

**JSC RUSNANO**

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

**Six months ended 30 June 2020**

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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 2020, 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.

JSC RUSNANO

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

Moscow, Russia

Independent auditor: JSC "KPMG", a company incorporated under the Laws of the Russian Federation, a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited ("KPMG International"), a private English company limited by guarantee.

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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**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 2020 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Kirill Altukhov

JSC "KPMG"

Moscow, Russia

28 December 2020





**JSC RUSNANO**  
**Interim Condensed Consolidated Statement of Financial Position**

<i>In million of Russian Roubles</i>	<b>Note</b>	<b>30 June 2020 (unaudited)</b>	<b>31 December 2019</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equity instruments at fair value through profit or loss	6	94,799	102,327
Debt instruments at fair value through profit or loss	6	26,170	23,169
Investment in associate		1,853	1,836
Deferred tax asset		7,206	7,206
Property, plant and equipment		2,478	2,432
Receivables and prepayments		3	3
Other non-current assets		127	103
<b>Total non-current assets</b>		<b>132,636</b>	<b>137,086</b>
<b>Current assets</b>			
Equity instruments at fair value through profit or loss	6	23,832	21,172
Debt instruments at fair value through profit or loss	6	934	1,024
Other debt instruments	7	10,173	5,484
Receivables and prepayments		653	292
Income tax prepayments		304	367
Cash and cash equivalents		2,403	2,244
Other current assets		1	7
<b>Total current assets</b>		<b>38,300</b>	<b>30,590</b>
<b>TOTAL ASSETS</b>		<b>170,936</b>	<b>167,676</b>
<b>EQUITY</b>			
Share capital	8, 15	53,742	53,742
Paid-in capital	8, 15	2,000	2,000
Additional paid-in capital	8	60,211	56,342
Currency translation reserve	8	(59)	(146)
Accumulated losses		(44,472)	(32,720)
<b>TOTAL EQUITY</b>		<b>71,422</b>	<b>79,218</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liability		555	557
Long-term borrowings	9	53,817	45,625
Liabilities on returns on additional paid-in capital	9	27,055	30,537
<b>Total non-current liabilities</b>		<b>81,427</b>	<b>76,719</b>
<b>Current liabilities</b>			
Current portion of long-term borrowings	9	1,749	1,649
Income tax payable		32	516
Payables and accrued expenses		8,676	1,371
Liabilities on returns on additional paid-in capital	9	7,630	8,203
<b>Total current liabilities</b>		<b>18,087</b>	<b>11,739</b>
<b>TOTAL LIABILITIES</b>		<b>99,514</b>	<b>88,458</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>170,936</b>	<b>167,676</b>

Approved for issue and signed on 28 December 2020.

  
 Boris Podolsky  
 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 2020 (unaudited)</b>	<b>For the six months ended 30 June 2019 (unaudited)</b>
Net financial performance of financial assets at fair value through profit or loss	11	(3,687)	(8,194)
Interest income		272	429
Other operating income		252	178
Operating expenses	10	(2,177)	(2,285)
Foreign currency exchange gains/(losses)		390	(278)
<b>Operating loss</b>		<b>(4,950)</b>	<b>(10,150)</b>
Finance costs		(2,259)	(3,522)
<b>Loss before income tax</b>		<b>(7,209)</b>	<b>(13,672)</b>
Income tax expense		(26)	(229)
<b>LOSS FOR THE PERIOD</b>		<b>(7,235)</b>	<b>(13,901)</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>	Note	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
<b>Loss for the period</b>		<b>(7,235)</b>	<b>(13,901)</b>
<i>Other comprehensive income</i>			
Foreign currency translation differences	8	87	(50)
<b>Total comprehensive income for the period</b>		<b>(7,148)</b>	<b>(13,951)</b>

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

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

<i>In million of Russian Roubles</i>	Note	Share capital	Paid-in capital	Additional paid-in capital	Accumulated losses	Currency translation reserve	Total equity
<b>As at 1 January 2019</b>		<b>53,742</b>	-	<b>53,506</b>	<b>(7,767)</b>	<b>33</b>	<b>99,514</b>
<b>Total comprehensive income</b>							
Loss for the period		-	-	-	(13,901)	-	(13,901)
Other comprehensive income	8	-	-	-	-	(50)	(50)
<b>Total comprehensive income for the period</b>		-	-	-	<b>(13,901)</b>	<b>(50)</b>	<b>(13,951)</b>
Recognition of additional paid-in capital	8	-	-	8,476	-	-	8,476
Returns on additional paid-in capital		-	-	2,951	(2,951)	-	-
Repayment of additional paid-in capital		-	-	(7,664)	-	-	(7,664)
Dividends	8	-	-	-	(550)	-	(550)
<b>As at 30 June 2019 (unaudited)</b>		<b>53,742</b>	-	<b>57,269</b>	<b>(25,169)</b>	<b>(17)</b>	<b>85,825</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>(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>

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



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

	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
<i>In million of Russian Roubles</i>		
<b>Cash flows from operating activities</b>		
<b>Operations with investment portfolio</b>		
Proceeds from equity instruments at fair value through profit or loss	8,167	1,511
Proceeds from debt instruments at fair value through profit or loss	42	10
Investments in equity instruments at fair value through profit or loss	(2,860)	(972)
Investments in debt instruments at fair value through profit or loss	(201)	(617)
	<b>5,148</b>	<b>(68)</b>
<b>Other operations</b>		
Repayment of debt securities	872	2,675
Receipts of cash from deposit accounts	22,145	42,718
Placement of cash on deposit accounts	(27,422)	(32,613)
Interest income received	160	420
Operating payments	(1,659)	(1,899)
Income taxes paid	(519)	(171)
Other payments	93	(5)
	<b>(6,330)</b>	<b>11,125</b>
<b>Net cash (used in)/from operating activities</b>	<b>(1,182)</b>	<b>11,057</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	8,178	4,494
Repayment of loans and borrowings	-	(20,625)
Proceeds from of additional paid-in capital	1,314	18,806
Repayment of additional paid-in capital	(1,500)	(7,664)
Returns on additional paid-in capital	(4,517)	(2,951)
Interest paid	(2,145)	(3,504)
<b>Net cash from/(used in) financing activities</b>	<b>1,330</b>	<b>(11,444)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>148</b>	<b>(387)</b>
<b>Effect of exchange rate changes on cash and cash equivalents held in foreign currencies</b>	<b>11</b>	<b>(24)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,244</b>	<b>1,079</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,403</b>	<b>668</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 2020 for the Joint-Stock Company RUSNANO (JSC RUSNANO, the “Company”) and its consolidated subsidiaries disclosed in Note 13 (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 13).

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

**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 2020 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**

Russia continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent on these reforms and development and the effectiveness of economic, financial and monetary measures undertaken by the government.

While management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances, further deterioration in the areas described above could negatively affect the Group's results and financial position in a manner not currently determinable.

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 30 June 2020 and 31 December 2019 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 or scenario analysis and utilizes interest rates applicable to similar borrowers on the Russian market.

On 11 March 2020, the World Health Organisation declared the Coronavirus outbreak to be a pandemic in recognition of its rapid spread across the globe. The spread of COVID-19 resulted in introduction of self-isolation in many countries of the world and business disruption. All of this together with other factors resulted in increased volatility on financial markets and overall economic uncertainty.

The spread of COVID-19 did not have significant influence on the current operational activities of the Group. Employees had been partly transferred to remote work, which did not result in interruption of the Group's activities. Strict precautions have been taken by management to maintain the health and safety of employees.

The fair value of all investments as at the reporting date has been updated based on the actual forecasts including the impact of the pandemic, discount rates, exchange rates and other inputs.

## **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 2019. 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.

These consolidated interim condensed financial statements have been prepared on a going concern basis, which assumes that the Group will continue to realize its assets and discharge its obligations and commitments in the normal course of operations.

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 2019.

Several new standards, amendments and interpretations apply for the first time in 2020. They are not expected to have any material impact on the annual consolidated financial statements or 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 2019.

#### **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 2020 (unaudited)		31 December 2019	
	Russian Government	State-owned entities	Russian Government	State-owned entities
<i>In million of Russian Roubles</i>				
<b>Assets</b>				
Receivables	-	26	-	23
Debt securities	-	652	-	1,475
Deposits	-	2,211	-	4,009
Cash and cash equivalents	-	2,237	-	78
<b>Liabilities and commitments</b>				
Payables and accrued expenses	-	34	-	45
Liabilities on returns on additional paid-in capital	-	4,944	-	6,566
Borrowings	-	1,218	-	1,200
	Six months ended 30 June 2020 (unaudited)		Six months ended 30 June 2019 (unaudited)	
	Russian Government	State-owned entities	Russian Government	State-owned entities
<i>In millions of Russian Roubles</i>				
<b>Income</b>				
Interest income	-	169	-	361
<b>Expenses</b>				
Finance costs	-	-	-	(382)



**5 Balances and Transactions with Related Parties (continued)****Government-related entities (continued)**

As at 30 June 2020 and 31 December 2019 contractual interest rates of RUB denominated deposits were 4%-6% and 4%-7% respectively. As at 30 June 2020 there were no deposits denominated in other currencies. As at 31 December 2019 contractual interest rates of deposits denominated in other currencies were 2%.

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 2020 have effective annual interest rates 6%-12% (31 December 2019: 9%-10%) and maturity in 2020-2028 (31 December 2019: 2020-2026).

**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 2020 (unaudited)</b>	<b>31 December 2019</b>
Equity instruments at fair value	26,095	27,498
Debt instruments at fair value	3,272	2,529
Equity investments with embedded options	921	1,284

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

During the six months ended 30 June 2020 and 2019 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 2020 (unaudited) Fair value</b>	<b>31 December 2019 Fair value</b>
<b>Current assets</b>			
Equity instruments		8,900	13,917
<i>including equity instruments in investment funds</i>	6.3	550	-
Equity instruments with embedded options		14,932	7,255
<i>including equity instruments in investment funds</i>		7,412	7,255
<b>Total equity instruments at fair value through profit or loss within current assets</b>		<b>23,832</b>	<b>21,172</b>
<b>Non-current assets</b>			
Equity instruments		92,939	92,501
<i>including equity instruments in investment funds</i>	6.3	45,396	46,354
Equity instruments with embedded options		1,860	9,826
<b>Total equity instruments at fair value through profit or loss within non-current assets</b>		<b>94,799</b>	<b>102,327</b>
<b>Total equity instruments at fair value through profit or loss</b>	6.1	<b>118,631</b>	<b>123,499</b>
Current portion of debt instruments		934	1,024
Non-current portion of debt instruments		26,170	23,169
<b>Total debt instruments at fair value through profit or loss</b>	6.2	<b>27,104</b>	<b>24,193</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>145,735</b>	<b>147,692</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 2020.

**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 53,358 million and RUB 53,609 million as at 30 June 2020 and 31 December 2019, 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 2020 (unaudited)</b>	<b>31 December 2019</b>
<b>Current assets</b>			
Deposits	7.2	9,516	4,009
Debt securities	7.1	657	1,475
<b>Total other debt instruments</b>		<b>10,173</b>	<b>5,484</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 2020 (unaudited)</b>	<b>31 December 2019</b>
<i>Neither past due nor impaired</i>				
Debt securities	Baa3**	RUB	389	389
Debt securities	BB***	USD	-	335
Debt securities	Baa3**	USD	-	302
Debt securities	Baa3**	USD	268	237
Debt securities	BBB-*	USD	-	212
<b>Total debt securities</b>			<b>657</b>	<b>1,475</b>

\* - Fitch

\*\* - Moody's

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

The actual annual interest rates for debt securities are similar to their yield rates at acquisition. As at 30 June 2020 the actual annual interest rates amount to 8.5% for debt securities nominated in Russian Roubles (as at 31 December 2019: 8.5%). As at 30 June 2020 the actual annual interest rates for debt securities nominated in other currencies amount to 5.3% (as at 31 December 2019: 4.3%-6.3%). The maturity or offer time frame at acquisition for debt securities is below 12 months.

As at 30 June 2020 and 31 December 2019 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 2020 (unaudited)</b>	<b>31 December 2019</b>
<i>Neither past due nor impaired</i>				
Deposits	Ba2**	RUB	7,021	13
Deposits	BBB*	RUB	2,191	3,996
Deposits		RUB	304	-
<b>Total deposits</b>			<b>9,516</b>	<b>4,009</b>

\* - Fitch's;

\*\* - Moody's;

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

The actual annual interest rates for deposits are similar to their contractual rates. As at 30 June 2020 the actual annual interest rates amount to 2.4%-6.4% for deposits nominated in Russian Roubles (31 December 2019: 3.7%-6.6%). The maturity or offer time frame at acquisition deposits is below 12 months.

As at 30 June 2020 and 31 December 2019 the carrying value of deposits approximates their fair value.

## **8 Equity**

### **Share capital**

As at 30 June 2020, the share capital of the Company comprises 53,741,700,000 ordinary shares of RUB 1 each (as at 31 December 2019: 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.

In 2019 shareholder contributed RUB 2,000 million to the Company equity for 2,000,000,000 of ordinary shares with par value of 1 RUB. As at the date these interim condensed consolidated financial statements were authorized for issue this amount was returned to shareholder (Note 17).

### **Distributions**

During the six months ended 30 June 2020 the Company did not declare or pay dividends. During the six months ended 30 June 2019 the Company declared dividends in the amount of RUB 550 million. Dividend per share amounted to RUB 0.01.

### **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 2020 and 2019 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). Equity (continued)

### **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>	Currency	Effective annual interest rate	Due	30 June 2020 (unaudited)	31 December 2019
Bonds (Series 06-07)	RUB	12.5, 12.75%	2022	18,267	18,267
Bonds (Series 5O-002P-03) – unsecured	RUB	7.7%	2022	12,118	12,108
Bonds (Series 5O-Π01) – unsecured	RUB	Key rate of the Russian Central Bank +2.5%	2023	10,002	10,002
Bonds (Series 5O-002P-04) – unsecured	RUB	8.8%	2024	6,500	-
Bonds (Series 5O-002P-01) – unsecured	RUB	9.1%	2021	4,568	4,524
Bonds (Series 5O-002P-02) – unsecured	RUB	Key rate of the Russian Central Bank +2.5%	2025	1,677	-
Bank loans	RUB	7.64%	2020	1,218	1,173
Other borrowings				1,216	1,200
<b>Total borrowings</b>				<b>55,566</b>	<b>47,274</b>
Less					
<b>Current portion of long-term borrowings</b>				<b>(1,749)</b>	<b>(1,649)</b>
<b>Total long-term borrowings</b>				<b>53,817</b>	<b>45,625</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 2020 and 2019 are presented in the table below.

<i>In million of Russian Roubles</i>	Six months ended 30 June 2020 (unaudited)	Six months ended 30 June 2019 (unaudited)
<b>Borrowings as at 1 January</b>	<b>47,274</b>	<b>49,141</b>
<b>Changes from financing cash flows</b>		
Proceeds from of loans and borrowings	8,178	4,494
Proceeds from of additional paid-in capital	1,314	18,806
Repayment of loans and borrowings	-	(20,625)
Interest paid	(2,380)	(1,951)
<b>Total changes from financing cash flows</b>	<b>7,112</b>	<b>724</b>
<b>Other changes</b>		
Recognition of additional paid-in capital	(1,314)	(18,806)
Finance costs	2,494	1,969
<b>Total other changes</b>	<b>1,180</b>	<b>(16,837)</b>
<b>Borrowings as at 30 June</b>	<b>55,566</b>	<b>33,028</b>

Bonds and bank credits other than stated as unsecured are secured by the guarantees issued by the Government of the Russian Federation in respect of bondholders and creditors.

Bank loans are secured by financial assets at fair value through profit or loss in the amount of RUB 7,520 million as at 30 June 2020 (at 31 December 2019: RUB 7,658 million).

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.



**9 Borrowings (continued)**

Liabilities on returns on additional paid-in capital as at 30 June 2020 have effective annual interest rates 6%-12% (31 December 2019: 9%-12%) and maturity in 2020-2028 (31 December 2019: 2020-2028).

Changes in liabilities on returns on additional-paid-in-capital for the six months ended 30 June 2020 and 2019 are presented in the table below.

<i>In million of Russian Roubles</i>	Six months ended 30 June 2020 (unaudited)	Six months ended 30 June 2019 (unaudited)
Liabilities on returns on additional-paid-in-capital as at 1 January	38,740	33,132
<b>Changes from financing cash flows</b>		
Recognition of liabilities on returns on additional paid-in capital	462	10,330
Returns on additional paid-in capital	(4,517)	(2,951)
Interest paid	235	(1,553)
<b>Total changes from financing cash flows</b>	<b>(3,820)</b>	<b>5,826</b>
<b>Other changes</b>		
Finance costs	(235)	1,553
<b>Total other changes</b>	<b>(235)</b>	<b>1,553</b>
<b>Liabilities on returns on additional-paid-in-capital as at 30 June</b>	<b>34,685</b>	<b>40,511</b>

**10 Operating Expenses**

<i>In millions of Russian Roubles</i>	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Personnel expenses	1,134	996
Taxes other than income tax	350	311
Consulting services	99	177
Depreciation	98	91
Security	94	104
Office maintenance	62	65
Car rent	43	50
Legal services	37	175
Amortisation	30	45
Maintenance and communication	30	6
Business trips and entertainment	12	34
Other expenses	188	231
<b>Total operating expenses</b>	<b>2,177</b>	<b>2,285</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 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Change in fair value of equity instruments	16	(5,927)	(8,801)
Change in fair value of equity instruments with embedded options	16	(248)	897
Change in fair value of debt instruments	16	2,488	(290)
<b>Net financial performance of financial assets at fair value through profit or loss</b>		<b>(3,687)</b>	<b>(8,194)</b>

## 12 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.

Recently the tax legislation was updated by provisions related to additional control of activities of Russian and international groups of companies, including controlled foreign companies rules and transfer pricing rules.

## 13 Principal Subsidiaries

The principal consolidated subsidiaries as at 30 June 2020 and 31 December 2019:

Name	Country of registration	Primary activities	Percentage of ownership	
			30 June 2020 (unaudited)	31 December 2019
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 2020 and 31 December 2019.

As at 30 June 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	79%
LED-Energoservis 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%
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	86%
ESTO-Vacuum LLC	Russia	59%
Advenira Enterprises, Inc.	USA	61%
FlexEnable Limited	UK	87%



**13 Principal Subsidiaries (continued)**

As at 31 December 2019 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%
PHK JSC	Russia	52%
RM Nanotech JSC	Russia	75%
ELVIS Neo-Tech JSC	Russia	59%
Akrilan LLC	Russia	70%
Hematology Corporation LLC	Russia	81%
Crocus Nanoelectronics LLC	Russia	79%
LED-Energoservis 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	86%
ESTO-Vacuum LLC	Russia	59%
Advenira Enterprises, Inc.	USA	61%
FlexEnable Limited	UK	89%

**14 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 2019.

**Equity price risk**

As at 30 June 2020, the fair value of investments exposed to equity price risk was RUB 101,839 million, (31 December 2019: RUB 106,418 million), the fair value of equity investments with embedded options exposed to equity price risk was RUB 16,792 million (31 December 2019: RUB 17,081 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 1,799 million or decrease by RUB 1,157 million. The estimate of this sensitivity is based on a reasonably possible changes in the discount rate.

**15 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 2019.

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 2020 was RUB 71,422 million (31 December 2019: RUB 79,218 million).

## 16 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 2020 and 31 December 2019 amounting to RUB 145,735 million and RUB 147,692 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 2020 were 11%-18% (31 December 2019: 12%-19%) for growth investments and 30%-45% (31 December 2019: 30%-45%) for venture investments. For cash flows on options the annual discount rates 6%-20% were applied as at 30 June 2020 (31 December 2019: 7%-22%). 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 2020 were 10%-15% (31 December 2019: 11%-15%).



**16 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 2020 and 2019 by the class of financial instruments and the Level of fair value measurement hierarchy:

	Level 1	Level 3			Total
<i>In million of Russian Roubles</i>	Equity instruments	Equity instruments	Equity instruments with embedded options	Debt instruments	
1 January 2019	2,185	108,907	18,921	23,256	153,269
Investments in equity instruments	-	809	163	-	972
Investments in debt instruments	-	-	-	617	617
(Losses)/gains recognised in profit or loss for the year	(333)	(8,468)	897	(290)	(8,194)
Disposals	(740)	(2,279)	(180)	(10)	(3,209)
Reclassification	-	3,028	(2,958)	(70)	-
30 June 2019 (unaudited)	1,112	101,997	16,843	23,503	143,455
1 January 2020	119	106,299	17,081	24,193	147,692
Investments in equity instruments	-	2,860	-	-	2,860
Investments in debt instruments	-	-	-	201	201
Gains/(losses) recognised in profit or loss for the period	42	(5,969)	(248)	2,488	(3,687)
Disposals	(9)	(1,239)	(41)	(42)	(1,331)
Reclassification	-	(264)	-	264	-
30 June 2020 (unaudited)	152	101,687	16,792	27,104	145,735

**17 Events after the Reporting Period**

Subsequent to 30 June 2020 and through the date of issue of these interim condensed consolidated financial statements the Company issued quoted unsecured bonds in the amount of RUB 5.5 billion.

Subsequent to 30 June 2020 and through the date of issue of these interim condensed consolidated financial statements the Company returned to shareholder RUB 2.0 billion recognised within paid-in capital as at 30 June 2020 (Note 8).

Subsequent to 30 June 2020 and through the date of issue of these interim condensed consolidated financial statements the Company realised on of its investments in the amount of RUB 7.5 billion.