



## Rosseti FGC (Federal Grid Company) Announces IFRS Results for the 6 months of 2020

**Moscow, August 28, 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 six months ended 30 June 2020 under the International Financial Reporting Standards (IFRS).

The financial results relate to Federal Grid Company and its subsidiaries (the “Group of Companies” or “Group”).

### Financial results:

- Revenue: RUB 114.8 billion (6M2019: RUB 115.0 billion)
- Adjusted EBITDA<sup>1</sup>: RUB 70.7 billion (6M2019: RUB 73.8 billion)
- Adjusted net profit<sup>2</sup>: RUB 37.5 billion (6M2019: RUB 39.3 billion)

### Operational performance highlights<sup>3</sup>:

- Electricity supply from UNEG to consumers: 261.6 billion kWh (6M2019: 275.4 billion kWh)
- Total transformer capacity<sup>4</sup>: 352.2 GVA (6M2019: 351.9 GVA)
- Transmission grid length<sup>4</sup>: 148.6 thousand km (6M2019: 147.4 thousand km)
- Number of substations (UNEG)<sup>4</sup>: 885<sup>5</sup> units (6M2019: 944 units)

### Key events in the reporting period:

- In January 2020, bonds of RUB 10 billion were placed with a coupon rate of 6.75% with maturity/offer term of 10 years;
- In February 2020, in the Irkutsk Region, the construction of a 295-kilometer transit from the Ust-Ilimskaya HPP to the new 500 kV Ust-Kut substation, which is a part of the Peleduy energy ring, was completed;
- In April 2020, bonds of RUB 10 billion were placed with a coupon rate of 6.5% with maturity/offer term of 5 years;
- On May 15, 2020, the annual General Meeting of Shareholders resolved to pay dividends for the year 2019. Taking into account interim dividends, the amount for the year amounted to RUB 23.3 billion;
- On May 15, 2020, the annual General Meeting of Shareholders resolved to transfer the functions of the Company’s sole executive body to the management company, i.e. PJSC Rosseti;
- In June 2020, the generation of 150 MW of power at the Adygea wind farm, the largest wind farm in southern Russia, was achieved.

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<sup>1</sup>Adjusted 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 impairment of property (only for 6 months of 2019), revenue from connection services, cost of creating a reserve for expected credit losses, gain on disposal of assets (only for 6 months of 2019), loss on disposal of associated company (only for 6 months 2019), changes in the reserve for liabilities and deductions and including financial income.

<sup>2</sup> Excluding income from disposal of assets (exchange of assets with JSC DVEUK in 2019), loss on disposal of associated company and reversal of net loss from impairment of property, including corresponding amounts for deferred income tax.

<sup>3</sup> PJSC “FGC UES”.

<sup>4</sup> Including rented transmission lines and substations.

<sup>5</sup> Deviation is due to the termination of the property lease agreement with JSC DVEUK UNEG.

**Financial results for the six months ended 30 June 2020**

Financial indicator, RUB billion	Six months ended 30 June 2020	Six months ended 30 June 2020	Change %
Revenue	114.8	115.0	(0.2)
Operating expenses	73.2	70.6	3.7
Adjusted EBITDA	70.7	73.8	(4.2)
Adjusted net profit	37.5	39.3	(4.6)
Net debt	158.0	176.8 <sup>6</sup>	(10.6)

The Group showed stable financial and economic performance in the six months ended 30 June 2020.

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

- Decrease in irregular income in the form of penalties, which were taken into account based on writs of execution;
- Increase in operating expenses by 3.7% (RUB 2.6 billion) as a result of the commissioning of new facilities (increase in amortization) and completion of the Company's subsidiaries work under general contractor service agreements for construction projects (supported by income).

Federal Grid Company's condensed consolidated interim IFRS financial statements for the three and six months ended June 30, 2020 are available on the Company's corporate website at [https://www.fsk-ees.ru/eng/investors/financial\\_disclosure/ifrs\\_financial\\_reports/](https://www.fsk-ees.ru/eng/investors/financial_disclosure/ifrs_financial_reports/)

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<sup>6</sup> Data as of 31 December 2019