



RusHydro announces 1Q 2021 IFRS results

May 27, 2021. Moscow, Russia. RusHydro Group (hereinafter referred to as the “Group”, ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces its condensed consolidated interim unaudited financial information prepared in accordance with International Financial Reporting Standards (IFRS) for the 1st quarter of 2021. **The company has managed to deliver solid financial results – net income for the first quarter of 2021 came in 2% above the average of the corresponding period for the last 5 years notwithstanding last year’s record-high results.**

Key highlights for 1Q 2021:

- **RUB 123,831 mn** – total revenue (+5.2% y-o-y)
- **RUB 34,907 mn** – EBITDA (-4.7% y-o-y)
- **28.2%** - EBITDA margin (-2.9 p.p. y-o-y, +0.2 p.p. as compared to 2020)
- **3.1% decrease** in manageable cash cost* growth y-o-y
- **RUB 20,429 mn** – net profit (-21.1% y-o-y)
- **0.84x** – net debt**/EBITDA (0.99x in 2020)

1Q 2021/2020 highlights (in RUB mn)

	1Q/21	1Q/20	chg.
Revenue	123,831	117,684	5.2%
Operating expenses	96,755	88,302	9.6%
Other operating profit	411	303	35.6%
Operating profit***	27,487	29,685	-7.4%
EBITDA****	34,907	36,613	-4.7%
Net profit	20,429	25,908	-21.1%

Operating results

In 1Q 2021, electricity generation by RusHydro Group amounted to 28,496 GWh (-13.2%), including Boguchanskaya hydropower plant***** – 33,583 GWh (-10.4%).

Main factors affecting production were return of water inflows to main reservoirs of the hydropower plants of the Volga-Kama cascade, Siberia and the Far East to the normal level; increase of electricity consumption in the Far Eastern Federal District by 6.1% and increase of heat output in the Far East as a result of climate factor.

Detailed review of operational results is available at the Company’s official website at:

http://www.eng.rushydro.ru/investors/IR_news/113221.html

Key events since January 2021

- The Board of Directors appointed Victor Khmarin as Chairman of the Management Board, General Director of the Company
- The Board of Directors appointed Roman Berdnikov and Nikolay Karpukhin to the company’s Management Board. Simultaneously, the Board terminated the powers of Sergei Vasilyev, Andrey Kazachenkov and Bayrta Perveyeva and reduced the composition of RusHydro’s Management Board to 5 members

- PJSC RusHydro and PJSC Polyus have signed a bilateral power purchase agreement for clean electricity produced by Sayano-Shushenskaya HPP

Revenue

Revenue breakdown in 1Q 2021/2020 (in RUB mn)

	1Q/21	1Q/20	chg.
Electricity sales	77,248	76,008	1.6%
<i>Incl. Far East surcharge *****</i>	8,155	7,555	7.9%
Heat and hot water sales	18,393	17,010	8.1%
Capacity sales	17,828	14,081	26.6%
Other sales	6,148	6,670	-7.8%
Other government grants	4,214	3,915	7.6%
Total revenue	123,831	117,684	5.2%

In 1Q 2021, total revenue of the Group increased by 5.2% to RUB 123,831 mn as compared to 1Q 2020. The change is associated with the following key factors:

- increase of RUB 3,747 mn on the back of sales volume growth under capacity supply agreements (DPM) following commissioning of Zaramagskaya HPP-1, Verkhnebalkarskaya, Ust-Dzhegutinskaya and Barsuchkovskaya small HPPs
- decrease of RUB 3,896 mn following lower hydropower electricity output
- increase of RUB 3,375 mn in Supply companies segment following mainly at PJSC DEK on the back of increase in output
- increase of RUB 1,778 mn on the back of tariff, electricity sales volume growth and subsidies at Far East energy companies segment⁵
- increase of RUB 1,383 mn from heat and hot water sales following tariff and production volume growth

Operating expenses

Operating expenses in 1Q 2021/2020 (in RUB mn)

	1Q/21	1Q/20	chg.
Fuel expenses	24,303	22,709	7.0%
Employee benefit expenses	19,879	19,618	1.3%
Third parties expenses and other *****	19,461	19,241	1.1%
Purchased electricity and capacity	18,809	13,407	40.3%
Depreciation	7,710	7,027	9.7%
Taxes other than on income	3,444	3,280	5.0%
Other materials	1,946	1,779	9.4%
Water usage expenses	1,203	1,241	-3.1%
TOTAL	96,755	88,302	9.6%

Total operating expenses in 1Q 2021 as compared to the same period last year increased by 9.6% to RUB 96,755 mn due to the following factors:

- increase in purchased electricity and capacity by RUB 5,402 mn mainly in Retail segment by PJSC DEK following increase of purchased electricity

- increase in fuel expenses by RUB 1,594 mn mainly in JSC DGK following increase in the purchase price of natural gas and coal and commissioning of CHPP in Sovetskaya Gavan
- increase in depreciation expense by RUB 683 mn following commissioning of new facilities as well as modernization at PJSC RusHydro's facilities

Profit

In the first quarter of 2021, the Group's net profit decreased by 21.1% to RUB 20,429 mn following absence of significant revaluations of the forward contract on the company's shares, which was accounted for in 1Q 2020.

In the same period, EBITDA decreased by 4.7% to RUB 34,907 mn.

Key indicators of financial position

As of March 31, 2021, the Group's assets increased by RUB 3,563 mn or 0.4% to RUB 945,598 mn against December 31, 2020 following increase in accounts receivable and property, plant & equipment (implementation of the Group's investment program).

As at the end of the reporting period, the Group's liabilities decreased by RUB 16,857 mn or 5.1% to RUB 316,238 mn as compared to December 31, 2020 following decrease in borrowings.

Events after the reporting date

- JSC Chukotnergo, a subsidiary of PJSC RusHydro has completed of conversion of Anadyrskaya CHPP from coal to natural gas, significantly reducing the impact on the environment and improving the company's ESG profile

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

** Includes employee benefit expenses, fuel expenses, third parties expenses, other materials and other costs.*

*** Total net debt at the end of reporting period is calculated as the difference between financial debt and cash & cash equivalents (including bank deposits maturing in one year). Financial debt includes current debt, non-current debt (excluding interest payable), non-deliverable forward contract and cross-currency and interest rate swap.*

**** Operating profit is calculated as the difference between revenue, other operating profit and operating expenses.*

***** EBITDA is calculated as operating profit/loss excluding depreciation of property, plant and equipment, amortization of intangible assets, impairment of property, plant and equipment, impairment of financial assets, profit / loss on disposal of property, plant and equipment and other non-cash items of operating income and expenses.*

****** The Boguchanskaya hydropower plant is part of the Boguchanskiy Energy and Metals Complex (BEMO), a 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.*

****** 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 of RUB 4.00 / kWh, from 1 January 2018 to RUB 4.30 / kWh, from 1 January 2019 to RUB 4.69 / kWh, from 1 January 2020 to RUB 5 / kWh, from 1 January 2021 to RUB 5.49 / 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.

****** includes grid company services and technical connections to grids.*

About RusHydro

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

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The information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of RusHydro. One can identify forward-looking statements by terms such as "expect," "believe," "anticipate," "plan", "aim", "target", "forecast", "project", "should", "estimate," "intend," "will," "could," "may" or "might," the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially from these statements.

We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic and political conditions, our competitive environment, risks associated with operating in Russia and rapid technological and market changes in our industries, as well as many other risks specifically related to RusHydro and its operations.