

RusHydro announces 1H 2021 RAS results

July 28, 2021. Moscow, Russia. PJSC RusHydro (MOEX, LSE: HYDR; OTCQX: RSHYY) announces non-consolidated financial results under Russian accounting standards (RAS) for the six months ended June 30, 2021.

Key highlights:

- EBITDA – RUB 49,811 mn (+1%);
- Reported net profit – RUB 29,662 mn (-0.7%);
- 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 expenses¹. In 1H21, the surcharge totaled RUB 20,759 mn, in the 1H20 – RUB 20,529 mn; Adjusted for the surcharge revenue and expenses (here and below in the text) were:
 - Revenue – RUB 75,141 mn (+7%);
 - Operating expenses – RUB 31,705 mn (+19%).

EBITDA reset the historic result of the corresponding period last year following spot market price growth, increase of DPM payments and improvement of operational efficiency while net income stood at last year's record-high.

Key financials for 2Q and 1H 2021 under RAS (in RUB mn), excluding surcharge

	1H'21	1H'20	chg	2Q'21	2Q'20	chg
Revenue (adj. for surcharge)	75,141	70,509	+7%	39,160	35,856	+9%
Operating expenses (adj. for surcharge)	(31,705)	(26,715)	+19%	(16,015)	(13,440)	+19%
Administrative expenses	(3,353)	(3,033)	+11%	(1,887)	(1,624)	+16%
Sales profit	40,083	40,761	-2%	21,258	20,792	+2%
EBITDA ²	49,811	49,537	1%	26,146	25,179	+4%
Net profit	29,662	29,870	-0.7%	16,164	15,555	+4%

Revenue

In the first half of 2021, revenue increased by 7% or RUB 4,632 mn as compared to the corresponding period last year on the back capacity sales from facilities commissioned in 2020 aided by electricity and heat sales from Vladivostokskaya CHPP-2 from 01.01.2021.

Revenue breakdown (RUB mn)

	1H'21	1H'20	chg	2Q'21	2Q'20	chg
Electricity sales	43,932	44,559	-1%	25,294	23,221	+9%
Capacity sales	29,951	25,716	+16%	13,422	12,527	+7%
Heat sales	1,110	80	+1,288%	355	23	+1,443%
Other sales	148	154	-4%	89	85	+5%
TOTAL	75,141	70,509	+7%	39,160	35,856	+9%

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 half of 2021 increased by 19% as compared to the corresponding period of last year to RUB 31,705 mn.

The main changes were observed in the following items:

- Purchase of Vladivostokskaya CHPP-2 (increase of RUB 3, 541 mn, including depreciation of RUB 159 mn, property tax of RUB 38 mn, maintenance of RUB 695 mn and fuel cost of RUB 2,627 mn) with simultaneous increase in electricity and heat sales;
- Depreciation (increase of RUB 671 mn) following purchase of Zaramagskaya HPP-1 with simultaneous decrease in rent of RUB 968 mn;
- Purchased electricity and capacity (increase of RUB 795 mn) following sport market prices growth.

Operating expenses breakdown (in RUB mn)

	1H'21	1H'20	chg	2Q'21	2Q'20	chg
Depreciation	9,537	8,588	+11%	4,789	4,292	+12%
Repairs and maintenance	4,645	1,137	+309%	2,319	660	+251%
<i>(incl. fuel cost)</i>	2,627	-	-	1,043	-	-
Purchased electricity and capacity	4,393	3,598	+22%	1,992	1,510	+32%
Property tax	3,623	3,154	+15%	1,813	1,578	+15%
Labor expenses, taxes and contributions	2,691	2,764	-3%	1,442	1,486	-3%
Power system services	1,800	1,621	+11%	908	816	+11%
Water tax	1,430	1,360	+5%	877	756	+16%
Other third-party services	947	906	+5%	474	450	+5%
Security expenses	878	904	-3%	439	441	-0.5%
Insurance expenses	707	670	+6%	362	334	+8%
Rent	379	1,347	-72%	216	752	-71%
Other	675	666	+1%	384	365	+5%
TOTAL	31,705	26,715	+19%	16,015	13,440	+19%

Profit

Sales profit for the first half of 2021 decreased by 2% as compared to the same period last year and amounted to RUB 40,083 mn.

EBITDA increased by 1% to RUB 49,537 from RUB 49,811 in 1H'20.

Net profit in the reporting period came in at RUB 29,662 mn, an insignificant decrease (by less than 1%) as compared to the first half of 2020.

RusHydro's financial position as of June 30, 2021

The Company's total assets increased by RUB 12,474 mn as of June 30, 2021, against the similar figure as of December 31, 2020, and amounted to RUB 1,120,474 mn. At the same time, the Company's equity increased by 1% to RUB 891,604 mn against RUB 885,312 mn as of the beginning of the reporting year.



As of June 30, 2021, total liabilities increased by 3% or RUB 6,182 mn as compared to the similar figure as of December 31, 2020 and amounted to RUB 228,870 mn for the most part following the decision on dividend distribution (RUB 23 bn) at the shareholders' meeting.

The Company's debt portfolio decreased by 15% as compared to the beginning of the reporting year and totaled RUB 118,568 mn. Long-term loans comprise 68% of the total portfolio.

The full financial statements are available on the Company's website at:
<http://www.eng.rushydro.ru/investors/reports>

RusHydro Group will announce consolidated 2Q and 1H'21 IFRS results on August 26, 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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¹ 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..

² EBITDA calculated as gross profit before depreciation.