



ROSSETI  
FGC UES

**IFRS CONSOLIDATED FINANCIAL RESULTS  
OF PJSC FGC UES  
FOR 9 MONTHS 2020**

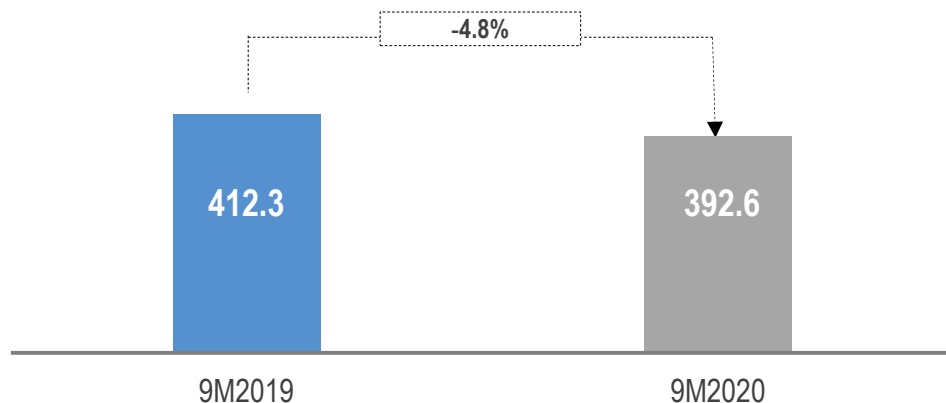
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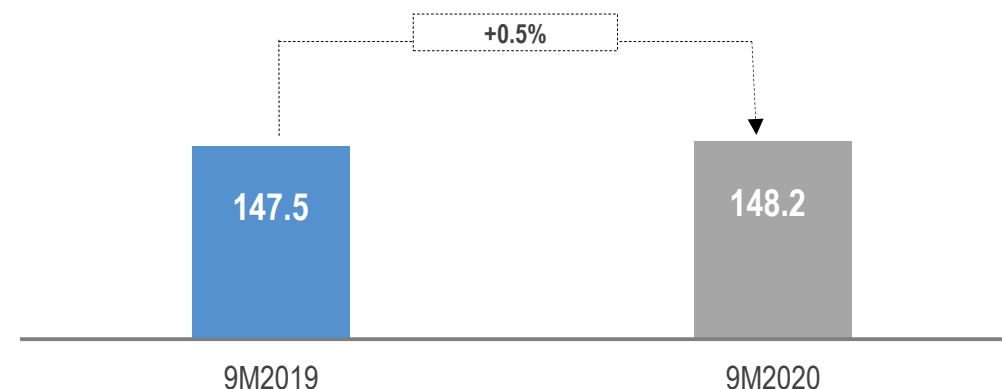
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# OPERATIONAL HIGHLIGHTS<sup>1</sup>

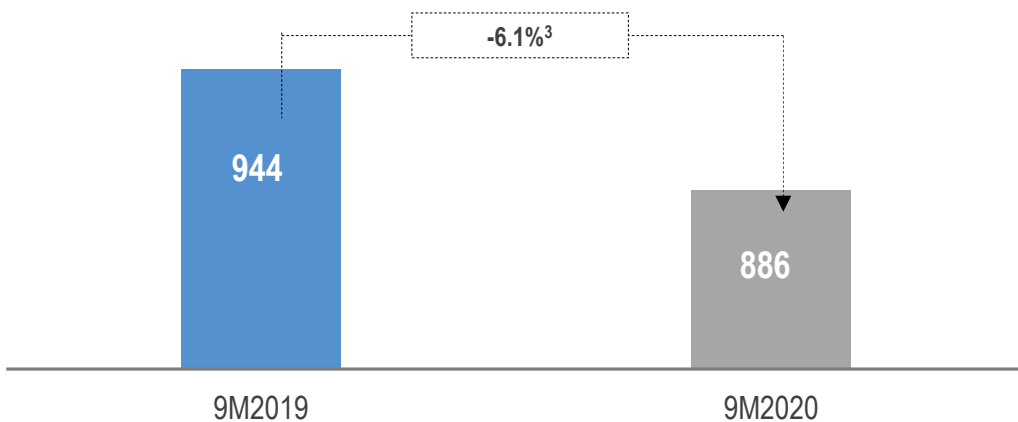
Electricity Transmission, bln kWn (for the period)



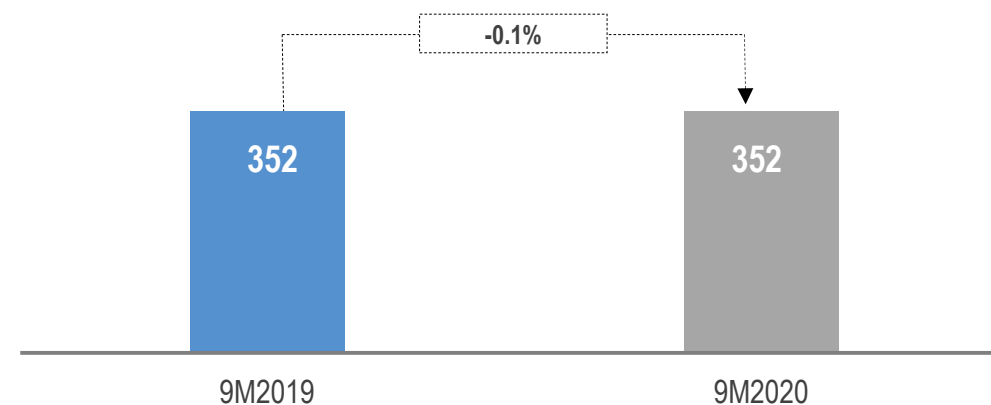
Transmission Grid Length in Operation <sup>2</sup>, thousand km (end of period)



Substations in Operation<sup>2</sup>, units (end of period)



Total transformer capacity<sup>2</sup>, GVA (end of period)



Source: Company data

Notes:

1. PJSC FGC UES
2. Including leased substations
3. Deviation is due to the termination of the property lease agreement with JSC DVEUK UNEG

## KEY EVENTS AND OPERATING HIGHLIGHTS

### Key events in 9M2020 and after the reporting period

- 🌀 **April** - bonds placed in the amount of 10 billion rubles. with a coupon rate of 6.5% with a term of 5 years before the offer.
- 🌀 **May** - the annual General Meeting of Shareholders decided to pay 23.3 billion rubles as dividends (including interim dividends for 9 months of 2019).
- 🌀 **May** - powers of the sole executive body of PJSC FGC UES were transferred to the management company PJSC Rosseti.
- 🌀 **June** - the delivery of 150 MW of the capacity of the Adygeyskaya Wind Farm, the largest wind power plant in southern Russia, was provided.
- 🌀 **September** - bonds in the amount of 14.8 billion rubles were redeemed. (series 06, 08, 10).
- 🌀 **September** - the long-term issuer default rating in foreign and national currency for FGC UES was confirmed by an international CRA Fitch Ratings as “BBB”, forecast - stable, which corresponds to the sovereign credit rating of the Russian Federation.
- 🌀 **October** - bonds of RUB 10 billion were placed with a coupon rate of 6.6%, term to offer - 7 years.
- 🌀 **October** - bonds of RUB 2.9 bln (series 07, 09, 11) were redeemed.

### Consolidated Financial Results 9M2020

Indicator	9M2020	9M2020	Change	
	RUB bln	RUB bln	RUB bln	%
Revenue	176.2	173.5	2.7	1.6
Operating expenses	(112.2)	(107.0)	(5.2)	4.9
EBITDA (adj.) <sup>1</sup>	104.0	107.9	(3.9)	(3.6)
Net profit (adj.) <sup>2</sup>	58.5	59.0	(0.5)	(0.8)
Net cash flow from operating activities	178.2	176.8 <sup>3</sup>	1.4	0.8
Net debt	87.6	101.9	(14.3)	(14.0)

- 🌀 **October** - the generation of 165 MW of power at Afipsky Oil Refinery, the largest oil refinery within the Krasnodar Territory, was achieved.

Source: Company IFRS statement

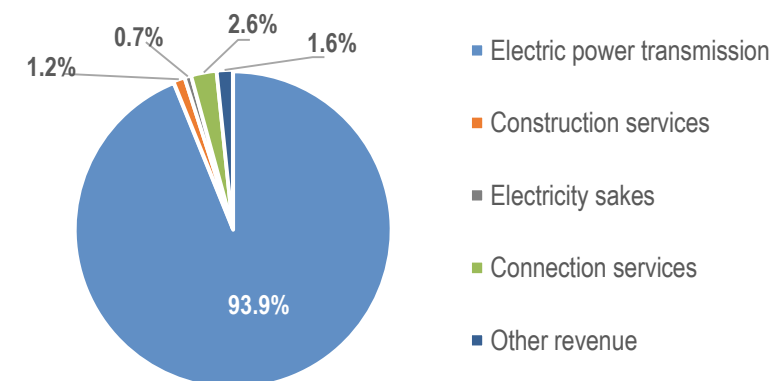
Notes: Terms and definitions are listed at the end of the presentation

1. Adjusted EBITDA is calculated as EBITDA (profit for the period before income tax, financial income and expenses, depreciation and amortization) excluding reversal of net loss from impairment of property (only for 9 months of 2019), revenue from connection services, cost of creating a reserve for expected credit losses, gain on disposal of assets (only for 9 months of 2019), loss on disposal of associated company (only for 9 months 2019), changes in the reserve for liabilities and deductions and including financial income.
2. Excluding income from disposal of assets (exchange of assets with JSC DVEUK in 2019), loss on disposal of associated company and reversal of net loss from impairment of property, including corresponding amounts for deferred income tax.
3. Data as of 31.12.2019

## REVENUE STRUCTURE

Indicator	9M 2020 RUB bln	9M 2019 RUB bln	Change	
			RUB bln	%
<b>Total revenue, including:</b>	<b>176.2</b>	<b>173.5</b>	<b>2.7</b>	<b>1.6</b>
Electric power transmission	165.4	166.9	(1.5)	(0.9)
Construction services	4.6	2.5	2,1	84.0
Electricity sales	2.1	0.3	1.8	7.0x
Connection services	1.2	1.2	-	-
Other revenue	2.9	2.6	0.3	11.5

Revenue structure 9M2020

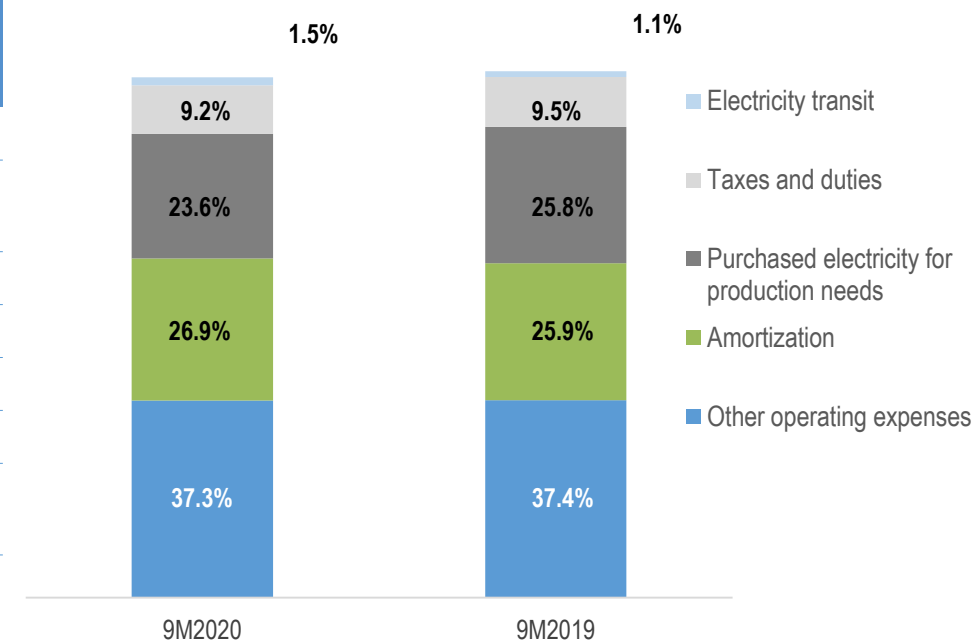


- Revenue from FGC's core business (electricity transmission) decreased by 0.9% caused by lower rates of transmission losses reflected in transmission contracts. Similarly the cost of purchase of losses in the electricity grid decreased.
- Revenue from technological connection to the networks has increased in accordance with the schedule of services determined by consumer applications.
- Increase in other revenue mainly from general contractor service agreements of the subsidiaries of PJSC FGC UES as a result of changes in the percentage of work completion in different stages of construction projects.

## OPERATING COST STRUCTURE<sup>1</sup>

Indicators	9M 2020	9M 2019	Change	
	RUB bn	RUB bn	RUB bn	%
Amortization	30.2	27.7	2.5	9.0
Purchased electricity for production needs	26.5	27.6	(1.1)	(4.0)
Taxes and duties	10.3	10.2	0.1	1.0
Electricity transit	1.7	1.2	0.5	41.7
Other operating expenses	41.9	40.0	1.9	4.8
<b>Operating expenses<sup>1</sup></b>	<b>110.6</b>	<b>106.7</b>	<b>3.9</b>	<b>3.7</b>
Expenses under construction contracts	1.6	0.3	1.3	5x
<b>Total operating expenses</b>	<b>112.2</b>	<b>107.0</b>	<b>5.2</b>	<b>4.9</b>

## Operating expenses structure<sup>1</sup>



- The increase in depreciation is associated with the commissioning of fixed assets as part of the investment program.
- The reduction in purchased electricity for production needs was caused by a decrease in the volume of electricity losses in the UNEG.
- The growth in expenses for services of interstate transit of electricity is due to an increase in the volume of electricity transit through the networks of foreign countries.
- The increase in costs under construction contracts was caused by the completion of work by subsidiaries of FGC UES PJSC to provide capacity to the Adygeyskaya Wind Farm and work under general contracting agreements for construction projects (secured by income).

Note: Terms and definitions are listed at the end of the presentation.

1. Excluding expenses for general contractor services provided by PJSC FGC UES subsidiaries.

## DEBT PROFILE

### Debt profile for 30.09.2020

- Principal amount of debt: 220.0 bln RUB
- Cost of debt:
  - as of 30.09.2020 – 5.4%
  - as of 31.12.2019 – 6.1%
- Average debt maturity: more than 17 years
- Debt structure comprised of long-term financial instruments, including: 36% - market bonds, 63% - infrastructure bonds; less than 1% - other debt
- 100% of total debt is unsecured and ruble-denominated
- No exchange-rate risk

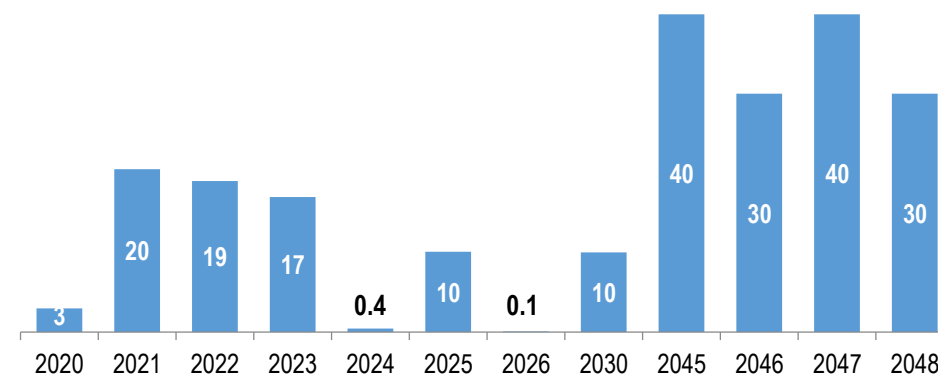
### Credit ratings at the sovereign level<sup>1</sup>

Company's credit ratings are at the sovereign level as per 3 leading ratings' scales

<b>Fitch</b> Ratings	BBB	Stable
<b>S&amp;P Global</b>	BBB-	Stable
<b>MOODY'S</b>	Baa3	Stable
<b>AKPA</b>	AAA (RU)	Stable

Source: Company IFRS statement  
 1. Data as of 31.12.2019

### Debt repayment structure, RUB bln



### Financial leverage

Indicator	2019	9M2020
Total debt, RUB bln	239.8	235.8
Vet debt, RUB bln	176.9	178.2

## General

- UNEG – the Unified National Electric Grid
- PJSC “FGC UES” - ROSSETI FGC UES
- PJSC “FGC UES” and its subsidiaries - the Group
- PJSC “ROSSETI” - ROSSETI

## Financial metrics

- **Adjusted EBITDA** calculated as EBITDA (profit for the period before income tax, financial income and expenses, depreciation and amortization) excluding reversal of net loss from impairment of property (only for 9 months of 2019), revenue from connection services, cost of creating a reserve for expected credit losses, gain on disposal of assets (only for 9 months of 2019), loss on disposal of associated company (only for 9 months 2019), changes in the reserve for liabilities and deductions and including financial income.
- **Adjusted profit for the period** is calculated excluding income from disposal of assets (exchange of assets with JSC DVEUK in 2019), loss on disposal of associated company and reversal of net loss from impairment of property, including corresponding amounts for deferred income tax.
- **Adjusted operating expenses** – operating expenses excluding expenses for general contractor services provided by PJSC FGC UES subsidiaries
- **Total debt**– current and non-current loans and borrowings (including bonds, bank and non-bank borrowings and finance lease liabilities).
- **Net debt**– total debt less cash and cash equivalents, short-term promissory notes and short-term bank deposits
- **Amortization** – depreciation of property, plant and equipment, and right-of-use-assets, and amortization of intangible assets.