

Federal Grid Company Announces 6M 2021 RAS Results

July 30, 2021, Moscow, Russia — Federal Grid Company of Unified Energy System (“Federal Grid Company” or “the Company”; Moscow Exchange, LSE: FEES) owner and operator of the Unified National Electric Grid announces its financial results for 6M 2020 under the Russian Accounting Standards (RAS).

The Company’s RAS statements are prepared on a standalone basis and do not include the results of Federal Grid Company’s subsidiaries or affiliated companies that operate as independent legal entities.

Key financial results

Item, mln RUB	6M 2020	6M 2021	Change
Revenue, including:	111 094	119 670	7.7%
Electricity transmission services	109 942	118 088	7.4%
Process connection services	81	528	+6.5x
Cost of sales and management expenses	88 007	92 148	4.7%
Profit from sales	23 087	27 522	19.2%
Adjusted EBITDA¹	69 337	69 412	0.1%
Net profit	21 395	17 187	(19.7%)
Adjusted net profit²	22 812	22 958	0.6%

The performance indicators of Federal Grid Company for 6M 2021 reflect the management’s efforts aimed at ensuring financial stability and enhancing the Company’s performance.

The Company’s revenue for 6M 2021 rose by RUB 8,576 million or 7.7% year-on-year. Regarding the main activities:

- Revenue from electricity transmission services increased by RUB 8,146 million or 7.4%, driven by:

- increase in revenue from electricity transmission by RUB 5,405 million (by 5.9%) due to higher tariff since July 1, 2020 subject to gradually moving on to settlements based on actual power consumption;
- increase in revenue from compensation for electricity losses by RUB 2,741 million (by 14.4%) as the release of energy from the grid was up due to positive trends in recovering of electricity consumption level.

- Revenue from process connection services is recognized RUB 447 million(6.5 times) more than for 6M 2020, in line with the service provision schedule affected by consumer requests.

The net profit generated by Federal Grid Company for 6M2021 is RUB 17,187 million, down 19.7% year-on-year. Adjusted net profit for the financial result associated with changes in the value of listed financial assets increased by RUB 146 million, or by 0.6%.

Item, mln rubles	6 months 2020	6 months 2021	Change
Net profit	21 395	17 187	-19.7%
Revaluation of MOEX-listed financial assets	-1 417	-5 771	+4.1x
Adjusted net profit²	22 812	22 958	0.6%

Adjusted EBITDA for 6M 2021 amounted to RUB 69,412 million, which is on par with the last year.

Balance Sheet as of June 30, 2021

At the end of the reporting period the total assets of the Company amounted to RUB 1,586,034 million, which is RUB 18,085 million (or 1.2%) more year-on-year. Of these, the value of noncurrent assets stood at RUB 1,386,417 million, and that of current assets totaled to RUB 199,617 million.

During the reporting period, the equity of the Company increased by RUB 3,377 million (or 0.3%) due to the net profit generated in the reporting period (RUB 17,187 million) and the 2020 profit allocated to dividend payments of RUB 20,564 million pursuant to the resolution of the General Meeting of Shareholders of Federal Grid Company (Minutes No. 25 dated June 29, 2021).

¹ excluding accrual and reversal of allowance for doubtful debts, financial result related to revaluation of quoted financial assets, and revenue from process connection services

² excluding the financial result associated with changed value of the listed financial assets

The loan debt of the Company with consideration of debt on interests accrued over the reporting period decreased by RUB 168 million (0.1%) and amounted to RUB 228,991 million.

The accounting statements for 6M 2020 under RAS are available at the website of Federal Grid Company in the Financial Information / Statements Under RAS Section through the link below: https://www.fsk-ees.ru/shareholders_and_investors/financial_information/accounting_standards/