on additional-paid-in-capital for the six months ended 30 June 2021 and 2020 are presented in the table below.

<i>In million of Russian Roubles</i>	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)
<b>Liabilities on returns on additional-paid-in-capital as at 1 January</b>	<b>26,908</b>	<b>38,740</b>
<b>Changes from financing cash flows</b>		
Recognition of liabilities on returns on additional paid-in capital	-	462
Returns on additional paid-in capital	-	(4,517)
Interest paid	(3,121)	235
<b>Total changes from financing cash flows</b>	<b>(3,121)</b>	<b>(3,820)</b>
<b>Other changes</b>		
Finance costs	4,092	(235)
<b>Total other changes</b>	<b>4,092</b>	<b>(235)</b>
<b>Liabilities on returns on additional-paid-in-capital as at 30 June</b>	<b>27,879</b>	<b>34,685</b>

**10 Operating Expenses**

<i>In millions of Russian Roubles</i>	For the six months ended 30 June 2021 (unaudited)	For the six months ended 30 June 2020 (unaudited)
Personnel expenses	902	1,134
Taxes other than income tax	223	350
Depreciation	125	98
Consulting services	97	99
Maintenance and communication	75	30
Office maintenance	66	62
Security	48	94
Legal services	32	37
Amortisation	23	30
Car rent	12	43
Business trips and entertainment	9	12
Other expenses	209	188
<b>Total operating expenses</b>	<b>1,821</b>	<b>2,177</b>

**11 Net Financial Performance of Financial Assets at Fair Value Through Profit or Loss**

<i>In millions of Russian Roubles</i>	Note	For the six months ended 30 June 2021 (unaudited)	For the six months ended 30 June 2020 (unaudited)
Change in fair value of equity instruments	16	13,119	(5,927)
Change in fair value of equity instruments with embedded options	16	207	(248)
Change in fair value of debt instruments	16	(2,137)	2,488
<b>Net financial performance of financial assets at fair value through profit or loss</b>		<b>11,189</b>	<b>(3,687)</b>

**12 Finance Costs**

Finance costs for the six months ended 30 June 2021 include interest expenses on borrowings in the amount of RUB 2,582 million (six months ended 30 June 2020: RUB 2,494 million) and interest expenses on liabilities on returns on additional paid-in capital (including expense/(income) on adjustments for amortised costs of liabilities on returns on additional paid-in capital) in the amount of RUB 4,092 million (six months ended 30 June 2020: RUB (235) million).

### 13 Contingencies

**Legal proceedings.** From time to time and in the normal course of business, claims against the Group may be received. On the basis of its own estimates and both internal and external professional advice, management believes that no material losses will be incurred in respect of claims; accordingly, no provisions have been made in these interim condensed consolidated financial statements.

**Tax legislation.** The Group follows the provisions of the Russian tax legislation, clarifications of the controlling authorities and court practice while performing its business activities. If any difficult questions arise in the sphere of taxation or in case of planning non-typical transactions, the Group's management requests specific clarifications of the controlling authorities in order to officially confirm its position regarding interpretation of the particular provisions of the Russian tax legislation.

### 14 Principal Subsidiaries

The principal consolidated subsidiaries as at 30 June 2021 and 31 December 2020:

Name	Country of registration	Primary activities	Percentage of ownership	
			30 June 2021 (unaudited)	31 December 2020
Management Company				
RUSNANO LLC	Russian Federation	Management company	99%	99%
RUSNANO Capital AG in Liquidation	Switzerland	Investment activities	100%	100%
Fonds Rusnano Capital S.A.	Luxembourg	Investment activities	100%	100%
RNI LLC	Russian Federation	Investment activities	100%	100%

The percentage of voting rights in the equity of the subsidiaries in which the Company holds is the same as its percentage of ownership as at 30 June 2021 and 31 December 2020.

As at 30 June 2021 the following subsidiaries were not consolidated and accounted as financial assets at fair value through profit or loss:

	Country of incorporation	% of ownership
Placart JSC	Russia	100%
Profotech JSC	Russia	100%
RM Nanotech JSC	Russia	75%
ELVIS Neo-Tech JSC	Russia	59%
Hematology Corporation LLC	Russia	81%
Crocus Nanoelectronics LLC	Russia	100%
Liteko LLC	Russia	100%
MAPPER LLC	Russia	100%
Neophotonics Corporation LLC	Russia	99%
New Rosana LLC	Russia	100%
Novye Tekhnologii Stroitelstva LLC	Russia	100%
Plastic Logic LLC	Russia	100%
RusnanoMedInvest LLC	Russia	100%
RU-VEM LLC	Russia	84%
Rusalox LLC	Russia	100%
Rusoxyd LLC	Russia	100%
SIGMA.Novosibirsk LLC	Russia	83%
SIGMA.Tomsk LLC	Russia	90%
TAT-Advenira LLC	Russia	100%
Technology Transfer Center LLC	Russia	75%
Thermoelectric Innovative Technologies LLC	Russia	80%
Energy Solutions LLC	Russia	90%
ESTO-Vacuum LLC	Russia	59%
Advenira Enterprises, Inc.	USA	61%
FlexEnable Limited	UK	87%

**14 Principal Subsidiaries (continued)**

As at 31 December 2020 the following subsidiaries were not consolidated and accounted as financial assets at fair value through profit or loss:

	Country of incorporation	% of ownership
Placart JSC	Russia	100%
Profotech JSC	Russia	100%
RM Nanotech JSC	Russia	75%
ELVIS Neo-Tech JSC	Russia	59%
Hematology Corporation LLC	Russia	81%
Crocus Nanoelectronics LLC	Russia	100%
Liteko LLC	Russia	100%
MAPPER LLC	Russia	100%
Neophotonics Corporation LLC	Russia	99%
New Rosana LLC	Russia	100%
Novye Technologii Stroitelstva LLC	Russia	100%
Plastic Logic LLC	Russia	100%
RusnanoMedInvest LLC	Russia	100%
RU-VEM LLC	Russia	84%
Rusalox LLC	Russia	100%
SIGMA.Novosibirsk LLC	Russia	83%
SIGMA.Tomsk LLC	Russia	90%
TAT-Advenira LLC	Russia	100%
Technology Transfer Center LLC	Russia	75%
Thermoelectric Innovative Technologies LLC	Russia	80%
Energy Solutions LLC	Russia	90%
ESTO-Vacuum LLC	Russia	59%
Advenira Enterprises, Inc.	USA	61%
FlexEnable Limited	UK	87%

**15 Financial Risk Management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2020.

**Equity price risk**

As at 30 June 2021, the fair value of investments exposed to equity price risk was RUB 60,053 million, (31 December 2020: RUB 58,777 million), the fair value of equity investments with embedded options exposed to equity price risk was RUB 368 million (31 December 2020: RUB 9,181 million) but the exposure was limited by the embedded options. Should the market values of equity instruments, which are not traded in the active market, increase or decrease due to reasonably possible changes in market conditions by 3%, the comprehensive income for the period and equity would increase by RUB 1,800 million or decrease by RUB 498 million. The estimate of this sensitivity is based on a reasonably possible changes in the discount rate.

**16 Management of Capital**

The capital of the Group is represented by equity attributable to the Russian Federation (Note 1).

The Group's capital management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2020.

The Group has no externally imposed capital requirements except for minimum share capital requirements set by Russian corporate law. Its financial policy is aimed at maximising equity while securing liquidity and financial stability.

The amount of capital that the Group managed as at 30 June 2021 was RUB 25,046 million (31 December 2020: RUB 21,361 million).

## 17 Fair Value of Financial Instruments

Fair value is the price that would be received to sell the financial asset in an orderly transaction between market participants at the measurement date, and is best evidenced by an active quoted market price.

**Financial assets carried at fair value.** All financial assets other than traded on active markets are valued using valuation techniques that require significant inputs which are not observable in the financial markets (Level 3 fair value measurement hierarchy). At initial recognition of financial assets the valuation technique is calibrated to ensure that it reflects current market conditions evidenced by transaction price and other factors to be taken into consideration.

Equity investments, equity instruments with embedded options and debt instruments as at 30 June 2021 and 31 December 2020 amounting to RUB 85,891 million and RUB 95,502 million, respectively, are designated at fair value through profit or loss at inception and disclosed in Note 6.

No active market exists for most of these financial instruments. If no active market exists the Group's management determined the fair value of financial instruments using valuation models and discounted cash flows. Inputs to these valuation models require judgement considering the factors specific to the future business plans of the underlying portfolio companies, their assets and liabilities and the impact on the fair value measurement in its entirety. The Group's valuation models for equity instruments and equity instruments with embedded options are the present value of the estimated future cash flows based on the discounted cash flows model for portfolio companies. For cash flows on equity instruments the annual discount rates applied as at 30 June 2021 were 14%-18% (31 December 2020: 14%-21%) for growth investments and 30%-45% (31 December 2020: 30%-40%) for venture investments. For cash flows on options the annual discount rates 6% were applied as at 30 June 2021 (31 December 2020: 5%). Fair value of equity instruments in investment funds is usually based on fair value of fund net assets calculated with reference to fund investments fair value. The Group's valuation models for debt instruments are based on the net present value of future cash flows relating to an instrument. Management determined the discount rate for debt instruments based on comparable loan interest rates available to companies with a similar risk profile on the Russian market from third party banks. The annual discount rates applied for debt instruments as at 30 June 2021 were 9%-18% (31 December 2020: 10%-15%).

**17 Fair Value of Financial Instruments (continued)****Financial assets carried at fair value (continued)**

The following table shows the movements of the financial instruments for the six months ended 30 June 2021 and 2020 by the class of financial instruments and the Level of fair value measurement hierarchy:

<i>In million of Russian Roubles</i>	Level 1	Level 3			Total
	Equity instruments	Equity instruments	Equity instruments with embedded options	Debt instruments	
<b>1 January 2020</b>	<b>119</b>	<b>106,299</b>	<b>17,081</b>	<b>24,193</b>	<b>147,692</b>
Investments in equity instruments	-	2,860	-	-	2,860
Investments in debt instruments	-	-	-	201	201
(Losses)/gains recognised in profit or loss for the year	42	(5,969)	(248)	2,488	(3,687)
Disposals	(9)	(1,239)	(41)	(42)	(1,331)
Reclassification	-	(264)	-	264	-
<b>30 June 2020 (unaudited)</b>	<b>152</b>	<b>101,687</b>	<b>16,792</b>	<b>27,104</b>	<b>145,735</b>
<b>1 January 2021</b>	<b>131</b>	<b>58,646</b>	<b>9,181</b>	<b>27,544</b>	<b>95,502</b>
Investments in equity instruments	-	2,358	-	-	2,358
Investments in debt instruments	-	-	-	50	50
Gains/(losses) recognised in profit or loss for the period	53	13,066	207	(2,137)	11,189
Disposals	(141)	(13,988)	(9,020)	(59)	(23,208)
Reclassification	-	(72)	-	72	-
<b>30 June 2021 (unaudited)</b>	<b>43</b>	<b>60,010</b>	<b>368</b>	<b>25,470</b>	<b>85,891</b>

**18 Events after the Reporting Period**

Subsequent to 30 June 2021 and through the date of issue of these interim condensed consolidated financial statements the Company received USD 65 million from debt instruments of one of its investments.