

DTEK RENEWABLES B.V.

**Unaudited Condensed Consolidated Interim Financial
Statements**

30 June 2021



PricewaterhouseCoopers
Accountants N.V.
For identification
purposes only

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Review report

To: the management board and supervisory board of DTEK Renewables B.V.

Introduction

We have reviewed the accompanying unaudited condensed consolidated interim financial statements of DTEK Renewables B.V., Amsterdam, which comprise the unaudited condensed consolidated interim balance sheet as at 30 June 2021, the unaudited condensed consolidated interim income statement, the unaudited condensed consolidated interim statement of comprehensive income for the three-months and six-months periods then ended, the unaudited condensed consolidated interim statement of changes in equity, the unaudited condensed consolidated interim statement of cash flows for the six-months period then ended and the notes to the unaudited condensed consolidated interim financial statements. Management is responsible for the preparation and presentation of these unaudited condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these unaudited condensed consolidated interim financial statements based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Rotterdam, 1 September 2021
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.F. Westerman RA

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DTEK RENEWABLES B.V.
Unaudited Condensed Consolidated Interim Balance Sheet

<i>In millions of Ukrainian Hryvnia</i>	Note	30 June 2021	31 December 2020
ASSETS			
Non-current assets			
Property, plant and equipment	8	27,785	23,359
Intangible assets		399	406
Financial investments	9	1,339	1,313
Loans receivable	10	5,395	4,982
Trade and other receivables	11	9	34
Deferred income tax asset		41	213
Total non-current assets		34,968	30,307
Current assets			
Inventories		50	55
Financial investments	9	29	3,303
Loans receivable	10	2,337	2,731
Trade and other receivables	11	3,555	4,903
Income tax prepaid		14	61
Cash and cash equivalents	12	1,732	1,372
Total current assets		7,717	12,425
TOTAL ASSETS		42,685	42,732
EQUITY			
Share capital		0	0
Share premium		10,637	10,637
Revaluation reserve		2,054	2,126
Retained earnings		5,545	3,028
Equity attributable to owners of the parent		18,236	15,791
Non-controlling interest in equity		121	62
TOTAL EQUITY		18,357	15,853
LIABILITIES			
Non-current liabilities			
Borrowings	13	19,141	21,367
Other payables	14	124	125
Deferred income tax liabilities		399	323
Total non-current liabilities		19,664	21,815
Current liabilities			
Borrowings	13	3,472	3,576
Trade and other payables	14	898	1,179
Dividends payable		230	240
Income tax payable		64	69
Total current liabilities		4,664	5,064
TOTAL LIABILITIES		24,328	26,879
TOTAL LIABILITIES AND EQUITY		42,685	42,732

Signed by entire Management Board, ____ September 2021

SCM Management B.V.

Mr. Maris Kunickis
 Director (appointed 1 July 2021)

By: Ms. Nataliya Muktan
 Director

Mr. Dmytro Yurgens
 Director (appointed 1 July 2021)

By: Ms. Eliza Desiree den Aantrekker
 Director

Mr. Maksym Timchenko
 Director (resigned 1 July 2021)

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements.

DTEK RENEWABLES B.V.
Unaudited Condensed Consolidated Interim Income Statement

<i>In millions of Ukrainian Hryvnia</i>	Note	Six months ended 30 June		Three months ended 30 June	
		2021	2020	2021	2020
Revenue	15	3,844	4,103	1,781	2,100
Cost of sales	16	(1,143)	(1,125)	(561)	(544)
Gross profit		2,701	2,978	1,220	1,556
Other operating income		78	30	61	25
General and administrative expenses	17	(228)	(190)	(128)	(96)
Other operating expenses		(32)	(44)	(17)	(24)
Net foreign exchange (loss) / gain on operating activities		(76)	426	10	(119)
Net reverse of impairment losses / (impairment losses) on trade receivables	11	218	(349)	109	(332)
Operating profit		2,661	2,851	1,255	1,010
Net foreign exchange gain / (loss) on financing and investing activities		992	(1,734)	186	489
Finance income	18	173	316	91	244
Finance costs	18	(794)	(842)	(329)	(415)
Net reverse of impairment losses / (impairment losses) on other financial assets	10	32	(159)	48	106
Profit before income tax		3,064	432	1,251	1,434
Income tax (expense) / benefit	3	(558)	8	(228)	(257)
Profit for the period		2,506	440	1,023	1,177
Profit is attributable to:					
Equity holders of the parent		2,442	426	992	1,147
Non-controlling interest		64	14	31	30

**Unaudited Condensed Consolidated Interim Statement
of Comprehensive Income**

<i>In millions of Ukrainian Hryvnia</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Profit for the period	2,506	440	1,023	1,177
Total comprehensive income for the period	2,506	440	1,023	1,177
Total comprehensive income attributable to:				
Equity holders of the Company	2,442	426	992	1,147
Non-controlling interest	64	14	31	30

DTEK RENEWABLES B.V.
Unaudited Condensed Consolidated Interim Statement of Changes in Equity

<i>In millions of Ukrainian Hryvnia</i>	Attributable to equity holders of the Company					Non-controlling interest	Total equity
	Share capital	Share premium	Revaluation reserve	Retained earnings	Total		
Balance at 1 January 2021	0	10,637	2,126	3,028	15,791	62	15,853
Profit for the period	-	-	-	2,442	2,442	64	2,506
Total comprehensive income	0	-	-	2,442	2,442	64	2,506
Acquisition of non-controlling interest (Note 1)	-	-	13	(8)	5	(8)	(3)
Disposal of non-controlling interest (Note 1)	-	-	-	(2)	(2)	3	1
Utilization of revaluation reserve, net of tax	-	-	(85)	85	-	-	-
Balance at 30 June 2021	0	10,637	2,054	5,545	18,236	121	18,357

<i>In millions of Ukrainian Hryvnia</i>	Attributable to equity holders of the Company					Non-controlling interest	Total equity
	Share capital	Share premium	Revaluation reserve	Retained earnings	Total		
Balance at 1 January 2020	0	10,637	2,296	2,552	15,485	45	15,530
Profit for the period	-	-	-	426	426	14	440
Total comprehensive income	0	-	-	426	426	14	440
Utilization of revaluation reserve, net of tax	-	-	(84)	84	-	-	-
Balance at 30 June 2020	0	10,637	2,212	3,062	15,911	59	15,970

DTEK RENEWABLES B.V.
Unaudited Condensed Consolidated Interim Statement of Cash Flows

<i>In millions of Ukrainian Hryvnia</i>	Note	Six months ended 30 June	
		2021	2020
Cash flows from operating activities			
Profit before income tax		3,064	432
Adjustments for:			
Depreciation and impairment of property, plant and equipment and amortisation of intangible assets	16, 17	822	819
Allowance for inventory		12	1
Unrealised foreign exchange loss / (gain) on operating activity		73	(435)
Foreign exchange (gains less losses) / losses less gains on financing and investing activities		(992)	1,734
Net (reverse of impairment losses) / impairment losses on trade receivables and other financial assets	10, 11	(250)	508
Finance costs, net	18	621	526
Operating cash flows before working capital changes		3,350	3,585
Change in:			
Trade and other receivables		1,591	(2,069)
Inventories		(7)	(10)
Trade and other payables		(306)	313
Cash generated from operations		4,628	1,819
Interest paid	13	(719)	(612)
Interest received	18	19	32
Income tax paid		(265)	(239)
Debt attraction fees paid	13	-	(19)
Net cash generated from operating activities		3,663	981
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(5,061)	(362)
Placement of restricted cash		(213)	(57)
Return of deposits	9	3,192	-
Return of restricted cash		62	6
Loan provided to a related party		(280)	(400)
Repayment of loans provided to related parties		105	950
Net cash (used in) / generated from investing activities		(2,195)	137
Cash flows from financing activities			
Repayment of borrowings	13	(1,025)	(2,293)
Acquisition of non-controlling interest	1	(6)	-
Contribution of capital to a subsidiary from non-controlling participants	1	1	-
Proceeds from borrowings	13	-	930
Purchase of equity financial instruments	9	-	(2)
Net cash used in financing activities		(1,030)	(1,365)
Net increase / (decrease) in cash and cash equivalents		438	(247)
Cash and cash equivalents at the beginning of the period	12	1,372	4,294
Exchange (loss) / gain on cash and cash equivalents		(78)	435
Cash and cash equivalents at the end of the period	12	1,732	4,482

1 The Organisation and its Operations

DTEK RENEWABLES B.V. ("the Company") is a private limited liability company incorporated on 9 September 2013, under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands.

In May 2021 the Company was transferred under control of DTEK RENEWABLES HOLDINGS B.V. which was incorporated on 10 May 2021, under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands and is fully owned by DTEK B.V., which is the holding company of a vertically integrated power generating and distribution and gas production business of Joint Stock Company "System Capital Management Limited" ("SCM"). SCM and DTEK RENEWABLES HOLDINGS B.V. are ultimately controlled by Mr. Rinat Akhmetov who has a number of other business interests outside of the Company. Related party transactions are detailed in Note 7.

The Company's and its subsidiaries' (together referred to as "the Group" or "DTEK Renewables") principal activity is the production and sale of electricity generated at wind and solar power plants in Ukraine.

At the reporting date, the principal subsidiaries are as follows:

Name	% interest held as at		Country of incorporation
	30 June 2021	31 December 2020	
PRIMORSKAYA WEP B.V.	100.00	100.00	Amsterdam, the Netherlands
DTEK RENEWABLES FINANCE B.V.	100.00	100.00	Amsterdam, the Netherlands
DTEK BERDYANSKA WIND FARM LLC	100.00	100.00	Kyiv, Ukraine
DTEK RENEWABLES LLC	100.00	100.00	Kyiv, Ukraine
DTEK TILIGULSKA WEP – 2 LLC	100.00	100.00	Kyiv, Ukraine
DTEK TILIGULSKA WEP LLC	90.00	100.00	Kyiv, Ukraine
DTEK ORLIVSKA WIND FARM LLC	87.00	87.00	Kyiv, Ukraine
DTEK PRYMORSKA WIND FARM-2 LLC	94.00	94.00	Kyiv, Ukraine
DTEK PRYMORSKA WIND FARM LLC	100.00	100.00	Kyiv, Ukraine
DTEK NIKOPOLSKA SOLAR FARM LLC	100.00	100.00	Kyiv, Ukraine
DTEK CONSTRUCTION SOLUTIONS LLS	100.00	100.00	Kyiv, Ukraine
DTEK POKROVSKA SOLAR FARM LLC	100.00	100.00	Kyiv, Ukraine
SOLAR FARM – 4 LLC	100.00	100.00	Kyiv, Ukraine
SOLAR FARM – 5 LLC	100.00	100.00	Kyiv, Ukraine
SOLAR FARM – 6 LLC	100.00	100.00	Kyiv, Ukraine
SOLAR FARM – 7 LLC	100.00	100.00	Kyiv, Ukraine
SOLAR FARM – 8 LLC	100.00	100.00	Kyiv, Ukraine
SOLAR FARM – 11 LLC	100.00	100.00	Kyiv, Ukraine
SOLAR FARM – 13 LLC	100.00	100.00	Kyiv, Ukraine
SOLAR FARM – 14 LLC	100.00	100.00	Kyiv, Ukraine
SOLAR FARM – 15 LLC	100.00	100.00	Kyiv, Ukraine
LLC TVE	100.00	100.00	Berezanka, Ukraine
DTEK TRYFONIVSKA SOLAR FARM LLC	100.00	100.00	Tryfonivka, Ukraine
DTEK BOTIEVSKA WIND FARM LLC	100.00	99.90	Kyiv, Ukraine
WIND TECH LLC	100.00	100.00	Kyiv, Ukraine

The Company is registered at Strawinskylaan 1531, Tower B, Level 15, grid TB-15-046/089, 1077XX Amsterdam, the Netherlands.

In January 2021 the Group acquired 0.1% of DTEK BOTIEVSKA WIND FARM LLC for UAH 6 million from a related party and increased its ownership up to 100%. This transaction did not have material impact on these unaudited condensed consolidated interim financial statements.

In May 2021 the share capital of DTEK TILIGULSKA WEP LLC was increased by a related party through cash contribution in the amount UAH 1 million. The decrease in interest held in the subsidiary by the Company is disclosed above.

The result of changes in non-controlling interests is disclosed in Unaudited Condensed Consolidated Interim Statement of Changes in Equity.

2 Operating Environment of the Group

Emerging markets such as Ukraine are subject to various risks including economic, political and social, legal and legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies can adversely affect the investment climate in those markets and their economies in general. Laws and regulations affecting businesses in the emerging markets continue to change rapidly, with their tax, currency and customs legislation being subject to varying interpretations, and other legal and fiscal impediments contribute to the challenges faced by entities currently operating in Ukraine. The future economic direction of the country is heavily influenced by the economic, fiscal and monetary policy adopted by the government, together with developments in the legal, regulatory, and political environment.

2 Operating Environment of the Group (continued)

Before 2020 the Ukrainian economy was showing signs of stabilization after years of political and economic tensions, which has led to a deterioration of State finances, volatility of financial markets, illiquidity on capital markets, higher inflation and depreciation of the national currency against major foreign currencies. Since the first quarter of 2020, the Ukrainian economy had been contracting amid a decrease in industrial output and lockdown measures introduced in March 2020 to contain the spread of the COVID-19 pandemic, however it returned to growth in the first half of 2021 following the growth in the world commodity prices which helped with the balance of Ukraine's foreign trade.

The National Bank of Ukraine (hereinafter "NBU") follows an interest rate policy consistent with inflation targets and keeps the hryvnia floating. The inflation rate in Ukraine stood at 9.5% for the first half of 2021 (as compared to 2.0% for the six months of 2020 and 5.0% for the twelve months of 2020) according to the statistics published by the National Bank of Ukraine (hereinafter "NBU"). An increase in inflation along with an increase in consumer price index has led the NBU to begin monetary tightening and gradually increase its key policy rate from 6% effective from 12 June 2020 to 8% effective from 22 July 2021.

In December 2020 the international currency reserves were at the highest level since 2011. In the next two years the significant balances of Ukrainian foreign currency debt will be due for repayment by the Government and the NBU. The major portion of it is expected to be refinanced in external markets. Thus, implementation of the new International Monetary Fund programme and terms of cooperation with other international financial organisations remain critically important.

Following the Electricity Market Law introduced on 13 April 2017, the electricity market of Ukraine was under transformation during 2017-2019. The Group's subsidiaries, which have had power purchase agreements with Energorynok SE, in June 2019 concluded additional agreements to their existing power purchase agreements, where the buyer of electricity was changed to Guaranteed Buyer SE, a new state enterprise, which was founded as a successor of Energorynok SE to purchase electricity at feed-in tariffs from renewable sources. As at 30 June 2021, the Group had PPAs for all its currently operating subsidiaries until 1 January 2030, which is the same duration of the Ukrainian fixed FiT regime. Pursuant to the Group's PPAs, tariff rates for wind and solar energy projects are determined under a fixed FiT denominated in Euro for each project. For the Group's wind projects, the FiT ranges from €94 per MWh to €113 per MWh (2020: from €94 per MWh to €113 per MWh) and for all of the Group's solar energy projects, the FiT is €128 per MWh (2020: from €128 per MWh to €150 per MWh). The National Energy and Utilities Regulatory Commission adjusts the effective FiT on a quarterly basis to track the UAH/Euro exchange rate.

Starting from 1 August 2020, for all of the Group's wind power plants (except DTEK BOTIEVSKA WIND FARM LLC) the feed-in tariff was reduced by 7.5% and all solar power plants by 15%. There was no change in feed-in tariff for DTEK BOTIEVSKA WIND FARM LLC as it was commissioned before 1 July 2015.

The renewable electricity producers – members of the balancing group of Guaranteed Buyer SE shall bear financial liability for imbalances between the projected/submitted to the regulator and actual generation of electricity in the day at the rate of: 50% starting from 1 January 2021; 100% starting from 1 January 2022 (Note 15).

According to the Memorandum for the purpose of balancing the energy system during the periods of electricity generation surplus State Enterprise "National Energy Company "Ukrenergo" may request for limitation of electricity generation by the renewables energy producers with subsequent compensation. The amount of the compensation is determined based on expected electricity generation for the period of the limitation, calculated using actual generation volume for the previous period, multiplied by current feed-in tariffs.

Impact of COVID-19 pandemic:

During 2021 management continues to monitor the potential impact of governmental restrictive measures and takes all steps possible to mitigate any negative effects. At the date of these unaudited condensed consolidated interim financial statements, the Group's production facilities are operating at their planned capacity, administrative activities are partly being managed remotely to ensure that activities of the Group are maintained and to prevent the spread of the virus and ensure the safety of its personnel. Management does not expect a material impact of the COVID-19 pandemic on the liquidity and continuity of the Group.

3 Basis of preparation

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 *Interim financial reporting* as adopted by the European Union. These unaudited condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of annual financial statements and should be read in conjunction with the Group's financial statements for the year ended 31 December 2020 prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2020 except the recognition of deduction of imbalances between the projected/submitted volume of electricity generation to the to the Guaranteed Buyer SE and State Enterprise "National Energy Company "Ukrenergo" and actual generation of electricity from the sales of generated electricity and recognition of the revenue from the compensation of electricity generation limitations recognised over time and firstly occurred in 2021.

3 Basis for preparation (continued)

Revenue recognition. The Group sells electricity produced by its electricity generation plants to Guaranteed Buyer SE, a state-owned entity acting as a guaranteed off-taker of renewable electricity at feed-in tariffs. Revenue from the sale of electricity is the value of units supplied during the year with deduction of imbalances reimbursement.

The Group recognises revenue from electricity sales over time. Revenue is recorded when control over electricity is transferred. Revenue from electricity sales is recognised in the accounting period in which the electricity was supplied to the final customer based on meter readings data. If a performance obligation is not satisfied over time, revenue is recognised at a point in time at which the Group satisfies a performance obligation.

Revenues from other sales of are recognised at the point of transfer of control associated with ownership of goods.

Compensation for the limitation of electricity generation. The Group receives compensation for the limitation of electricity generation from State Enterprise "National Energy Company "Ukrenergo". Compensation is determined based on expected electricity generation for the period of the limitation, calculated using actual generation volume for the previous period, multiplied by current feed-in tariffs. The Group recognises compensation from electricity sales over time.

Income tax expense in the interim period is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. Effective tax rate for six months ended 2021 includes the net effects of non-taxable foreign exchange gains arising from the transactions with the DTEK B.V. and its Dutch subsidiaries in the amount of UAH 106 million post tax (for the six months ended 30 June 2020: UAH 175 million post tax) and non tax-deductible expenses of ECL charge in the amount of UAH 1 million (for the six months ended 30 June 2020: UAH 51 million post tax) of these companies.

Exchange rate fluctuations. As at 30 June 2021 the exchange rates used for translating foreign currency balances were EUR 1 = 32.30 UAH (31 December 2020: EUR 1 = 34.74 UAH); USD 1 = UAH 27.18 (31 December 2020: USD 1 = UAH 28.27).

Going concern. As of 30 June 2021 the Group had net current assets of UAH 3,053 million (31 December 2020: net current assets of UAH 7,361 million) and earned a net profit of UAH 2,506 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020: net profit of UAH 440 million). For the six months ended 30 June 2021 the Group received positive cash flows generated from operating activities in the amount of UAH 3,663 million (for the six months ended 30 June 2020: UAH 981 million).

Management believes that the application of the going concern assumption for the preparation of these unaudited condensed consolidated interim financial statements is appropriate.

4 Critical Accounting Estimates and Judgements

Critical accounting estimates and judgements applied are consistent with those followed in the preparation of the Group's annual consolidated financial statement for the year ended 31 December 2020, except for the additional ones described below.

ECL measurement and classification of trade receivables from SE Guaranteed Buyer. In 2020 general Energy Market and Guaranteed Buyer SE experienced problem with liquidity that led to inability to timely settle its payables to renewable electricity producers. As at 30 June 2021 the gross carrying amount of trade receivables from Guaranteed Buyer SE comprises UAH 3,160 million (31 December 2020: UAH 5,060 million).

During six months ended 30 June 2021 Guaranteed Buyer SE repaid UAH 1,237 million and reduced the debt related to the electricity sold prior to the 1 August 2020 to UAH 2,540 million at the date of these unaudited condensed consolidated interim financial statements (31 December 2020: UAH 3,777 million). Based on discussion with the state authorities, management anticipates that Guaranteed Buyer SE will repay its obligations to the Group prior to 31 December 2021. As a result, the Group recognized income on reversal of impairment losses in the amount UAH 196 million and remaining ECL provision for these accounts receivable in the amount UAH 147 million as at 30 June 2021 (31 December 2020: UAH 343 million). If the actual settlement is made a one year later, this would lead to an increase in the provision by additional UAH 229 million. At the date of signing of these unaudited condensed consolidated interim financial statements Guaranteed Buyer SE additionally repaid UAH 130 million of the debt formed before August 2020.

The remaining part of the trade receivables from Guaranteed Buyer SE in the amount UAH 620 million (31 December 2020: UAH 1,283 million), with accrued ECL balance in the amount UAH 11 million (31 December 2020: UAH 27 million), relates to the sales of electricity during 2021 and is settled without any significant delay.

5 Adoption of New or Revised Standards and Interpretations

The following new amendments, which are relevant to the Group's financial statements, have been issued, but have not been endorsed by European Union:

- **Classification of liabilities as current or non-current – Amendments to IAS 1** (issued on 23 January 2020 and 15 July 2020 and effective for annual periods beginning on or after 1 January 2023).
- **Disclosure of Accounting policies – Amendments to IAS 1** (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).
- **Definition of Accounting Estimates – Amendments to IAS 8** (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).
- **Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendments to IFRS 16** (issued on 31 March 2021 and effective for annual periods beginning on or after 1 April 2021).
- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12** (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).

The following new standard, which is relevant to the Group's condensed consolidated interim financial statements, has been endorsed by European Union:

- **Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – Amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020** (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022).

These will likely have no material impact on the Group.

New and amended standards adopted by the group. The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2** (issued on 27 August 2020 and effective for annual periods beginning on or after 1 January 2021).
- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 19** (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2021).

These amendments did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

6 Segment information

The Management Board is the Group's chief operating decision-maker.

The management has determined the operating segments used for disclosure by the Group based on reports reviewed by the Management Board for the purposes of assessing performance.

The Management Board assesses the performance of the operating segments based on a measure of Adjusted EBIT. This measurement basis represents profit for the year after excluding the following income statement items: foreign exchange losses or gains, income tax expense, impairment of property, plant and equipment, impairment / reverse of impairment of financial assets and finance income and expenses except for interest accrued on current accounts or short-term deposits and except for a coupon paid on bonds issued to a related party.

The Management Board considers the business from type of production facilities perspective and aggregates operating segments for presentation purposes based on the nature of the production facility – wind or solar power plant facilities.

The following operating segments are analysed by the Management Board being also the reportable segments:

- Wind power plants facilities (both currently operating and under construction or development);
- Solar power plants facilities (both currently operating and under construction or development);
- Corporate overheads.

'Corporate overheads' segment refers to administrative and financing support entities and a production facilities servicing unit. Segment result for 'Corporate overheads' includes UAH 83 million (for the six months ended 30 June 2020: UAH 14 million) of expenses paid on bonds issued to a related party.

The Group's business is managed centrally and there is no significant interdependence between the segments. The reporting format is based on the Group's management and internal reporting structure. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those transfers are eliminated on consolidation. All revenues are recorded from customers in Ukraine. Revenues of both wind and solar power plants are recognised from Guaranteed Buyer SE and compensation for the limitation of electricity generation at wind and solar power plants are recognised from State Enterprise "National Energy Company "Ukrenergo". Sales to other segments related to the construction services between the subsidiaries of the Group.

6 Segment information (continued)

During the six months ended 30 June 2021, the Group reimbursed imbalances between the projected/submitted volume of electricity generation to the Guaranteed Buyer SE and State Enterprise "National Energy Company "Ukrenergo" and actual electricity generation and recognized these reimbursements as deduction from the sales of electricity, generated at wind power plants in the amount UAH 31 million and from the sale of electricity, generated at solar power plants in the amount UAH 24 million. These amounts disclosed in line Imbalances compensation in the table below. No such amounts were accrued in 2020.

Additionally the Group received compensation for the limitation of electricity generation which was implemented according to the Memorandum (Note 2) for the purpose of balancing the energy system during the periods of electricity generation surplus. The amount of the compensation is determined based on expected electricity generation for the period of the limitation, calculated using actual generation volume for the previous period, multiplied by current feed-in tariffs with subsequent compensation by State Enterprise "National Energy Company "Ukrenergo".

Segment information for the reportable segments of the Group for the six months ended 30 June 2021 is as follows:

<i>In millions of Ukrainian Hryvnia</i>	Wind power plants	Solar power plants	Corporate overheads	Elimination	Total
Sales – external	2,435	1,181	1	-	3,617
Compensation for the limitation of electricity generation	117	165	-	-	282
Imbalances compensation	(31)	(24)	-	-	(55)
Sales to other segments	-	-	112	(112)	-
Total of the reportable segments' revenue	2,521	1,322	113	(112)	3,844
Segment result	1,845	902	(274)	(4)	2,469
Net operating foreign exchange loss					(76)
Net foreign exchange gain on financing and investing activities					992
Finance costs net of finance income not included in Segment result					(554)
Net reversal of impairment of financial assets					250
Other					(17)
Profit before income tax					3,064
<i>Material non-cash items included into segment result:</i>					
Depreciation and amortisation	(464)	(357)	(1)	-	(822)
Capital expenditure	5,234	-	6	-	5,240

Segment information for the reportable segments of the Group for the six months ended 30 June 2020 is as follows:

<i>In millions of Ukrainian Hryvnia</i>	Wind power plants	Solar power plants	Corporate overheads	Elimination	Total
Sales – external	2,413	1,689	1	-	4,103
Segment result	1,725	1,261	(258)	(7)	2,721
Net operating foreign exchange gain					426
Net foreign exchange loss on financing and investing activities					(1,734)
Finance costs net of finance income not included in Segment result					(544)
Net impairment of financial assets					(508)
Other					71
Profit before income tax					432
<i>Material non-cash items included into segment result:</i>					
Depreciation and amortisation	(467)	(353)	1	-	(819)
Capital expenditure	18	12	1	-	31

6 Segment information (continued)

Segment information for the reportable segments of the Group for the three months ended 30 June 2021 is as follows:

<i>In millions of Ukrainian Hryvnia</i>	Wind power plants	Solar power plants	Corporate overheads	Elimination	Total
Sales – external	779	767	1		1,547
Compensation for the limitation of electricity generation	117	165	-	-	282
Imbalances compensation	(26)	(22)	-	-	(48)
Sales to other segments	-	-	95	(95)	-
Total of the reportable segments' revenue	870	910	96	(95)	1,781
Segment result	568	695	(154)	(20)	1,089
Net operating foreign exchange loss					10
Net foreign exchange gain on financing and investing activities					186
Finance costs net of finance income not included in Segment result					(174)
Net reversal of impairment of financial assets					157
Other					(17)
Profit before income tax					1,251
<i>Material non-cash items included into segment result:</i>					
Depreciation and amortisation	(231)	(179)	(1)	-	(411)
Capital expenditure	3,694	-	6	-	3,700

Segment information for the reportable segments of the Group for the three months ended 30 June 2020 is as follows:

<i>In millions of Ukrainian Hryvnia</i>	Wind power plants	Solar power plants	Corporate overheads	Elimination	Total
Sales – external	953	1,147	-	-	2,100
Segment result	625	962	(7)	(3)	1,577
Net operating foreign exchange gain					(119)
Net foreign exchange loss on financing and investing activities					489
Finance costs net of finance income not included in Segment result					(341)
Net impairment of financial assets					(226)
Other					54
Profit before income tax					1,434
<i>Material non-cash items included into segment result:</i>					
Depreciation and amortisation	(234)	(161)	1	-	(394)
Capital expenditure	(7)	(2)	1	-	(8)

7 Balances and Transactions with Related Parties

Related parties are defined in IAS 24 *Related Party Disclosures*. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, 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 directed to the substance of the relationship, not merely the legal form.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding are detailed below:

<i>In millions of Ukrainian Hryvnia</i>	30 June 2021			31 December 2020		
	Parent*	DTEK B.V. Group Subsidiaries	Entities under common control of SCM	DTEK B.V. (Immediate Parent)	DTEK B.V. Group Subsidiaries	Entities under common control of SCM
Prepayments for property, plant and equipment and intangible assets	-	1	-	-	1	-
Trade and other receivables	-	5	-	-	6	1
Loans receivable from related party	2,597	4,478	657	2,704	4,325	680
Cash and cash equivalents	-	-	412	-	-	65
Bonds issued	-	(1,445)	-	-	(1,415)	-
Borrowings	-	(1,324)	-	-	(1,324)	-
Trade and other payables	-	(57)	-	-	(89)	-
Dividends payable	(227)	(3)	-	(237)	(3)	-

* Balances as at 30 June 2021 include transactions with immediate parent company (DTEK RENEWABLES HOLDINGS B.V.) and ultimate parent company (DTEK B.V.).

The income and expense items with related parties for the six months ended 30 June were as follows:

<i>In millions of Ukrainian Hryvnia</i>	Six months ended 30 June 2021			Six months ended 30 June 2020		
	Parent**	DTEK B.V. Group Subsidiaries	Entities under common control of SCM	DTEK B.V. (Immediate Parent)	DTEK B.V. Group Subsidiaries	Entities under common control of SCM
Revenue	-	1	-	-	-	-
Purchase of services	(9)	(56)	(3)	(3)	(48)	(4)
Other income	-	-	-	-	1	-
Interest income on bank deposits	-	-	1	-	-	2
Interest expense on borrowings	-	(147)	-	-	(79)	-
Interest income on loans receivable	69	68	20	55	47	19
Net reverse of impairment losses / (impairment losses) on other financial assets	14	15	5	(27)	(103)	(29)

** Income and expenses items for the six months ended 30 June 2021 include transactions with immediate parent company (DTEK RENEWABLES HOLDINGS B.V.) and ultimate parent company (DTEK B.V.).

7 Balances and Transactions with Related Parties (continued)

The income and expense items with related parties for the three months ended 30 June were as follows:

<i>In millions of Ukrainian Hryvnia</i>	Three months ended 30 June 2021			Three months ended 30 June 2020		
	Parent**	DTEK B.V. Group Subsidiaries	Entities under common control of SCM	DTEK B.V. (Immediate Parent)	DTEK B.V. Group Subsidiaries	Entities under common control of SCM
Revenue	-	1	-	-	-	-
Purchase of services	(5)	(30)	-	(1)	(25)	(1)
Other income	-	-	-	-	1	-
Interest income on bank deposits	-	-	-	-	-	1
Interest expense on borrowings	-	(74)	-	-	(45)	-
Interest income on loans receivable	37	38	10	28	25	10
Net reverse of impairment losses / (impairment losses) on other financial assets	16	26	5	72	33	1

** Income and expenses items for the three months ended 30 June 2021 include transactions with immediate parent company (DTEK RENEWABLES HOLDINGS B.V.) and ultimate parent company (DTEK B.V.).

8 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

<i>In millions of Ukrainian Hryvnia</i>	Buildings and structures	Plant and machinery	Furniture, fittings and equipment	Construction in progress	Total
Net book value as at 1 January 2020	5,081	19,676	32	254	25,043
Additions	1	-	2	28	31
Disposals	-	(5)	-	(74)	(79)
Depreciation charge	(109)	(698)	(5)	-	(812)
Transfer	15	3	2	(20)	-
Net book value as at 30 June 2020	4,988	18,976	31	188	24,183
Net book value as at 1 January 2021	4,608	18,573	14	164	23,359
Additions	-	1	5	5,234	5,240
Disposals	-	-	(2)	-	(2)
Depreciation charge	(186)	(623)	(3)	-	(812)
Transfer	2	1	4	(7)	-
Net book value as at 30 June 2021	4,424	17,952	18	5,391	27,785

During the six months ended 30 June 2021 the depreciation expense of UAH 811 million (during the six months ended 30 June 2020: UAH 811 million) was included in cost of sales and UAH 1 million (during the six months ended 30 June 2020: 1 million) in general and administrative expenses.

As at 30 June 2021 the Group's property, plant and equipment carried at UAH 15,903 million have been pledged as collateral for borrowings (31 December 2020: UAH 16,482 million) (Note 13).

During six months ended 30 June 2021 the Group was actively constructing DTEK TILIGULSKA WEP LLC with additions amounting to UAH 5,234 million which were partly financed by the Green Bonds issued in November 2019 and partly by internal funds. The Group is expecting to put into operation the full capacity of the DTEK TILIGULSKA WEP LLC in the third quarter 2022.

During the six months ended 30 June 2021 the Group has capitalised borrowing costs in the amount of UAH 156 million using rate of 9.35% per annum (during the six months ended 30 June 2020: no borrowing costs capitalised).

9 Financial investments

<i>In millions of Ukrainian Hryvnia</i>	30 June 2021	31 December 2020
Non-current		
Equity financial instruments	2	2
Restricted cash	1,337	1,311
	1,339	1,313
Current		
Short-term deposits with original maturity of more than three months	-	3,303
Restricted cash on escrow accounts	29	-
	29	3,303
Total non-current and current financial investments	1,368	4,616

In May 2020 the Group acquired from a related party 1.07% of shares PJSC “LOWER DNIESTR HPSS”, this equity financial instrument is treated as a strategic investment carried at fair value through other comprehensive income and disclosed as equity financial instruments.

Restricted cash on escrow accounts represents cash on dedicated accounts, from which the Group settles its payables connected with construction of power generation facilities.

The restricted cash, which represents non-current financial investments (“Debt Service Account”, or DSA and “Debt Service Reserve Account”, or DSRA), is the cash under the requirements of the Novation Agreement with Landesbank Berlin AG, Facility Agreements with Bayerische Landesbank and Trust Deed with BNY Mellon. The restricted cash is pledged throughout the bank borrowings repayment periods and Green Bonds redeem period (Note 13). During the six months ended 30 June 2021 the Company has placed additional EUR 6 million (or equivalent of UAH 184 million at UAH/EUR exchange rate effective on transactions dates) on DSA of DTEK BOTIEVSKA WIND FARM LLC and withdrew EUR 2 million (or equivalent of UAH 62 million at UAH/EUR exchange rate effective on transactions dates) on DSA of DTEK PRYMORSKA WIND FARM LLC and DTEK PRYMORSKA WIND FARM-2 LLC due to revision of Relevant DSRA Required Balance in accordance with facility agreements requirements.

During the six months ended 30 June 2021 the Group has withdrawn temporarily available cash received from the Green Bonds from the deposits in the amount of EUR 45 million in Ukrgasbank and EUR 50 million in Oschadbank (or equivalent of UAH 1,514 million and UAH 1,683 million respectively at UAH/EUR exchange rate effective on transactions dates) to fund capital expenditures of the Group.

The restricted cash is a non-interest-bearing asset. Financial investments are neither past due nor impaired. The carrying amounts of financial assets approximate their fair values.

As at 30 June 2021 financial investments in the amount of UAH 1,337 million are denominated in EUR (31 December 2020: UAH 4,614 million) and in the amount of UAH 31 million are denominated in UAH (31 December 2020: UAH 2 million).

10 Loans receivable

Loans receivable were as follows:

<i>In millions of Ukrainian Hryvnia</i>	30 June 2021	31 December 2020
Non-current		
Loans receivable from related parties	5,228	4,982
Interest receivable	167	-
	5,395	4,982
Current		
Loans receivable from related parties	2,337	2,172
Loans receivable	-	4
Interest receivable	-	555
	2,337	2,731
Total non-current and current loans receivable	7,732	7,713

Amounts on loans receivable were denominated in the following currencies:

<i>In millions of Ukrainian Hryvnia</i>	30 June 2021	31 December 2020
EUR	3,498	3,554
UAH	2,255	2,176
USD	1,979	1,983
Total loans receivable	7,732	7,713

10 Loan receivable (continued)

Loans receivable were granted to related parties to place temporarily available cash in EUR and USD and to earn interest. The effective interest rates of loans receivable denominated in EUR as at 30 June 2021 were in the range of 0.01% - 6.2% per annum (31 December 2020: in the range of 5.0% - 6.2% per annum), in USD in the range of 6.0 - 7.1% per annum (31 December 2020: in the range 5.0% - 7.1% per annum). For loans receivable denominated in UAH, which were granted to related parties and are receivable on demand – nil (31 December 2020: nil). Non-current loans granted to related parties mature in less than three years. The Group does not hold any collateral for these financial assets. Management expects that accrued interest receivable will be capitalized and be added to the outstanding principal amount of the respective loan with the repayment at the maturity date.

Credit loss allowance both as at 30 June 2021 and 31 December 2020 was charged as 12-months expected credit losses. Expected credit loss rate for loans receivable from related parties was determined based on adjusted yield to maturity of corporate bonds and as at 30 June 2021 was in range from 3.62% up to 6.75% (31 December 2020 in range from 0.62% up to 7.48%). Total loss allowance as at 30 June 2021 was UAH 531 million (31 December 2020: UAH 600 million). Decrease of loss allowance resulted in net reversal of loss allowance during the six month ended 30 June 2021 in the amount of UAH 32 million (six month ended 30 June 2020: net charge of loss allowance in the amount of UAH 159 million). During the six months ended 30 June 2021, the Group posted net foreign exchange gain related to loss allowance denominated in EUR and USD in the amount of UAH 37 million (for the six months ended 30 June 2020: net foreign exchange gain in the amount of UAH 19 million).

Loans receivable have the character of revolving credit lines subject to further changes for parties involved. The carrying amounts of loans receivable approximate their fair values.

11 Trade and Other Receivables

Trade and other receivables were as follows:

<i>In millions of Ukrainian Hryvnia</i>	30 June 2021	31 December 2020
Non-current		
Long-term part of trade receivables	9	34
Total non-current receivables	9	34
Current		
Trade and other receivables	3,232	4,690
Total financial assets	3,232	4,690
VAT recoverable	192	161
Prepayments to suppliers	131	52
Total non-financial assets	323	213
Total current receivables	3,555	4,903

As at 30 June 2021 and as at 31 December 2020 all trade and other receivables are denominated in UAH.

As at 30 June 2020 based on circumstances described in Note 4, management has reassessed expected credit loss rate and the impairment provision on trade receivables from SE Guaranteed Buyer due to exceeding of the settled amount over the expected in the agreed schedule in 2020. Expected credit loss rate for trade receivables was determined based on adjusted yield to maturity of government bonds, including respective time-value of money effect, and as at 30 June 2021 was 5.78% per annum (31 December 2020: 9.08% per annum). Management anticipates that Guaranteed Buyer SE will repay its obligations to the Group in cash prior to 31 December 2021.

Trade receivables from Energorynok SE, which, as expected, will be settled in more than 12 months after 30 June 2021, were classified as long-term trade receivables.

Trade receivables from State Enterprise "National Energy Company "Ukrenergo" for compensation for the limitation of electricity generation in the amount of UAH 206 million, including accrued expected credit loss allowance using rate 1.75%, disclosed in line Trade and other receivables. The amount of compensation for the limitation of electricity generation is determined based on expected electricity generation for the period of limitation, calculated using actual generation volume for the certain period, multiplied by current feed-in tariffs and recognised as Revenue and disclosed in the Note 15.

Prepayments to suppliers mainly increased by the prepayments for insurance services in the amount of UAH 46 million and prepayments for land lease in the amount UAH 23 million which will be expensed during the service consumption period.

Total loss allowance on trade receivables as at 30 June 2021 was UAH 166 million (31 December 2020: UAH 384 million). Decrease of loss allowance resulted in reversal of impairment losses during the six months ended 30 June 2021 in the amount of UAH 218 million (six months ended 30 June 2020: additional charge of impairment losses UAH 349 million).

As at 30 June 2021 the Group has pledged UAH 1,900 million (31 December 2020: UAH 3,049 million) of trade receivables due at that dates, as well as rights to future trade receivables to be due for selling contracts with the State Enterprise Guaranteed Buyer, as collateral for certain bank and non-bank borrowings (Note 13).

12 Cash and Cash Equivalents

Cash and cash equivalents were as follows:

<i>In millions of Ukrainian Hryvnia</i>	30 June 2021	31 December 2020
Bank balances payable on demand	1,732	1,022
Short-term deposits with original maturity of less than three months	-	350
Total cash and cash equivalents	1,732	1,372

As at 30 June 2021 cash and cash equivalents in the amount UAH 686 million (31 December 2020: UAH 438 million) and future rights with respect to certain bank accounts and bank account agreements were pledged as collateral for certain bank and non-bank borrowings. The pledge of cash and cash equivalents is effective throughout the borrowings repayment periods and does not restrict the use of cash and cash equivalents (Note 13).

13 Borrowings

Borrowings and interest payables were as follows:

<i>In millions of Ukrainian Hryvnia</i>	30 June 2021	31 December 2020
Non-current		
Green bonds	10,342	11,102
Bank borrowings	4,555	5,579
Non-bank borrowings	2,904	3,346
Bonds issued to related parties	1,340	1,340
	19,141	21,367
Current		
Bank borrowings	1,443	1,527
Borrowings from related parties	1,324	1,324
Non-bank borrowings	411	437
Green bonds coupon accrual	119	131
Interest accrual to related parties	105	75
Interest accrual to non-bank borrowings	64	74
Interest accrual to bank borrowings	6	8
	3,472	3,576
Total borrowings	22,613	24,943

In February 2020 the Group signed a Supplemental Deed with Bayerische Landesbank, acting as the agent of the group of banks, in respect of a Facility Agreement signed by DTEK PRYMORSKA WIND FARM LLC. The agreement changed the floating interest rate of the borrowing from 2.5% per annum + EURIBOR to a fixed interest rate of 1.2% starting from 31 March 2020. In May 2020 the Group signed a Supplemental Deed with Bayerische Landesbank in respect of a Facility Agreement signed by DTEK PRYMORSKA WIND FARM-2 LLC. The agreement changed the floating interest rate of the borrowing from 1.98% per annum + EURIBOR to a fixed interest rate of 0.96% starting 30 June 2020. The difference in present value between bank borrowings as a result of the changes under Fixed Rate Amendment Agreements and the present value of original cashflows is less than 10%. The modification was not accounted as an extinguishment and the modification effect was recognised directly in the consolidated income statement (Note 18).

The effective interest rates of borrowings denominated in EUR as at 30 June 2021 were in the range of 4.7% – 9.5% per annum (31 December 2020: in the range of 4.6% - 9.5% per annum). For interest-free financial aid denominated in UAH, which was received from a related party and repayable on demand – nil (31 December 2020: nil) and in the range of 18.0% - 30.0% per annum for bonds issued in UAH to related parties (31 December 2020: 18% – 30.0% per annum).

The Group's borrowings were denominated in the following currencies:

<i>In millions of Ukrainian Hryvnia</i>	30 June 2021	31 December 2020
Borrowings denominated in: - EUR	19,844	22,204
- UAH	2,769	2,739
Total borrowings	22,613	24,943

As at 30 June 2021 borrowings totalling UAH 19,845 million (31 December 2020: UAH 22,204 million) were secured with property, plant and equipment (Note 8), financial investments (Note 9), trade and other receivables (Note 11) and cash and cash equivalents (Note 12).

13 Borrowings (continued)

Movements in borrowings during the period are as follows:

<i>In millions of Ukrainian Hryvnia</i>	Six months ended 30 June	
	2021	2020
Opening balance as at 1 January	24,943	21,667
Cash movements		
Proceeds from borrowings	-	930
Repayment of borrowings	(1,025)	(2,293)
Interest and withholding tax paid during the period	(719)	(612)
Debt attraction fees paid	-	(19)
Non-cash movements		
Interest and withholding tax accrued during the period	734	645
Amortisation of discount and commitment fees accrued	204	193
Foreign exchange (gain) / loss	(1,524)	2,411
Gain on modification of a financial liability that does not result in derecognition	-	(163)
Debt attraction fees accrued but not paid	-	(45)
Closing balance as at 30 June	22,613	22,714

Covenants. The Group's bank/non-bank borrowings and Green Bonds contain specific financial and non-financial covenants. The Group is in compliance with covenants as at 30 June 2021 and as at 31 December 2020.

14 Trade and Other Payables

<i>In millions of Ukrainian Hryvnia</i>	30 June 2021	31 December 2020
Non-current		
Liabilities for acquisition of intangibles	124	125
Total non-current payables	124	125
Current		
Trade payables	159	164
Liabilities for purchased property, plant and equipment	27	2
Liabilities for acquisition of intangibles	5	34
Other financial payables	18	18
Total financial payables	209	218
VAT payable	616	901
Wages and salaries payable	46	53
Other	27	7
Total non-financial payables	689	961
Total current payables	898	1,179

As at 30 June 2021 the Group has contractual capital expenditure commitments in respect of property, plant and equipment totalling UAH 10,382 million related to the constructing DTEK TILIGULSKA WEP LLC (Note 8) (31 December 2020: nil).

15 Revenue

<i>In millions of Ukrainian Hryvnia</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Sale of electricity, generated at wind power plants	2,404	2,413	753	953
Sale of electricity, generated at solar power plants	1,157	1,689	745	1,147
Compensation for the limitation of electricity generation at solar power plants	165	-	165	-
Compensation for the limitation of electricity generation at wind power plants	117	-	117	-
Services provided to third parties	1	1	1	-
Total	3,844	4,103	1,781	2,100

Revenue decrease was mainly driven by weather conditions.

During the six months ended 30 June 2021, the Group reimbursed imbalances between the projected/submitted volume of electricity generation to the Guaranteed Buyer SE and State Enterprise "National Energy Company "Ukrenergo" and actual generation of electricity to the SE Guaranteed Buyer and recognized these reimbursements as a deduction from the sales of electricity, generated at wind power plants in the amount UAH 31 million and from the sale of electricity, generated at solar power plants in the amount UAH 24 million. No such amounts were accrued in 2020.

16 Cost of Sales

	Six months ended 30 June		Three months ended 30 June	
<i>In millions of Ukrainian Hryvnia</i>	2021	2020	2021	2020
Depreciation of property, plant and equipment and amortisation of intangible assets	821	818	411	394
Maintenance and repairs	162	186	69	86
Production overheads	122	98	56	51
Staff cost, including payroll taxes	19	22	10	14
Raw materials	14	2	13	1
Transportation services and utilities	4	5	1	4
Reversal of impairment of property, plant and equipment and intangible assets	-	(6)	-	(6)
Other costs	1	-	1	-
Total	1,143	1,125	561	544

17 General and Administrative Expenses

	Six months ended 30 June		Three months ended 30 June	
<i>In millions of Ukrainian Hryvnia</i>	2021	2020	2021	2020
Staff cost, including payroll taxes	117	113	64	61
Professional fees	56	30	31	21
Rent	19	22	10	4
Bank charges	10	13	6	6
Transportation	4	2	3	-
Depreciation of property, plant and equipment and amortisation of intangible assets	1	1	-	-
Other costs	21	9	14	4
Total	228	190	128	96

18 Finance Income and Costs

	Six months ended 30 June		Three months ended 30 June	
<i>In millions of Ukrainian Hryvnia</i>	2021	2020	2021	2020
Finance income				
Gain on modification of a financial liability that does not result in derecognition	-	163	-	163
Interest income on loans provided to related parties	157	121	85	63
Interest income on bank deposits and current accounts	16	32	6	18
Total finance income	173	316	91	244
Finance costs				
Interest expense accrued on:				
- Interest expense on Green bonds	457	398	228	202
- Interest expense on bonds issued to a related party	147	79	74	45
- Interest expense on bank borrowings	65	102	31	47
- Interest expense on non-bank borrowings	65	66	32	33
- Unwinding of discount on borrowings and commitment fees accrued	204	193	101	86
- Less interest expense capitalised in the cost of qualifying assets	(156)	-	(139)	-
Unwinding of consideration for the acquisition of intangible assets	4	4	2	2
Other finance costs	8	-	-	-
Total finance costs	794	842	329	415

19 Financial Risk Management

The Group's activities expose it to financial risks: market risk (including cash flow and fair value interest rate risk) and liquidity risk. The Group's overall risk management policies seek to minimise the potential adverse effects on the Group's financial performance for those risks that are manageable or noncore to the power generating business.

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, and (b) interest bearing assets and liabilities, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Credit risks concentration. As at 30 June 2021 the Group had eight counterparties (as at 31 December 2020: eight counterparties) with aggregated loans receivable from related party balances amounting to UAH 7,732 million (as at 31 December 2020: UAH 7,709 million).

As at 30 June 2021 Group's financial investments, which are represented by restricted cash, are held within three banks (as at 31 December 2020: three banks).

There are counterparties to the Group, with which accounts receivable balances individually represents 10% or more of the Group's trade accounts receivable. As at 30 June 2021 the Group had one counterparty (as at 31 December 2020: one counterparty) with aggregated receivables balance amounting to UAH 3,002 million (as at 31 December 2020: UAH 4,690 million) or 93% of the total amount of trade and other receivables (as at 31 December 2020: 99%).

As at 30 June 2021 Group's cash and cash equivalents are mainly held within six banks (as at 31 December 2020: six banks).

As at 30 June 2021 the maximum exposure to credit risk at the reporting date is UAH 14,073 million being carrying value of trade receivables, financial investments, loans receivable and cash (31 December 2020: UAH 18,425 million). The Group does not hold any collateral as security.

Interest rate risk. As the Group has substantially more interest bearing liabilities than assets, the Group's income and operating cash flows are substantially dependent of changes in market interest rate. The Group's interest rate risk arises from borrowings and from loans receivable from related parties. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings at fixed rate and loans receivable from related parties expose the Group to fair value interest rate risk.

At 30 June 2021 and 31 December 2020 the Group's variable interest debt is EUR denominated. As at 30 June 2021, 17% of the total borrowings were provided to the Group at floating rates (31 December 2020: 18%).

The Group's exposure to fixed or variable rates is determined at the time of issuing new debt. Management uses its judgment to decide whether fixed or variable rate would be more favourable to the Group over the expected period until maturity. The risk of increase in market interest rates is monitored by the Finance Department of the Group. The Finance Department is responsible for planning the financing structure (levels of leverage) and borrowing activities. The key objectives to financing is obtaining debt to finance capital expenditures at applicable interest rates.

Obtaining debt financing for each of the Group's project is considered separately. Re-pricing for fixed rate financial instruments occurs at maturity. Re-pricing of floating rate financial instruments occurs continually.

If as at 30 June 2021 interest rates on EUR denominated borrowings with variable rates had been 200 basis points higher (as at 30 June 2020: 200 basis points higher) with all other variables held constant, profit or loss and equity before tax for the six months period ended 30 June 2021 would have been UAH 41 million lower (profit or loss and equity before tax as at 30 June 2020 would have been UAH 71 million lower).

Currency risk. The Group operates within Ukraine and accordingly its exposure to foreign currency risk is mainly determined by borrowings, loans receivable and cash balances, which are denominated in EUR and USD.

The following table presents sensitivities of profit or loss and equity before tax to reasonably possible changes in exchange rates applied at the balance sheet date with all other variables held constant:

<i>In millions of Ukrainian Hryvnia</i>	At 30 June 2021		At 31 December 2020	
	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
EUR strengthening by 10%	(1,423)	(1,423)	(1,353)	(1,353)
EUR weakening by 10%	1,423	1,423	1,353	1,353
USD strengthening by 10%	138	138	160	160
USD weakening by 10%	(138)	(138)	(160)	(160)

19 Financial Risk Management (continued)

Liquidity risk. Prudent liquidity management implies maintaining sufficient cash and the availability of funding to meet existing obligations as they fall due. Management monitors liquidity and cash collections on a daily basis to ensure liquidity targets are actively monitored.

The following table analyses the Group's financial liabilities by maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the undiscounted cash flows. The maturity analysis of financial liabilities as at 30 June 2021 was as follows:

<i>In millions of Ukrainian Hryvnia</i>	Up to 6 months	6 -12 months	1 - 2 years	2 - 5 years	Over 5 years	Total
Borrowings	3,458	1,684	3,288	16,772	4,605	29,807
Liabilities for acquisition of intangibles	5	34	101	-	-	140
Trade and other payables	204	-	-	-	-	204
Total future payments, including future principal and interest payments	3,667	1,718	3,389	16,772	4,605	30,151

The maturity analysis of financial liabilities as at 31 December 2020 was as follows:

<i>In millions of Ukrainian Hryvnia</i>	Up to 6 months	6 -12 months	1 - 2 years	2 - 5 years	Over 5 years	Total
Borrowings	3,370	2,032	3,650	18,914	5,534	33,500
Liabilities for acquisition of intangibles	34	-	141	-	-	175
Trade and other payables	132	52	-	-	-	184
Total future payments, including future principal and interest payments	3,536	2,084	3,791	18,914	5,534	33,859

20 Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt. Additionally, management may defer certain capital spending to enhance its debt position. Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio (Debt/Equity). Total debt equals nominal amount of the bank borrowings less the Debt Service Accounts (Note 9). The equity is calculated as total equity in the consolidated balance sheet plus bonds from related parties.

Group's debt to equity ratio as at 30 June 2021 has reached 50/50, Debt/Equity (31 December 2020: 57/43). Group's total liabilities to total assets ratio as at 30 June 2021 has reached 57.0% (31 December 2020: 62.9%).

21 Fair Value of Assets and Liabilities

This note provides an update on the judgements and estimates made by management in determining the fair values since the last annual consolidated financial statements.

Financial instruments carried at amortised cost. Majority of the Group's financial assets and liabilities are carried at amortised cost using the effective interest method. These assets are not measured at fair value in the balance sheet.

For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

Significant differences were identified for the following instruments at 30 June 2021 and 31 December 2020:

<i>In millions of Ukrainian Hryvnia</i>	30 June 2021		31 December 2020	
	Level 2 fair value	Carrying amount	Level 2 fair value	Carrying amount
Financial liabilities				
Borrowings	22,833	22,613	24,160	24,943
TOTAL LIABILITIES	22,833	22,613	24,160	24,943

The fair values in level 2 of the fair value hierarchy were estimated using the discounted cash flows valuation technique.

21 Fair Value of Assets and Liabilities (continued)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

22 Subsequent events

Guaranteed Buyer SE continued settlement of the debt owed to the Group and repaid UAH 130 million as disclosed in Note 4.