



Rosseti FGC (Federal Grid Company) Announces IFRS Results for the 9 months of 2021

Moscow, November 26, 2021 – Federal Grid Company of Unified Energy System (“Federal Grid Company” or “Company”; Moscow Exchange and LSE: FEES), part of PJSC ROSSETI Group, and the operator of the Unified National Electricity Grid (“UNEG”) of Russia, announces its condensed unaudited consolidated interim financial results for the three and nine months ended 30 September 2021 under the International Financial Reporting Standards (IFRS).

The statements cover Federal Grid Company and its subsidiaries (the “Group”).

Financial results:

- Revenue: RUB 185.7 billion (9M2020: RUB 176.2 billion)
- Adjusted EBITDA¹: RUB 107.7 billion (9M2020: RUB 104.0 billion)
- Net profit: RUB 54.7 billion (9M2020: RUB 58.5 billion)

Operational performance highlights²:

- Electricity supply from UNEG to consumers: 421.4 billion kWh (9M2020: 392.6 billion kWh)
- Connected capacity: 1.9 GVA (9M2020: 1.7 GVA)
- Number of substations (UNEG)³: 889 units (9M2020: 886 units)
- Total transformer capacity: 352 GVA (9M2020: 352 GVA)
- Transmission grid length: 149.2 thousand km (9M2020: 148.2 thousand km).

Key events:

- The Kochubeevskaya Wind Farm, Russia's largest wind power generation facility with a capacity of 210 MW, has its utilities connected to the UNEG.
- Two compressor stations of “Power of Siberia” pipeline in Yakutia and Amur region (No. 4 and No. 7) have been connected to the electrical supply system.
- The construction of a new 330 kV Kola–Karelia transit line (1,050 km) has entered its final stage.
- The construction site of Amur Gas Chemical Complex has been connected to the grid.
- A new 250-km power transit line has been put into operation in the Primorsky Territory.
- The construction of a unique high-temperature superconductor power transmission line has started in St. Petersburg.
- For the first time in the Russian transmission network, backup power supply systems on Li-ion accumulators have been installed in Svarochnaya 220 kV substation.
- The new Medveditsa solar power plant in the Volgograd region has been connected to the national grid.
- The redesign of the North Caucasus grid’s oldest Mashuk 330kV substation has been completed.
- Implementation of RES generators has started in order to improve the efficiency of transmission substations.

¹Adjusted EBITDA is calculated as EBITDA (profit for the period before income tax, financial income and expenses, depreciation and amortization), excluding revenue from connection services, cost of provisioning for expected credit losses, changes in estimated liabilities and including financial income.

²PJSC “FGC UES”.

³ Including rented transmission lines and substations.

- Standard and Poor's credit rating agency upgraded its assessment of PJSC FGC UES creditworthiness by one notch (from "bb+" to "bbb-").
- In the north of the Astrakhan region, the final stage has begun for the construction of Zubovka 220 kV highly automated substation to be connected to five wind power plants.
- A new power transit line for the BAM and TRANSSIB power supply has been put into operation in the Primorsky territory.
- Bonds worth RUB 10 billion were placed at a coupon rate of 7.5 percent, term to offer – 7 years.

After the reporting date:

- The national rating agency ACRA has confirmed the rating of the Federal Grid Company and its bonds at the maximum level of AAA (RU) on the national scale.

Financial results for the nine months ended 30 September 2021:

Financial indicator	9m2021	9m2020	Change
	bln RUB	bln RUB	%
Revenue	185.7	176.2	5.4
Operating expenses	(123.4)	(112.2)	10.0
Adjusted EBITDA	107.7	104.0	3.6
Net profit	54.7	58.5	(6.5)
Net debt	181.1	196.9 ⁴	(8.0)

Operating expenses

Financial indicator	9m2021	9m2020	Change
	bln RUB	bln RUB	%
Amortization	33.6	30.2	11.3
Electricity purchased for losses compensation	31.5	26.5	18.9
Fuel for mobile gas-turbine electricity plants	0.6	0.02	+30x
Taxes and fees	11.0	10.3	6.8
Transit of electricity	1.3	1.7	(23.5)
Subcontractor services for construction contracts	2.6	1.6	62.5
Other operating expenses	42.8	41.9	2.2
Total operating expenses	123.4	112.2	10.0

The Group showed stable financial and economic performance in the nine months ended 30 September 2021.

The main factors behind changes in financial indicators are as follows:

- increase in revenue from power transmission increased due to increase in tariffs from July 1, 2020 and from July,1 2021 by 5.5% in both cases and increase of volume of services.
- decrease in revenue from technological connection services is associated with the service schedule determined by customers' applications.

⁴ The net debt is stated as of 31.12.2020

- increase in revenue from construction services is due to a change in the percentage of completion of work at different stages of construction of projects implemented by subsidiaries of Federal Grid Company under general contracting agreements.
- increase of operating expenses due to increase of electricity consumption (growth of expenses for electricity purchased for losses compensation by RUB 5.0 billion due to increase in volume losses and higher weighted average price for the electricity purchased for production needs) and increase in expenses on construction projects commensurate with an increase in revenue (by RUB 1.0 billion).

Federal Grid Company's condensed unaudited consolidated interim IFRS financial statements for the three and nine months ended September 30, 2021 are available on the Company's corporate website at https://www.fsk-ees.ru/eng/investors/financial_disclosure/ifrs_financial_reports/.

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