



Rosseti FGC (Federal Grid Company) Announces IFRS Results for the 9 months of 2020

Moscow, November 27, 2020 – Federal Grid Company of Unified Energy System (“Federal Grid Company” or “Company”; Moscow Exchange and LSE: FEES), part of PJSC ROSSETI Group, and the operator of the Unified National Electricity Grid (“UNEG”) of Russia, announces its condensed unaudited consolidated interim financial results for the three and nine months ended 30 September 2020 under the International Financial Reporting Standards (IFRS).

The statements cover Federal Grid Company and its subsidiaries (the “Group”).

Financial results:

- Revenue: RUB 176.2 billion (9M2019: RUB 173.5 billion)
- Adjusted EBITDA¹: RUB 104.0 billion (9M2019: RUB 107.9 billion)
- Adjusted net profit²: RUB 58.5 billion (9M2019: RUB 59.0 billion)

Operational performance highlights³:

- Electricity supply from UNEG to consumers: 392.6 billion kWh (9M2019: 412.3 billion kWh)
- Total transformer capacity⁴: 352 GVA (9M2019: 352 GVA)
- Transmission grid length⁴: 148.2 thousand km (9M2019: 147.5 thousand km).
- Number of substations (UNEG)⁴: 886⁵ units (9M2019: 944 units)

Key events:

- April - bonds of RUB 10 billion were placed with a coupon rate of 6.5% with maturity/offer term of 5 years.
- 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 generation of 150 MW of power at the Adygea wind farm, the largest wind farm in the southern Russia, was achieved.
- September - bonds of RUB 14.8 billion (series 06, 08, 10) were redeemed.
- September - the long-term issuer default rating in foreign and national currency for PJSC FGC UES is confirmed by an international credit rating agency Fitch Ratings as “BBB”, the outlook is stable, which corresponds to the sovereign credit rating of the Russian Federation.

¹Adjusted 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 fixed assets impairment (only for 9 months of 2019), revenue from connection services, cost of provisioning for expected credit losses, gain on assets exchange with JSC DVEUK (only for 9 months of 2019), loss due to withdrawal of an affiliate (only for 9 months of 2019), changes in estimated liabilities and including financial income.

²Excluding gain on assets exchange with JSC DVEUK, loss from withdrawal of an affiliate and net reversal of fixed assets impairment, including the relevant deferred income tax amounts (only for 9 months 2019)

³PJSC “FGC UES”.

⁴Including rented transmission lines and substations.

⁵The deviation is due to the termination of the property lease agreement with JSC DVEUK

Events after the Reporting Date:

- October bonds of RUB 10 billion were placed with a coupon rate of 6.6% with maturity/offer term of 7 years.
- October - bonds of RUB 2.9 billion (series 07, 09, 11) were redeemed.
- October - the generation of 165 MW of power at Afipsky Oil Refinery, the largest oil refinery within the Krasnodar Territory, was achieved.

Financial results for the nine months ended 30 September 2020:

Financial indicator, RUB billion	Nine months ended 30 September 2020	Nine months ended 30 September 2020	Change %
Revenue	176.2	173.5	1.6
Operating expenses	112.2	107.0	4.9
Adjusted EBITDA	104.0	107.9	(3.6)
Adjusted net profit	58.5	59.0	(0.8)
Net debt	178.1	176.8 ⁶	0.7

The Group showed stable financial and economic performance in the nine months ended 30 September 2020.

The main factors behind changes in financial indicators are as follows:

- the services related to connection to the electric grids were rendered in compliance with the schedule based on consumers' applications (increase in revenue of RUB 2.1 billion or 84%);
- the subsidiaries of the Company completed their work under the General Contractor Agreements related to the development projects (increase in revenue of RUB 1.8 billion, increase in costs of RUB 1.3 billion);
- increase in operational expenses excluding costs related to the construction contracts of 3.7% (RUB 3.9 billion) due to the commissioning of new facilities (increase in depreciation expenses).

Federal Grid Company's condensed unaudited consolidated interim IFRS financial statements for the three and nine months ended September 30, 2020 are available on the Company's corporate website at

https://www.fsk-ees.ru/eng/investors/financial_disclosure/ifrs_financial_reports/

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For more information:

PJSC FGC UES

Yulia Martynova, IR

+7(495) 995 5333 (ext. 3834)

Martynova-YS@fsk-ees.ru

Anna Ivanko, IR

+7(495) 995 5333 (ext. 5470)

Ivanko-AA@fsk-ees.ru

⁶ As of 31.12.2019