

## FGC UES, PJSC Announces H1 2020 RAS Results

Moscow, July 31, 2020 – Federal Grid Company of Unified Energy System (“FGC UES” or the “Company”; LSE, Moscow Exchange: FEES), owner and operator of the Unified National Electricity Grid, announces its financial results for the first half of 2020 under Russian Accounting Standards (RAS).

These statements do not include the accounting figures of FGC UES, PJSC’s subsidiaries or affiliated companies that operate as independent legal entities.

### Key financial indicators of FGC UES, PJSC

Item	H1 2019*	H1 2020	Change
<b>Revenue, RUB mln</b>	<b>112,994</b>	<b>111,094</b>	<b>-1.7%</b>
Electricity transmission services, RUB mln	111,582	109,942	-1.5%
Technological connection services, RUB mln	408	81	-80.1%
Cost of sales and management expenses, RUB mln	88,575	88,007	-0.6%
Profit from sales, RUB mln	24,419	23,087	-5.5%
<b>EBITDA**, RUB mln</b>	<b>72,806</b>	<b>69,343</b>	<b>-4.8%</b>
<b>Net profit, RUB mln</b>	<b>28,668</b>	<b>21,395</b>	<b>-25.4%</b>
<b>Adjusted net profit**, RUB mln</b>	<b>21,831</b>	<b>22,554</b>	<b>3.3%</b>

\* - figures are shown taking into account retroactive adjustments made in accordance with H1 2020 statements

\*\* - excluding accrual and reversal of allowance for doubtful debts, financial result related to revaluation of quoted financial assets, and revenue from technological connection services

**FGC UES, PJSC’s performance in the first half of 2020 reflects management’s efforts to facilitate financial stability and enhanced operational efficiency of the Company.**

The Company’s revenue in the first half of 2020 decreased by RUB 1,900 mln or 1.7% year-on-year. Regarding the main activities:

- revenue from electricity transmission services decreased by RUB 1,640 mln or by 1.5%, driven by:

- reduction in revenue from compensation of electricity losses by RUB 2,420 mln (by 11.3%) in connection with lower regulatory electricity losses submitted under transmission service agreements as a result of a drop in demand for electricity consumption;
- increase in revenue from power supply by RUB 780 mln (by 0.9%) due to an increase in the tariff from July 1, 2019, taking into account a phased transition to settlements based on actual power consumption.

- revenue from technological connection services is recognized to be RUB 327 mln (80.1%) less than in the first half of 2019 in accordance with the service provision schedule as determined by customer orders;

According to the H1 2020 results, FGC UES, PJSC received a net profit of RUB 21,395 mln, down 25.4% year-on-year. Adjusted net profit increased by RUB 720 mln or 3.3%. The financial result was influenced by non-monetary transactions, including:

Item	H1 2019*	H1 2020	Change
------	----------	---------	--------

<b>Net profit, RUB mln</b>	<b>28,668</b>	<b>21,395</b>	<b>-25.4%</b>
Reserve balances	406	180	-55.7%
Revaluation of quoted financial assets	6,023	-1,417	-1.2x
Revenue from technological connection services	408	81	-80.1%
<b>Adjusted net profit**, RUB mln</b>	<b>21,831</b>	<b>22,551</b>	<b>3.3%</b>

\* - figures are shown taking into account retroactive adjustments made in accordance with H1 2020 statements

\*\* - excluding accrual and reversal of allowance for doubtful debts, financial result related to revaluation of quoted financial assets, and revenue from technological connection services

### **Balance Sheet as of June 30, 2020**

#### **Assets**

As at the end of the reporting period, the total assets of FGC UES, PJSC amounted to RUB 1,552,559 mln, which was RUB 20,235 mln (or 1.3%) more than at the beginning of the year, where the value of non-current assets amounted to RUB 1,318,781 mln, and the value of current assets amounted to RUB 233,778 mln.

During the reporting period, the equity of FGC UES, PJSC increased by RUB 9,299 mln (or 0.8%) due to the net profit generated in the reporting period (RUB 21,395 mln) and the 2019 profit allocated to dividend payments of RUB 12,102 mln pursuant to a resolution of the General Meeting of Shareholders of FGC UES, PJSC (Minutes No. 24 dated May 15, 2020).

Taking into account the interim dividends paid for 9 months of 2019 (resolution of the Extraordinary General Meeting of Shareholders dated December 31, 2019 No. 23) in the amount of RUB 11,229 mln, the total amount of dividends for the year 2019 amounted to RUB 23,331 mln.

During the reporting period, the loan debt of FGC UES, PJSC increased by RUB 9,961 mln and amounted to RUB 237,020 mln. In H1 2020, FGC UES, PJSC placed bonds in the amount of RUB 20,000 mln, and repaid loans in the amount of RUB 9,557 mln.

*The accounting statements for H1 2020 under RAS are available at the website of FGC UES, PJSC in the Financial Disclosure/RAS Financial Reports section through the link below: [https://www.fsk-ees.ru/eng/investors/financial\\_disclosure/ras\\_financial\\_reports/](https://www.fsk-ees.ru/eng/investors/financial_disclosure/ras_financial_reports/)*