

RusHydro announces first quarter 2020 RAS results

April 29, 2020. Moscow, Russia. PJSC RusHydro (MOEX, LSE: HYDR; OTCQX: RSHYY) announces non-consolidated financial results under Russian accounting standards (RAS) for the first quarter ended March 31, 2020.

Key highlights:

- EBITDA – RUB 24,358 mn (+25%);
- Reported net profit – RUB 14,315 mn (+14%);
- Since July 1st 2017, a surcharge to capacity prices in 1st and 2nd price zones in order to attain base level of end-user tariffs in the Far East of Russia is reflected in PJSC RusHydro's revenue and operating expenses*. In 1Q20, the surcharge totaled RUB 10,264 mn, in the 1Q19 – RUB 8,748 mn; Adjusted for the surcharge revenue and expenses (here and below in the text) were:
- Revenue – RUB 34,653 mn (+19%);
- Operating expenses – RUB 14,684 mn (+7%).

Key financials for 1Q 2020 under RAS (in RUB mn), excluding surcharge

	1Q'20	1Q'19	chg
Revenue (adj. for surcharge)	34,653	29,081	+19%
Operating expenses (adj. for surcharge)	(14,684)	(13,733)	+7%
Operating profit	19,969	15,348	+30%
EBITDA**	24,358	19,440	+25%
Net profit	14,315	12,537	+14%

Revenue

In the first quarter of 2020, revenue increased by 19% or RUB 5,572 mn to RUB 34,653 mn as compared to the corresponding period last year on the back of output growth by HPPs following increase of water inflows to the majority of reservoirs.

Revenue breakdown (RUB mn)

	1Q'20	1Q'19	chg
Electricity sales	21,338	17,513	+22%
Capacity sales	13,189	11,472	+15%
Other sales	126	96	+31%
TOTAL	34,653	29,081	+19%

Operating expenses

Operating expenses in the first quarter of 2020 increased by 7% to RUB 14,684 mn.

The main changes were observed in the following items:

- Purchased electricity and capacity (decrease of RUB 235 mn) due to decrease in day-ahead market prices;
- Water tax (increase of RUB 194 mn) due to HPP production growth;

- Rent (intercompany, increase of RUB 348 mn) due to rent agreement of Zaramagskaya HPP-1 property.

Operating expenses breakdown (in RUB mn)

	1Q'20	1Q'19	chg
Depreciation	4,389	4,091	+7%
Purchased electricity and capacity	2,088	2,323	-10%
Labor expenses, taxes and contributions	1,663	1,635	+2%
Property tax	1,576	1,496	+5%
Other third-party services	1,021	778	+31%
Power system services:	805	760	+6%
Rent	755	407	+86%
Water tax	604	410	+47%
Repairs & maintenance	477	498	-4%
Security expenses	466	438	+6%
Insurance expenses	403	401	+0.4%
Other	437	496	-12%
TOTAL	14,684	13,733	+7%

Profit

Operating profit for the first quarter of 2020 increased 30% as compared to the same period last year and amounted to RUB 19,969 mn.

EBITDA in the first quarter of 2020 increased by 25% to RUB 24,358 from RUB 19,440 in 1Q'19.

Net profit in the reporting period increased by 14% to RUB 14,315 mn.

RusHydro's financial position as of March 31, 2020

The Company's total assets increased by RUB 25,315 mn as of March 31, 2020, or 2% against the similar figure as of December 31, 2019, reaching RUB 1,089,509 mn.

As of March 31, 2020, total liabilities increased by 5% or RUB 10,999 mn as compared to the similar figure as of December 31, 2019 and amounted to RUB 223,224 mn.

The Company's debt portfolio increased by 2% as compared to the beginning of the reporting year and reached RUB 147,041 mn. Long-term loans comprise 71% of the total portfolio.

The Company's equity in the first quarter of 2020 increased by 2% to RUB 866,285 mn against RUB 851,970 mn as of the beginning of the reporting year.

The full financial statements are available on the Company's website at:

<http://www.eng.rushydro.ru/investors/reports>

RusHydro Group will announce consolidated 1Q'20 IFRS results in June, 2020.

* In July 2017, the Resolution of the Russian Government No. 895 "On reaching basic rates (tariffs) for electric power (capacity) in the territories of the Far East Federal region (the "Far East")" became effective, under which rates for



consumers in the territories of the Far East should be reduced starting from 1 January 2017 to the basic level (RUB 4.00 / kWh). According to the Resolution of the Russian Government No. 1614-r of 28 July 2017, PJSC RusHydro was appointed as the recipient of a premium to the price for capacity provided by the Company in the price zones of the wholesale market under CCS agreements. The premium to the price for capacity is set in order to achieve the basic level of rates (tariffs) for electricity (capacity) planned for the next regulation period in the Far East constituent regions. Within the amounts defined by Resolution No. 1615-r of the Russian Government dated 28 July 2017, the Company translates the collected amounts of margin in the form of free-of-charge targeted contributions to the budgets of the respective regions. The Group companies being guaranteeing suppliers will receive compensation for the shortage of income related to the reduction of rates, through subsidies from the Far East constituent regions. In November 2017, according to the Resolution of the Russian Government No. 2527-r of 15 November 2017 the rate for consumers in the territories of the Far East basic was set at RUB 4.30 / kWh.

** EBITDA calculated as gross profit before depreciation.

About RusHydro

RusHydro Group is the leading producer of renewable energy in Russia. It is Russia's largest generating company and is the fourth in the world with over 400 generating facilities. The Group's total electricity generation capacity including Boguchanskaya HPP is 39.5 GW.

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