

ROSSETI discloses IFRS Financial Results for 3M 2020

June 1, 2020, Moscow, Russia - PJSC ROSSETI (LSE: RSTI) ("Company"), Russia's largest electric grid company, discloses condensed interim IFRS financial results for the three-month period, ended March 31, 2020.

The financial statements are provided for PJSC ROSSETI and its subsidiaries.

Management comment

"In the first quarter of 2020, we have faced unprecedented situation caused by a pandemic of new coronavirus infection. ROSSETI has taken all the necessary measures to ensure an uninterrupted power supply to consumers and to protect its employees. We were able to adapt to the new challenges as we made most of the Company's services available online for the convenience of citizens, and provided the opportunity for many company employees to work remotely. At the same time, ROSSETI not only maintained its set course on increase of efficiency but also started implementing the Strategy adopted at the end of last year. We continue to consolidate assets in various regions of our country, to optimize costs and to introduce new facilities as part of the digital transformation. We recognize the robust dynamics of our financial performance and are confident in the successful long-term development of the Rosseti Group of Companies", - noted ROSSETI's Director General Pavel Livinsky.

Corporate highlights in the reporting period:

- ROSSETI and 1C have successfully completed a pilot project on tax monitoring automation based on "1C: Holding Management".
- AKRA rating agency confirmed the credit rating of ROSSETI on the national scale at the level of AAA (RU), outlook "Stable".
- ROSSETI commissioned 150 kV power line to provide electric power for the Offshore Superfacility Construction Yard, a project of NOVATEK.
- The launch of the new digital facilities of the operational and technological management and complex security, located in the Belgorod, Voronezh, Kostroma, and Tula regions.

Events after the reporting date

- On April 23, 2020, ROSSETI and ROSSETI FGC UES successfully placed bonds worth 20 billion rubles at a coupon rate of 6.50% per annum.
- The Board of Directors of ROSSETI during the meeting on April 30, 2020 recommended that the holding's shareholders make a decision at the annual general meeting to pay a record dividend for 2019 in the amount of 17.99 billion rubles. Taking into account interim dividends for the first quarter of last year (5 billion rubles), the total amount of dividends paid (in case the relevant decision is adopted at the Annual General Shareholder Meeting) will be 23 billion rubles.
- On May 15, 2020 the functions of a sole executive body in a subsidiary of PJSC FGC UES were transferred to PJSC ROSSETI.

Financial results:

	<i>bn RUB</i>	3M2020	3M2019	YoY Change
Revenue		262.5	265.5	(1.2)%
EBITDA		89.3	86.9. ⁽¹⁾	2.8%
Profit for the period		37.8	33.3. ⁽²⁾	13.5%
Net debt		397.5	422.8 ⁽³⁾	(6.0)%

(1) EBITDA is calculated as profit or loss before interest expense, taxation and amortization. For 3M2019 the adjusted EBITDA is presented, calculated as EBITDA for the period less gains on exchange of assets with JSC DVEUK.

(2) For 3M2019 adjusted profit is presented, calculated as profit for the period less exchange gains with JSC DVEUK.

(3) Indicator as of 31.12.2019

The Group's revenue amounted to 262.5 billion rubles, including:

- Revenue **for electric power transmission services** amounted to 232.7 billion rubles, which is 2.8% more than in the same period of the previous year;
- Revenue **from grid connections** amounted to 3.4 billion rubles, which is 6.8% more than in Q1 2019 and is due to the schedule of services provided as determined by customer requests;
- Revenue **from power sales** amounted to 22.2 billion rubles, which is 32.8% less than the same period of the previous year. The decrease in this revenue segment is due to the termination of the GP function by certain subsidiaries of the Group.

Profit for the period amounted to 37.8 billion rubles, which is 13.8% higher than the adjusted net profit for the same period of 2019 (excluding the one-time effect of profit from the asset swap with JSC DVEUK).

Net debt indicator has decreased since the beginning of the year by 6,0% and amounted to 397.5 billion rubles for 3 months of 2020.

Expenses

	<i>bn RUB</i>	3M2020	3M2019	YoY Change
Expenses, total		215.5	219.7	(1.9)%
electricity for sale		13.9	20.3	(31.5)%
electricity for compensation of losses		44.3	47.2	(6.2)%
amortization		34.6	31.7	9.2%
electricity transportation services		41.6	41.2	0.9%
repair and maintenance services		2.3	1.7	34.9%
provision for expected credit losses		2.2	4.5	(51.2)%
other		76.6	73.1	4.8%

By the end of 3 months of 2020, expenses decreased by 1.9% compared to the comparable period of the previous year mainly due to the reduction of expenses for purchase of electric power for sale (due to termination of the GP function by certain subsidiaries) and expenses for purchase of electricity for compensation of losses.

Selected balance sheet items:

	<i>bn RUB</i>	31.03.2020	31.12.2019	Change
Assets, including:		2 707.6	2 649.6	2.2%
- <i>Intangible assets</i>		2 334.5	2 328.1	0.3%
- <i>Tangible assets</i>		372.8	321.2	16.1%
Equity and liabilities, including:		2 707.6	2 649.6	2.2%
Total liabilities:		1 085.9	1 065.5	1.9%
- <i>Non-current liabilities</i>		696.6	650.5	7.1%
- <i>Current liabilities</i>		389.3	415.0	(6.2)%
Total equity:		1 621.7	1 584.1	2.4%
- <i>Total equity attributable to owners of the Company</i>		1 215.1	1 190.0	2.1%
- <i>Non-controlling interests</i>		406.6	394.1	3.2%

Consolidated financial statement of PJSC ROSSETI and subsidiaries for the three-month period ended March 31, 2020 prepared in accordance with International Financial Reporting Standards (IFRS) is available on the Company's website at <http://www.rosseti.ru/eng/investors/reports/fin-inf/>

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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 2.37 million kilometers of power lines and 517,000 substations with more than 802 GVA of transformer capacity.

ROSSETI comprises 34 subsidiaries and dependent companies, including 15 interregional and regional 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.

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of PJSC ROSSETI. You can identify forward-looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might", the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industry, as well as many other risks specifically related to PJSC ROSSETI and its operations.