

RusHydro announces first quarter 2021 RAS results

April 28, 2021. 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, 2021.

Key highlights:

- EBITDA – RUB 23,665 mn (-3%);
- Reported net profit – RUB 13,498 mn (-6%);
- 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 1Q21, the surcharge totaled RUB 10,380 mn, in the 1Q20 – RUB 10,264 mn; Adjusted for the surcharge revenue and expenses (here and below in the text) were:
 - Revenue – RUB 35,981 mn (+4%);
 - Operating expenses – RUB 15,690 mn (+18%).

Despite the insignificant decrease in net profit and EBITDA as compared to record-high results of the prior year, 1Q EBITDA was 17% above the last five-year average, while net profit came in at the average of the last five years.

First quarter financial results only further supported sustainability of the company's business model – decrease in output was compensated by sport market price increase aided by growth of DPM payments.

Key financials for 1Q 2021 under RAS (in RUB mn), excluding surcharge

	1Q'21	1Q'20	chg
Revenue (adj. for surcharge)	35,981	34,653	+4%
Operating expenses (adj. for surcharge)	(15,690)	(13,275)	+18%
Administrative expenses	(1,466)	(1,409)	+4%
Sales profit	18,825	19,969	-6%
EBITDA**	23,665	24,358	-3%
Net profit	13,498	14,315	-6%

Revenue

In the first quarter of 2021, revenue increased by 4% or RUB 1,328 mn to RUB 35,981 mn as compared to the corresponding period last year on the back capacity sales from capacity supply (DPM) agreements aided by electricity and heat sales from Vladivostokskaya CHPP-2 from 01.01.2021.

Revenue breakdown (RUB mn)

	1Q'21	1Q'20	chg
Electricity sales	18,638	21,338	-13%
Capacity sales	16,529	13,189	+25%
Heat sales	755	57	+1,225%
Other sales	59	69	-14%
TOTAL	35,981	34,653	+4%

As of 01.01.2021, PJSC RusHydro carries out electricity and heat sales from Vladivostokskaya CHPP-2 following gaining the right for sales and tariff setting (intergroup asset structure).

Operating expenses

Operating expenses in the first quarter of 2021 increased by 18% to RUB 15,690 mn.

The main changes were observed in the following items:

- Repairs and maintenance of Vladivostokskaya CHPP-2 since January 2021 (increase of RUB 1,849 mn, including fuel cost of RUB 1,584 mn) with simultaneous increase in electricity and heat sales;
- Depreciation (increase of RUB 452 mn) due to increase of property plant and equipment on Vladivostokskaya CHPP-2 and Zaramagskaya HPP-1 following purchase of facilities' property in 2020 with simultaneous decrease in rent of Zaramagskaya HPP-1 of RUB 432 mn;
- Purchased electricity and capacity (increase of RUB 313 mn) due to sport market prices growth.

Operating expenses breakdown (in RUB mn)

	1Q'21	1Q'20	chg
Depreciation	4,748	4,296	+11%
Purchased electricity and capacity	2,401	2,088	+15%
Repairs and maintenance	2,326	477	+388%
Property tax	1,810	1,576	+15%
Labor expenses, taxes and contributions	1,249	1,278	-2%
Power system services	892	805	+11%
Water tax	553	604	-8%
Other third-party services	473	456	+4%
Security expenses	439	463	-5%
Insurance expenses	345	336	+3%
Rent	163	595	-73%
Other	291	301	-3%
TOTAL	15,690	13 275	+18%

Profit

Sales profit for the first quarter of 2021 decreased by 6% as compared to the same period last year and amounted to RUB 18,825 mn.

EBITDA in the first quarter of 2021 decreased by 3% to RUB 23,665 from RUB 24,358 in 1Q'20.

Net profit in the reporting period decreased by 6% to RUB 13,498 mn.

RusHydro's financial position as of March 31, 2021

The Company's total assets decreased by RUB 816 mn as of March 31, 2021, against the similar figure as of December 31, 2020, and amounted to RUB 1,107,184 mn. At the same time, the Company's equity increased by 2% to RUB 898,743 mn against RUB 885,312 mn as of the beginning of the reporting year.



As of March 31, 2021, total liabilities decreased by 6% or RUB 14,247 mn as compared to the similar figure as of December 31, 2020 and amounted to RUB 208,441 mn.

The Company's debt portfolio decreased by 15% as compared to the beginning of the reporting year and totaled RUB 119,422 mn. Long-term loans comprise 67% of the total portfolio.

** 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 2021 to the basic level of RUB 5.49 / kWh. According to the Resolution of the Russian Government No. 1614-r and No. 1615-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. 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's 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.*

*** EBITDA calculated as gross profit before depreciation.*

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

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

RusHydro Group will announce consolidated IQ'21 IFRS results on May 27, 2021.

About RusHydro

RusHydro Group is the leading producer of renewable energy in Russia. It is Russia's largest generating company and is the third hydropower company 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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