

RusHydro Group announces its operating results for the 2Q 2020

July 22, 2020. Moscow, Russia. PJSC RusHydro (ticker symbol: MICEX-RTS, LSE: HYDR; OTCQX: RSHYY) announces operating results for the 2nd quarter of 2020, of the parent company and subsidiaries of RusHydro Group reflected in consolidated financial statements.

RusHydro Group's total electricity production including Boguchanskaya HPP in the first half of the year increased by 23.6% to 77.7 GWh¹ while electricity production and consumption in UES of Russia decreased by 3.6% and 2.8% respectively. The Group's share in electricity production in Russian increased to 14.7% as compared to 11.5% in the first half of 2019.

2Q key highlights:

- **40,263 GWh** - total electricity generation by RusHydro Group including Boguchanskaya hydropower plant (+26.5%)¹;
- **29,927 GWh** - electricity output from hydro and pumped storage plants excl. Boguchanskaya HPP (+34.0%)²;
- **6,019 GWh** – electricity output from thermal power plants (+4.2%)³;
- **110 GWh** – electricity output from alternative renewable energy facilities (-2.8%);
- **10,194 GWh** – total electricity output from power plants in the Far Eastern Federal District (+3.3%)³;
- **4,842 thousand Gcal/h** – heat output from thermal power plants in the Far Eastern Federal District (+5.4%);
- **4,073 GWh** – sales by Group's electricity retail companies (-5.9%).

1H key highlights:

- **77,742 GWh** - total electricity generation by RusHydro Group including Boguchanskaya hydropower plant (+23.6%)¹;
- **54,696 GWh** - electricity output from hydro and pumped storage plants excl. Boguchanskaya HPP (+32.0%)²;
- **13,976 GWh** – electricity output from thermal power plants (+0.5%)³;
- **226 GWh** – electricity output from alternative renewable energy facilities (+2.8%);
- **23,349 GWh** – total electricity output from power plants in the Far Eastern Federal District (+5.1%);
- **16,964 thousand Gcal/h** – heat output from thermal power plants in the Far Eastern Federal District (+1.9%)³;
- **9,446 GWh** – sales by Group's electricity retail companies (-4.8%).

Electricity generation by the plants of RusHydro Group, GWh²

	2Q'20	2Q'19	chg, %	1H'20	1H'19	chg, %
Center of Russia	16,386	11,177	46.6%	28,759	19,360	48.6%
South of Russia and North Caucasus	1,934	2,146	-9.9%	3,203	3,315	-3.4%
Siberia	7,541	5,024	50.1%	13,588	10,666	27.4%
Total for the price zones	25,861	18,347	41.0%	45,550	33,341	36.6%
Far East	3,567	3,403	4.8%	7,936	6,581	20.6%
RAO ES East ³	6,627	6,468	2.4%	15,413	15,639	-1.4%
TOTAL	36,056	28,219	27.8%	68,900	55,561	21.8%
incl. by HPPs, PSPPs ⁴	29,927	22,330	34.0%	54,696	41,430	32.0%

incl. by TPPs and other	6,019	5,776	4.2%	13,976	13,911	0.5%
Incl. by alt. renewables (geothermal, solar, wind)	110	113	-2.8%	226	220	2.8%
Boguchanskaya HPP	4,207	3,619	16.2%	8,843	7,360	20.2%

The underlying factors of the production change in January-June 2020 were:

- water inflows to the reservoirs of the Volga-Kama cascade, Siberia and the Far East above the normal level;
- increase of electricity consumption in the Far East by 4.9%;
- increase of heat output in the Far East driven by weather conditions.

Center of Russia

Due to early flooding season thaw period coming a month earlier than expected water inflow to Ribynskaya, Zhigulevskaya and Kamskaya HPPs was **at the all-time high historic level**. Inflows to other reservoirs of the Volga-Kama cascade was 1.5-6.4x the normal level. Total water inflow to the reservoirs of the Volga-Kama cascade reached 58.8 km³ (normal level - 23.5 km³).

In the second quarter of the year water inflow to the majority of reservoirs on the Volga River was 45-75% of the normal level. At the same time, water inflow to Shekskinskoye, Kuybishevskoye and Nizhnekamskoye reservoirs was at the normal level while inflows to the reservoir of Kamskaya HPP were 35% above the normal level. Total water inflow to the reservoirs of the Volga-Kama cascade in the second quarter was 144 km³ (normal level - 159 km³).

In July water inflows to the majority of reservoirs on the Volga and the Kama Rivers will be at the normal level. Water inflow to Uglichskoye and Cheboksarskoye reservoirs is expected 1.4-1.5x of the normal level. Total water inflow to the reservoirs of the Volga-Kama cascade in July is expected at 13.7-17.7 km³ (normal level - 14.5 km³). As of 15.07.2020, water storage at the reservoirs of the cascade was at the normal level.

Total electricity production by the hydropower plants of the Volga-Kama cascade and Zagorsksaya pumped storage in the second quarter of 2020 increased by 46.6% to 16,386 GWh as compared to the second quarter of 2019. In the first half of the year production amounted to 27,759 GWh (+48.6%) as compared to corresponding period of 2019.

South of Russia and North Caucasus

In the first half of the year, total water inflow to Chirkeyskaaya HPP on the Sulak River was slightly below the normal level. In July 2020, total water inflow is expected below the normal level.

In 2Q 2020, total electricity production by the hydropower plants in the South of Russia and North Caucasus decreased by 9.9% to 1,934 GWh as compared to the corresponding period last year, in the first half of the year – amounted to 3,227 GWh (-3.4%).

Siberia

Water inflows to the reservoirs of Siberia in the first quarter of 2020 were above the normal level by 30-35%. In the second quarter, water inflows were at the normal level.

In July 2020 water inflows to Sayano-Shushenskoye and Novosibirskoye reservoirs are expected at the normal level. As of 15.07.2020, water storage at the reservoirs was at the normal level.

Overall electricity production by the hydropower plants in Siberia increased by 50.1% in 2Q 2020 to 7,541 GWh, in the first half of the year – 13,588 GWh (+27.4%). Boguchanskaya HPP in 2Q 2020 produced 4,207 GWh an increase of 16.2% over the corresponding period last year, the first half of the year – 7,360 GWh (+20.2%).

Far East

In 1Q 2020 water inflows to Zeyskoye and Kolymskoe reservoirs were 65-85% above the normal level, in 2Q 2020 – 5-25% above the normal level. In July water inflows to Zeyskoye reservoir are expected 15-45% above the normal level, to Kolymskoye reservoir – at the normal level of.

Total electricity generated by hydropower plants in the Far East (not included in the RAO ES East subgroup) in 2Q 2020 increased by 4.8% to 3,567 GWh against the same period last year, in 1H 2020 – increased by 20.6% and amounted to 7,936 GWh.

Total electricity generated by RAO ES East subgroup in the second quarter of 2020 amounted to 6,627 GWh, an increase of 2.4% as compared to the second quarter of 2019. The main driver behind the production growth was growth of electricity consumption in the region by 4.1%. JSC Far Eastern Generating Company's (DGK) share of electricity generated was 69% or 4,593 GWh, an increase of 4.3% against the same period last year.

In first half of the year, total electricity generation by RAO ES East subgroup decreased by 1.4% to 15,413 GWh against the corresponding period of 2019. The decline in production came on the back of increase of hydropower output in UES of East.

Heat output by thermal plants of RAO ES East Subgroup in the second quarter of 2020 increased by 5.4% to 4,842 GCal as compared to the corresponding period of 2020. In the first half of the year heat output increased by 1.9% to 17,124 GCal due to lower air temperatures in the regions of presence of JSC DGK, PJSC Yakutskenergo, PJSC Magadanenergo and JSC Chukotenergo.

Heat output by thermal plants of RAO ES of the East Subgroup, '000 GCal

	2Q'20	2Q'19	chg, %	1H'20	1H'19	chg, %
JSC DGK incl.	3,074	2,843	8.1%	11,294	10,971	2.9%
Primorye power system	707	598	18.2%	2,382	2,202	8.2%
Khabarovsk power system	1,703	1,632	4.4%	6,502	6,465	0.6%
Amur power system	365	322	13.4%	1,346	1,252	7.6%
South Yakutsk power district	299	291	3.0%	1,063	1,052	1.0%
JSC RAO ES East (CHPP Vostochnaya)	166	161	3.4%	519	494	5.2%
PJSC Yakutskenergo	330	321	2.7%	1,398	1,377	1.5%
UES of East	3,570	3,325	7.4%	13,211	12,842	2.9%

Yakutsk power system incl.	165	171	-3.6%	680	702	-3.0%
JSC Sakhaenergo	12	12	-6.7%	40	46	-11.3%
JSC Teploenergoservice	153	159	-3.3%	640	656	-2.5%
Kamchatka power system incl.	442	449	-1.5%	1,203	1,236	-2.6%
PJSC Kamchatskenergo	434	434	0.0%	1,165	1,187	-1.9%
JSC KSEN	8	14	-45.9%	38	48	-20.6%
Magadan power system	249	241	3.2%	723	717	0.9%
Chukotka AO power system	91	89	2.2%	251	240	4.5%
Sakhalin power system	325	318	2.0%	895	911	-1.8%
Isolated power systems	1,272	1,268	0.3%	3,753	3,805	-1.4%
TOTAL	4,842	4,593	5.4%	16,964	16,647	1.9%

Electricity retail

Total electricity output by RusHydro Group's energy retail companies in 2Q 2020 decreased by 2.1% to 9,823 GWh as compared to 2Q 2019; in the first half of the year – decreased slightly by 0.1% to 23,362 GWh. The decrease came on the back of climate factor and suspension of operations amid lockdown measures related to the sanitary-epidemiologic situation driven by COVID-19 virus spread.

In the second quarter of 2020, total electricity output by RusHydro's retail companies, operating in Chuvashia, Ryazan and Krasnoyarsk regions, decreased by 5.9% and amounted to 4,073 GWh, in the first half of the year – decreased by 4.8% and amounted to 9,446 GWh.

Electricity output by PJSC DEK (energy retail company operating in the Primorskiy Krai, Khabarovskiy Krai, Amur region and Jewish Autonomous region, the main supplier of electricity to the population in the second non-price zone of the wholesale energy market) in the second quarter of 2020 slightly decreased by 0.3% and amounted to 4,448 GWh, in the first half of the year – increased by 1.3% to 11,023 GWh.

Total electricity output by RusHydro's companies located in the isolated energy systems in the Far East Federal District amounted to 1,302 GWh in 2Q 2020, an increase of 4.4% as compared to the same period last year, in the first half of the year – increased by 5.5% to 2,893 GWh.

Electricity output by RusHydro Group's retail companies, GWh

	2Q'20	2Q'19	chg, %	1H'20	1H'19	chg, %
PJSC Krasnoyarskenergosbyt	2,365	2,609	-9.4%	5,707	6,143	-7.1%
JSC Chuvash retail company	691	731	-5.5%	1,603	1,668	-3.9%
PJSC Ryazan retail company	555	557	-0.5%	1,203	1,255	-4.1%
JSC ESC RusHydro	463	430	7.7%	933	859	8.6%
Total	4,073	4,327	-5.9%	9,446	9,924	-4.8%
<i>PJSC DEK (for reference)</i>	<i>4,448</i>	<i>4,461</i>	<i>-0.3%</i>	<i>11,023</i>	<i>10,883</i>	<i>1.3%</i>
<i>Isolated energy systems (for reference)</i>	<i>1,302</i>	<i>1,247</i>	<i>4.4%</i>	<i>2,893</i>	<i>2,742</i>	<i>5.5%</i>
Total by Group	9,823	10,035	-2.1%	23,362	23,549	-0.1%

Water inflows forecast

According to the forecast of the Hydrometeorology Center of Russia, the following dynamics of water inflows to the major reservoirs is expected in the 3rd quarter of 2020:

- Total water inflows to reservoirs on Volga River are expected at the normal level;
- Inflows to the reservoirs on the rivers of Siberia and Southern Caucasus are expected to be at the normal level or slightly below it;
- In the Far East inflows to Zeyskoye and Kolymskoye reservoirs are expected to be at or slightly above the long-run average.

'The Boguchanskaya hydropower plant is part of the Boguchanskiy Energy and Metals Complex (BEMO), a 50/50 joint venture (JV) between RusHydro and UC RUSAL, and is not part of RusHydro Group. According to RusHydro's shareholding in the JV (50%), the results of the plant are reported in the official financial statements in "Share of results of associates and jointly controlled entities". Operations of the HPP have been put into the press-release for general reference.

² *excluding Armenia. On 11.03.2020 RusHydro has finalized divestment of its assets in Armenia to PJSC Hrazdan Power Company (HrazTES, Tashir Group).*

³ *excludes Primorskaya GRES which was sold to SUEK Group in June 2020.*

⁴ *Includes generation by HPPs of JSC RusHydro, Kolymskaya HPP and Viluiskie HPPs (RAO ES East Subgroup).*

About RusHydro

RusHydro Group is the leading producer of renewable energy in Russia. It is Russia's largest hydrogenerating company and the fourth in the world with over 400 generating facilities. The Group's total electricity generation capacity including Boguchanskaya HPP is 38.0 GW.

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