



## **PJSC ROSSETI discloses IFRS Financial Results for 2020**

**26 March 2021, Moscow, Russia** – PJSC ROSSETI (LSE: RSTI) ("Company"), Russia's largest electricity transmission, distribution, and connection grid company, discloses IFRS financial results of ROSSETI Group for the year ended on 31 December 2020.

### **Financial results:**

- Revenue: RUB 1 001.5 bln (2019: RUB 1 029.7 bln)
- Adjusted EBITDA<sup>1</sup>: RUB 288.5 bln (2019: RUB 315.6 bln)
- Net profit: RUB 61.2 bln (2019: RUB 105.3 bln)
- Adjusted net profit<sup>2</sup>: RUB 93.0 bln (2019: RUB 116.7 bln)

### **Operating results:**

- Electricity transmission: 734.1 bln kWh (2019: 765.3 bln kWh)
- Technological connection: 12 369 MW (2019: 15 066 MW)
- Transmission lines: 2.39 mln km (2019: 2.37 mln km)
- Number of substations: 524 thousand units (2019: 517 thousand units)

### **Key events in the reporting period:**

- PJSC ROSSETI's and PJSC FGS UES's bonds are floated with total nominal value of RUB 20 bln, the rate is 6.5% p.a., the maturity/offer period is 5 years. The bond floatation transaction by PJSC ROSSETI was awarded as "Best IPO Transaction in Energy Sector" in 2020.
- Credit ratings of PJSC ROSSETI from the international rating agencies Moody's and S&P have been maintained at the sovereign level with a stable outlook. The credit rating from ACRA has also been maintained at the highest possible level according to the agency's national rating scale - AAA (RU) / stable outlook.
- The annual general meeting of PJSC FGS UES's shareholders resolved to delegate the powers vested in company's sole executive body to the Managing Company of PJSC ROSSETI.
- PJSC ROSSETI's ordinary shares are included in the Moscow Exchange primary index basis.
- AK&M rating agency rated PJSC ROSSETI A++ in the national sustainable development rating.
- The Ministry of Energy of the Russian Federation has approved the adjusted investment programs of the Rosseti Group companies.

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<sup>1</sup> Hereinafter, the adjusted EBITDA is stated, calculated as income before interest expenses, taxes, amortization less losses on impairment of fixed assets and income from asset exchange with JSC DVEUK (for 2019 only.)

<sup>2</sup> Hereinafter, the adjusted profit is stated, calculated as income for the period less depreciation of fixed assets, income from asset exchange with JSC DVEUK (for 2019 only) adjusted for the relevant deferred income tax.

**Events after the reporting period:**

- Andrey Ryumin elected as Director General of PJSC ROSSETI.
- PJSC ROSSETI's Innovation Development Program for 2020-2024 approved with a lookout to 2030.

**Financial results:**

<b>Financial indicator, RUB billion</b>	<b>2020</b>	<b>2019</b>	<b>Change, %</b>
<b>Revenue, including:</b>	<b>1 001.5</b>	<b>1 029.7</b>	<b>(2.7)</b>
- Electricity transmission	862.7	860.9	0.2
- Sale of electricity and capacity	81.6	100.3	(18.6)
- Technological connection services	36.2	48.7	(25.7)
Operating expenses	(870.5)	(858.3)	1.4
Provisions for expected credit losses (impairment of receivables)	(10.3)	(23.4)	(56.0)
Losses from impairment of fixed assets	39.7	23.6	68.2
<b>Adjusted EBITDA</b>	<b>288.5</b>	<b>315.6</b>	<b>(8.6)</b>
<b>Net profit</b>	<b>61.2</b>	<b>105.3</b>	<b>(41.9)</b>
<b>Net profit (adjusted)</b>	<b>93.0</b>	<b>116.7</b>	<b>(20.3)</b>
Net debt	457.9	422.8	8.3
Net cash flow from operating activity	235.4	256.4	(8.2)

**As the electricity consumption has decreased due to the COVID-19 pandemics and lockdown since April 2020, ROSSETI managed to show a positive financial result for 2020, also due to implementation of its primary anti-crisis measures in the current economic situation and increased operating performance.**

The change in revenue from electricity transmission and sale is due to:

- decrease in business operations due to the restrictive measures in the Russian Federation introduced to contain COVID-19;
- termination by individual subsidiaries of the Group of its functions as the last-resort supplier.

The decrease in revenue from services of technological connection to grid is associated with the service schedule determined by consumers' applications.

The increase in operating expenses is mostly associated with increased depreciation allowance due to commissioning of fixed asset facilities as part of the investment program implementation, as well as with the extra costs in order to ensure uninterrupted electricity supply to the consumers in the context of COVID-19 associated restrictions.

The measures aimed at consumer service, including contracts on restructuring accounts receivable, allowed to decrease the expected credit loss provision.

In 2020, the Group's assets increased by 3.1%, up to RUB 2 730.9 bln (2 649.6 as of December 31, 2019), mainly by increasing fixed assets due to commissioning new facilities as a result of the investment program implementation.

Deputy Director General for Economics and Finance, Pavel Grebtsov stated: “The key external factor for the Company was the COVID-19 pandemic, which affected primarily the dynamics of the electricity consumption. During the peak of uncertainty caused by the spread of coronavirus the Government of the

Russian Federation took the precautionary measures, including those related to the moratorium on fines for the non-payment of electricity. Nevertheless, owing to the timely measures taken by the management aimed at increasing the internal efficiency, optimizing the investment and operating activity and cash flow management, consolidated financial results of the Rosseti Group remained at a stable level. All in all, we managed to mitigate the negative impact associated with COVID-19”.

Moreover, the Rosseti Group has been strengthening its reliability indicators for the third year in a row: despite the increased cases of weather hazards, the Rosseti Group has continuously shown increasing reliability and safety of electricity supply to consumers.

Our priorities for 2021 remain unchanged: the payment discipline control of counterparties and maintaining the stable financial position of the Group's subsidiaries.”

More detailed information of the consolidated financial statements for the period ending on December 31, 2020 is available at the Company's website: <http://www.rosseti.ru/>

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*Public Joint Stock Company ROSSETI (PJSC ROSSETI) is one of the largest electric grid companies in the world. The Company manages 2.39 million kilometers of power lines and 524 thous. substations with more than 807 GVA of transformer capacity.*

*PJSC ROSSETI comprises 35 subsidiaries and dependent companies, including 15 interregional grid companies and one transmission grid company. The controlling shareholder with an 88.04% stake in the Company is the government, represented by the Federal Agency for State Property Management of the Russian Federation.*

*The information contained in this press release may include forecast or other long-term estimates of future events or indicators of PJSC ROSSETI's future financial activity. Such terms as “we expect”, “we assume”, “we estimate”, “we plan”, “we will”, “we could”, “possibly”, “probably” and other similar words and expressions emphasize our predictive estimate. PJSC ROSSETI hereby warns that these statements are just forecasts, while actual events or results may significantly vary. PJSC ROSSETI shall not adjust these statements due to events or circumstances that occur after the publishing date hereof. The factors that may entail the change in results of PJSC ROSSETI's estimates and long-term evaluations include but not limited to: the general economic situation, competitive environment, risks associated with business in the Russian market, rapid technological and market developments within the industry, as well as a variety of other risk factors that affect PJSC ROSSETI and its business.*