



ROSSETI

**IFRS CONSOLIDATED FINANCIAL RESULTS
OF THE ROSSETI GROUP
FOR 3M 2020**

WWW.ROSSETI.RU

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ROSSETI – SYSTEMATICALLY IMPORTANT COMPANY OF THE RUSSIAN UNITED GRID ENERGY SYSTEM

ROSSETI was founded in accordance with Decree №1576 signed by the President of Russia with the aim of improving operational efficiency and developing the power grid complex of the Russian Federation

GROUP ASSETS*



80

Russian regions
Geographic coverage



221

Thousand employees
Average headcount



29

Grid companies
in ROSSETI Group



88,04

%
State share in the Share capital



2,37

Thousand kilometers
Power lines



517

Thousand
Number of substations



802

Thousand MVA
Transformer capacity



15,1

GW
Grid connected capacity

*Data as of December 31, 2019

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.

bn RUB

	31.03.2019	31.03.2020	YoY Change
Revenue	265,5	262,5	(1,2)%
Expenses	219,7	215,5	(1,9)%
EBITDA	86,9⁽¹⁾	89,3	2,8%
Profit for the period	33,3 ⁽²⁾	37,8	13,5%
Net debt	422,8 ⁽³⁾	397,5	(6,0)%

bn RUB

	31.12.2019	31.03.2020	Change
Assets	2 649,6	2 707,6	2,2%
Total equity	1 584,1	1 621,7	2,4%
Total liability	1 065,5	1 085,9	1,9%

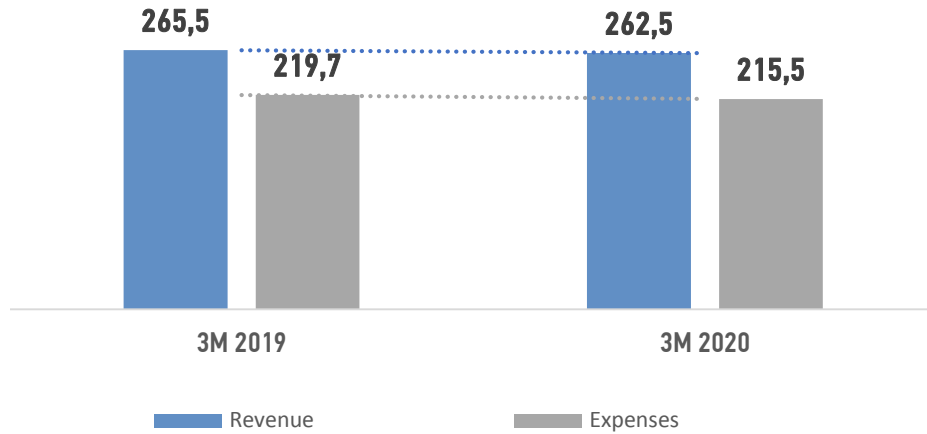
(1) EBITDA is calculated as profit or loss before interest expense, taxation and amortization. For 3M2019 the adjusted EBITDA is presented, calculated as EBITDA for the period less gains on exchange of assets with JSC DVEUK.

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

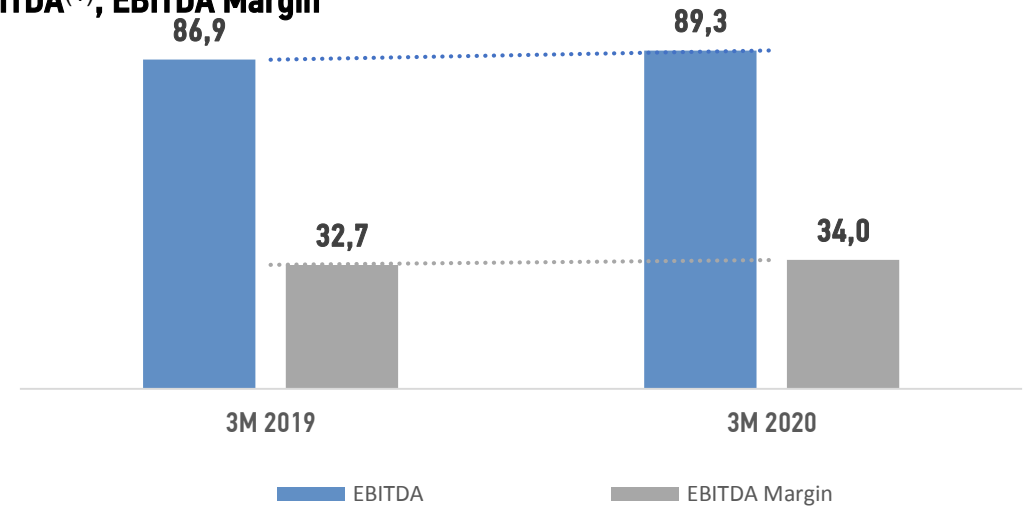
(3) Indicator as of 31.12.2019

KEY FINANCIAL INDICATORS

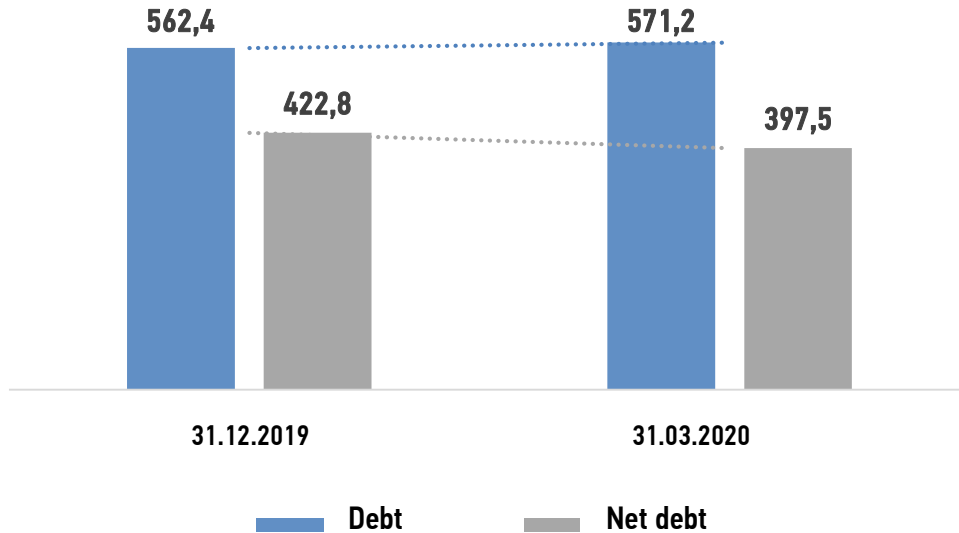
Revenue, Expenses



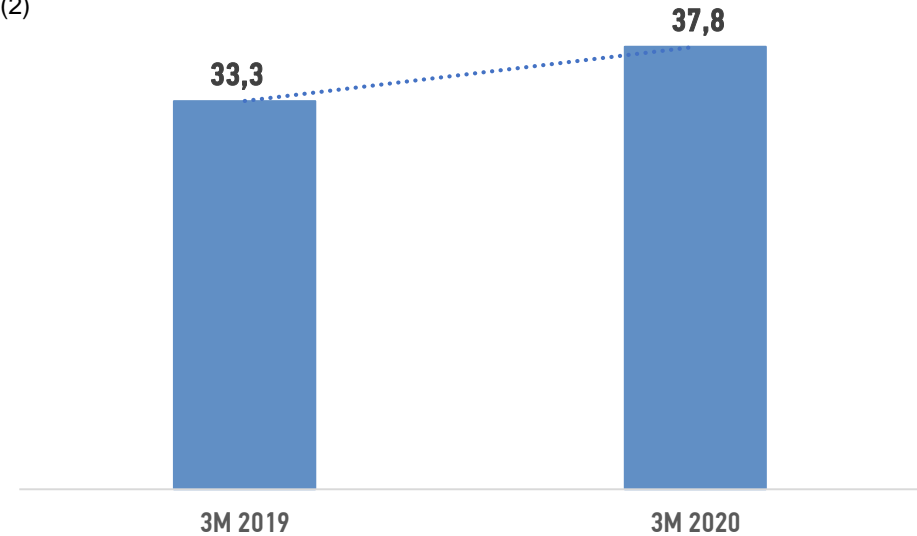
EBITDA⁽¹⁾, EBITDA Margin



Debt, Net debt



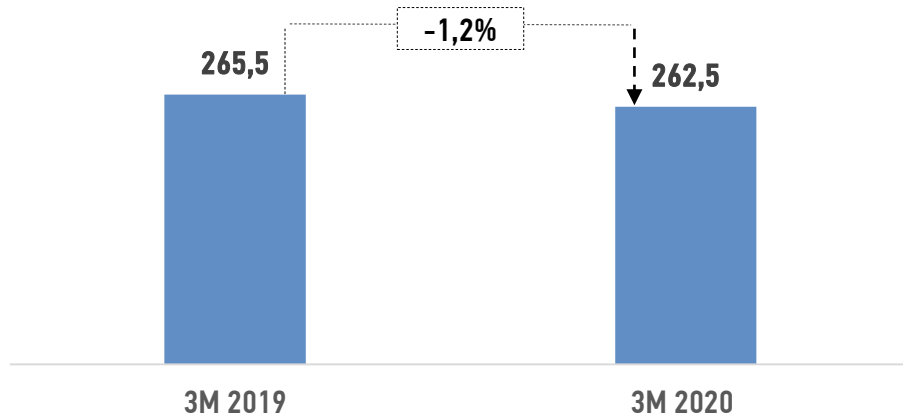
Profit⁽²⁾



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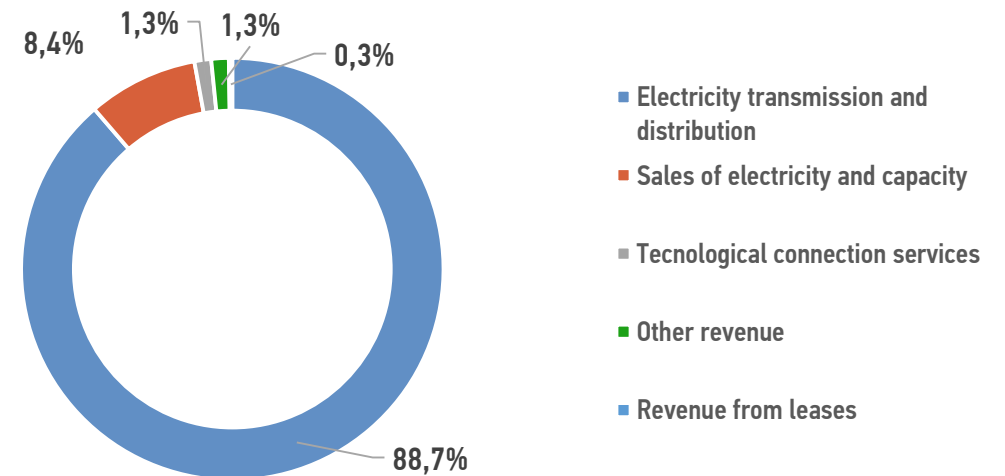
Revenue dynamics



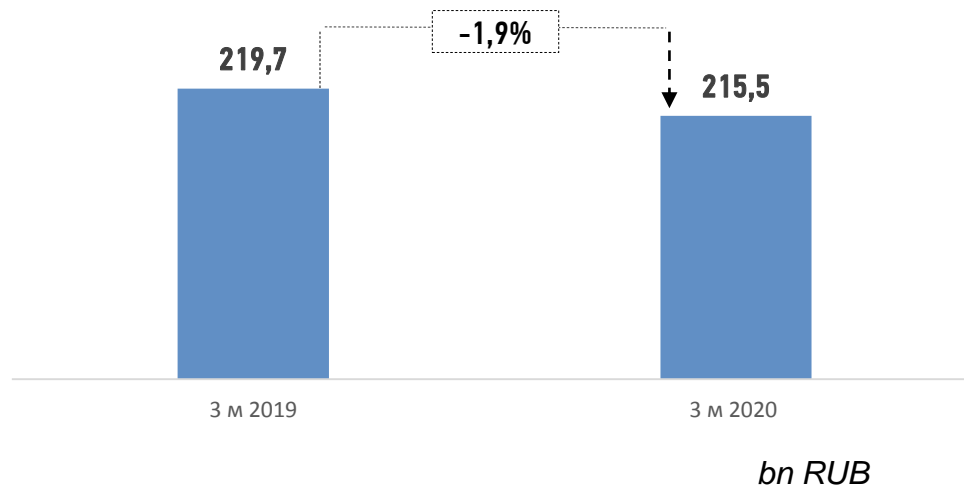
- Revenue for electric power transmission services amounted to 232.7 billion rubles, which is 2.8% more than in the same period of the previous year
- Revenue growth from grid connections is caused by the schedule of services provided as determined by customer requests
- The decrease of revenue from sales of electricity and capacity is caused by the termination of the GP function by certain subsidiaries of the Group.

<i>bn RUB</i>	31.03.2019	31.03.2020	Change
Electricity transmission and distribution	226,5	232,7	2,8%
Sales of electricity and capacity	33,0	22,2	(32,8)%
Technological connection services	3,1	3,4	6,8%
Other revenue	2,3	3,5	52,2%
Revenue from leases	0,67	0,69	2,8%

Revenue types



Expenses dynamics



- 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.

Total expenses

Electricity for sale

Electricity for compensation of losses

Amortization

Electricity transportation services

Repair and maintenance services

Provision for expected credit losses

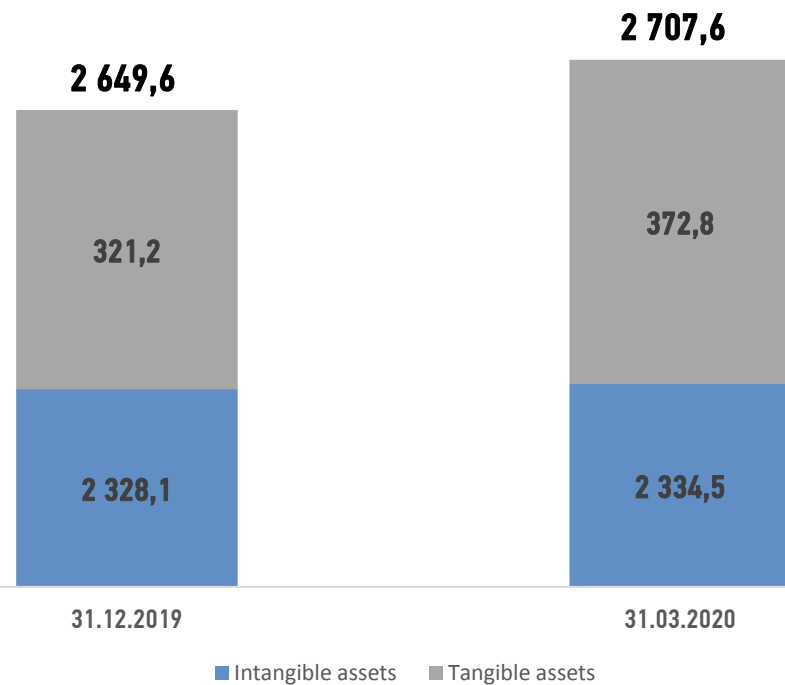
Other expenses

	31.03.2019	31.03.2020	Change
Total expenses	219,7	215,5	(1,9)%
Electricity for sale	20,3	13,9	(31,5)%
Electricity for compensation of losses	47,2	44,3	(6,2)%
Amortization	31,7	34,6	9,2%
Electricity transportation services	41,2	41,6	0,9%
Repair and maintenance services	1,7	2,3	34,9%
Provision for expected credit losses	4,5	2,2	(51,2)%
Other expenses	73,1	76,6	4,8%

ASSETS AND LIABILITIES

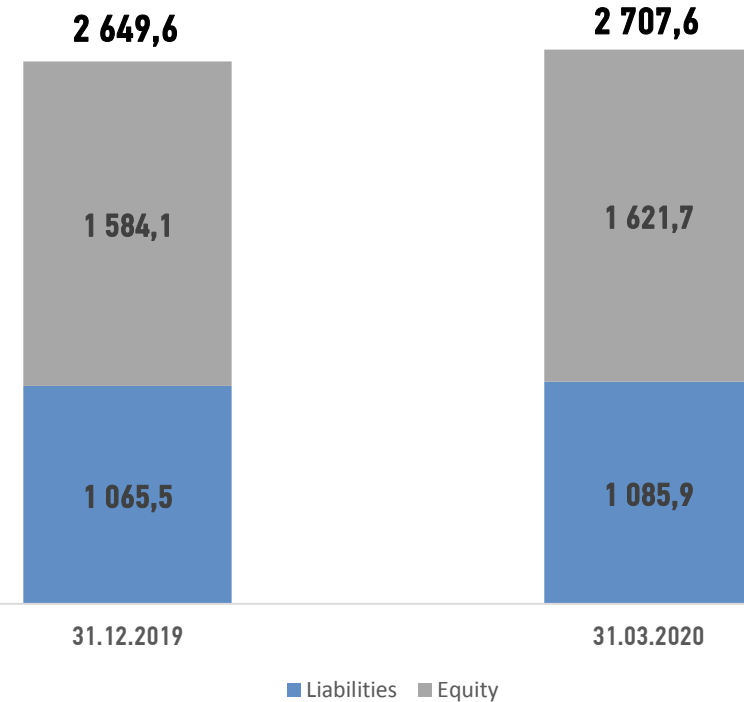
Assets

bn RUB



Equity and liabilities

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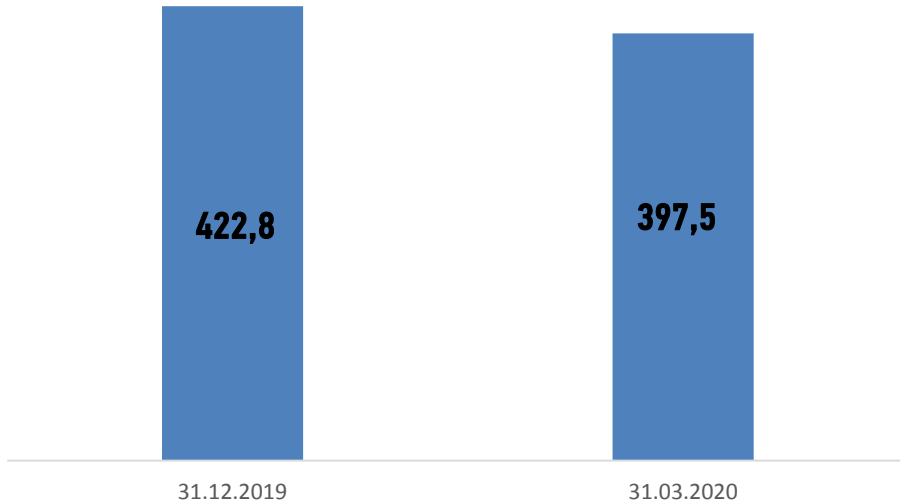


- **Total assets increased by 2,2% in 1 quarter 2020, including:**
 - Intangible assets increased by 0,3% and amounted to 2 334,5 billion rubles
 - Tangible assets increased by 16,1% and amounted to 372,8 billion rubles
- **Total liabilities increased by 1,9%, including:**
 - Non-current liabilities increased by 7,1% and amounted to 696,6 billion rubles
 - Current liabilities decreased by 6,2% and amounted to 389,3 billion rubles
- **Total equity increased by 2,4%**

DEBT PROFILE

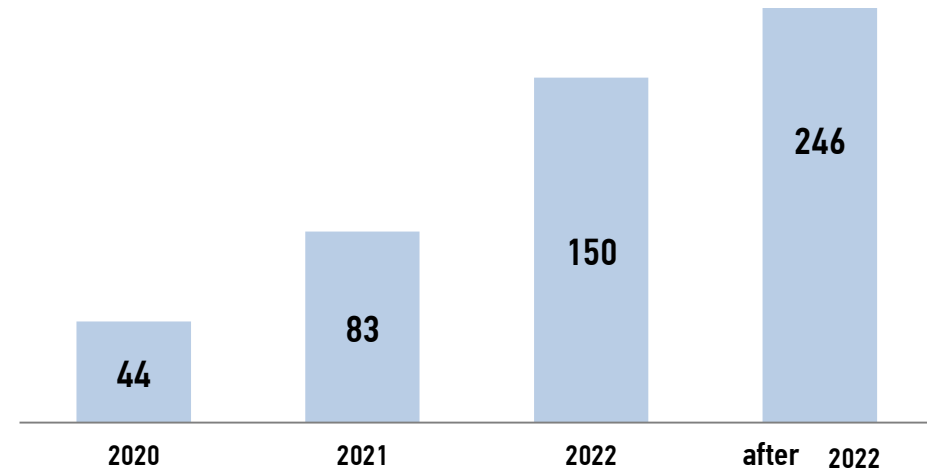
Net debt

bn RUB



Debt repayment schedule

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Credit ratings

AAA

ACRA

Prime credit rating

Stable Outlook

Baa3

Moody's

Sovereign credit rating

Stable Outlook

BBB-

S&P

- The Group's debt portfolio is dominated by long-term borrowings with weighted-average maturity of debt at over 8 years
- Average interest rate for the debt is 6,4% p.a. and is still below market level (according to the Central Bank of Russian Federation weighted average lending rate for a period from 1 to 3 years in February 2020 was equal to 8,5%)
- Net debt of ROSSETI Group decreased by 6% in 1Q 2020 and amounted to 397,5 billion rubles