

MOSENERGO

2020FY IFRS Results

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External Events:

1. Decreasing weighted average electricity price by 4.9% in the reporting period year-on-year.
2. Warmer weather during 2020 heating season vs. 2019 heating season caused heat output lower by 1.5%.
3. Nuclear and hydro stations output increase for 2020 year-on-year.
4. Lower consumption in Central energy system by 0.8%, and by 1.4% in Moscow and Moscow Region energy systems.¹

Internal Events:

1. Fuel rate on electricity decreased by 1.7% (down to 224.1 g/kWh) resulting from changes in equipment load regime.
2. Turn up (peak mode) package implemented for gas turbine at CHP-16 CCGT unit, in order to increase the unit's payable capacity.
3. Increased payments period started for capacity supply since January 1, 2020 for two CSA units: CHP-16 (420 MW) and CHP-12 (220 MW). This factor caused weighted average price increase for the new capacity in 2020 by 10.1% year-on-year.

¹ System operator data

**Operational Activity**

1. Heating season 2020/2021 certificate of readiness obtained.

**Credit Profile Enhancement**

1. Partial prescheduled repayment of 7.6 bn RUR of the only Company's credit of 22.7 bn RUR (Gazprombank).
2. Mosenergo approved a bond program for 15.1 bn RUR in order to refinance the rest of the Gazprombank credit.
3. The highest ACRA credit rating obtained (AAA, stable).

**Sustainable Development Activity**

1. Ecologic management system certification of conformance to ISO 14001:2015 standard.
2. Gazprom Energoholding Sustainability Report for 2018-2019 was made public.
3. Mosenergo was the second in WWF Russia's Ecologic Transparency Rating.

Financial Highlights, mn RUR

Parameter	4Q 2019	4Q 2020	Change	2019	2020	Change
Revenue (electricity and heat)	47,149	49,345	+4.7%	156,037	146,385	-6.2%
Variable Costs	(37,144)	(39,603)	+6.6%	(126,348)	(121,011)	-4.2%
Marginal profit	10,005	9,742	-2.6%	29,689	25,374	-14.5%
Revenue (capacity)	8,342	8,758	+5.0%	31,206	32,199	+3.2%
Revenue (other)	908	697	-23.2%	2,534	2,324	-8.3%
Fixed Costs ¹	(7,997)	(7,584)	-5.2%	(25,831)	(26,286)	+1.8%
EBITDA²	(1,638)	9,208	-	24,587	30,472	+23.9%
EBITDA (according to Mosenergo reporting)³	6,756	10,952	+62.1%	32,981	32,125	-2.6%
EBITDA, adj.⁴	11,258	11,613	+3.2%	37,598	33,611	-10.6%
Depreciation and Amortization	(4,423)	(5,671)	+28.2%	(17,974)	(22,874)	+27.3%
Operating Profit	(6,061)	3,537	-	6,613	7,598	+14.9%
Profit for the Period	(3,025)	2,701	-	9,599	8,045	-16.2%
Free Cash Flow				(17,516)	12,539	-

Operational Highlights⁵

Parameter	4Q 2019	4Q 2020	Change	2019	2020	Change
Electricity Output, mn kWh	16,457	15,689	-4.7%	60,110	54,434	-9.4%
Electricity Sales, mn kWh	16,996	16,259	-4.3%	62,096	56,441	-9.1%
Heat Output, th.Gcal	25,556	27,976	+9.5%	75,366	74,252	-1.5%
Fuel Rate on Electricity, g/kWh	203.5	207.0	+1.7%	228.0	224.1	-1.7%
Fuel Rate on Heat, kg/Gcal	162.4	162.1	-0.2%	163.3	163.3	0.0%

¹ Excluding Depreciation and Amortization

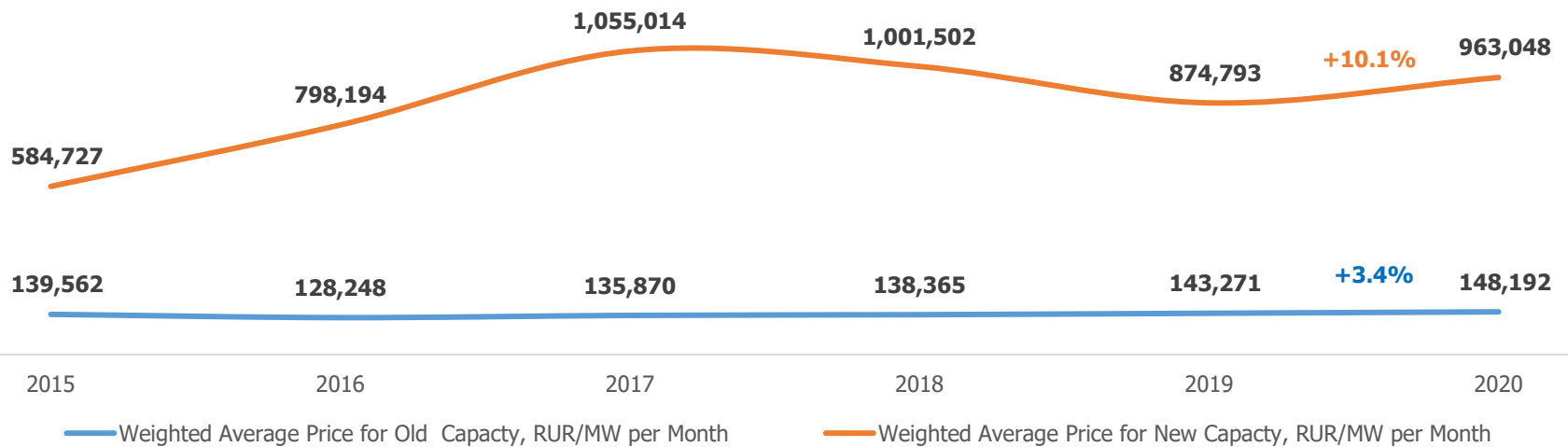
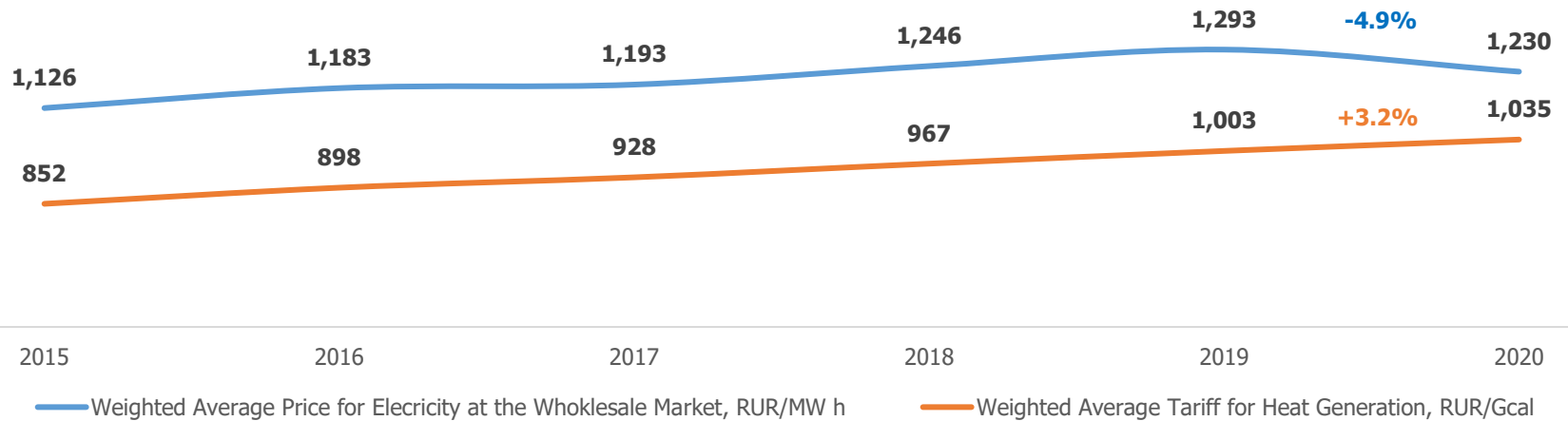
² EBITDA = Operating Profit + Depreciation and Amortization

³ EBITDA = Operating Profit + Depreciation and Amortization + Impairment loss (reserve) for non-financial assets - Income from reversal of impairment loss (reserve) for non-financial assets + Income from reversal of impairment loss (reserve) for advance payments - Impairment loss (reserve) for advance payments.

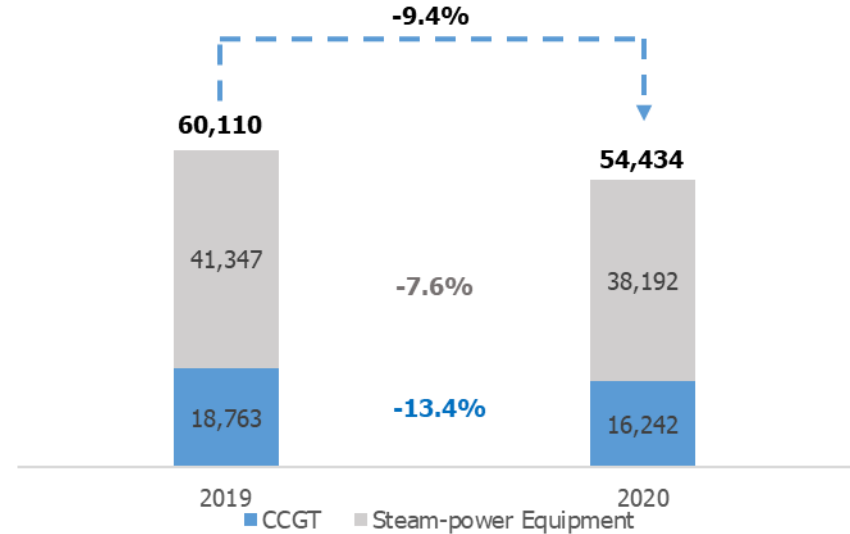
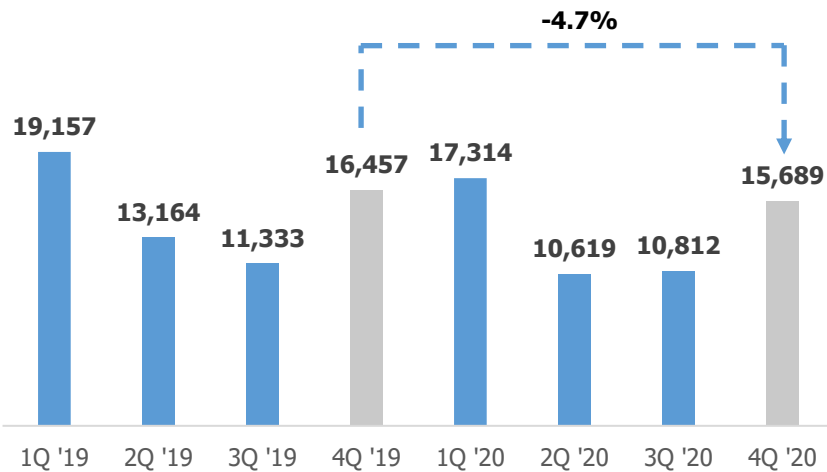
⁴ EBITDA = Marginal profit + Revenue (capacity) + Revenue (other) - Fixed Cost, excluding Depreciation and Amortization. Adjusted to assets impairment reserve and other reserves.

⁵ Management report data.

Prices and Tariffs¹

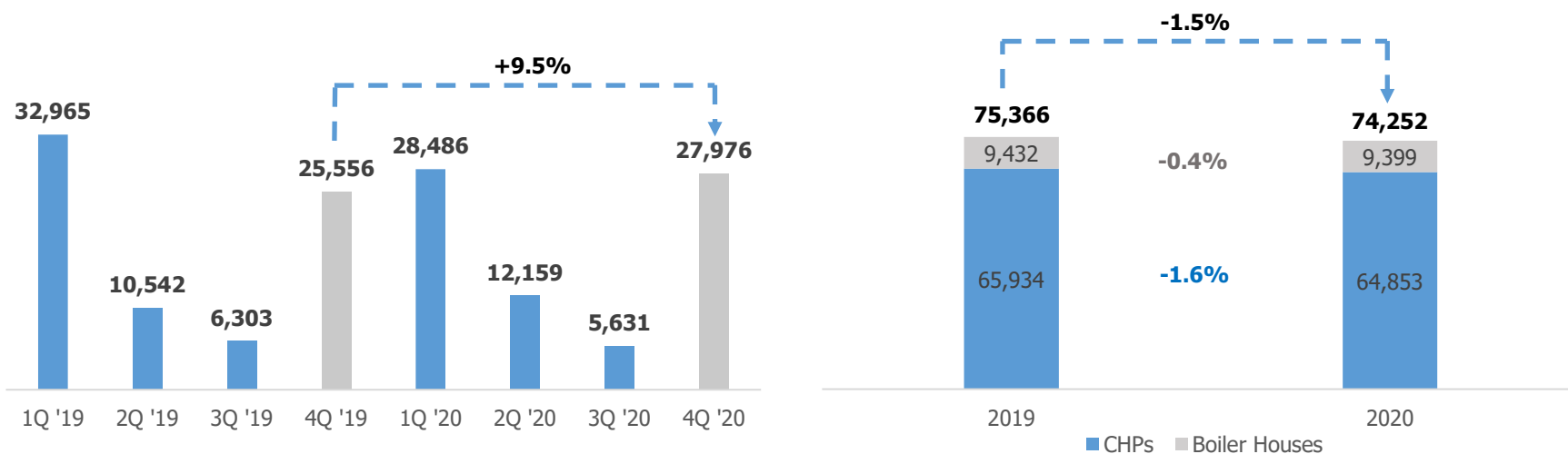


¹ RAS Data



2020 electricity production factors:

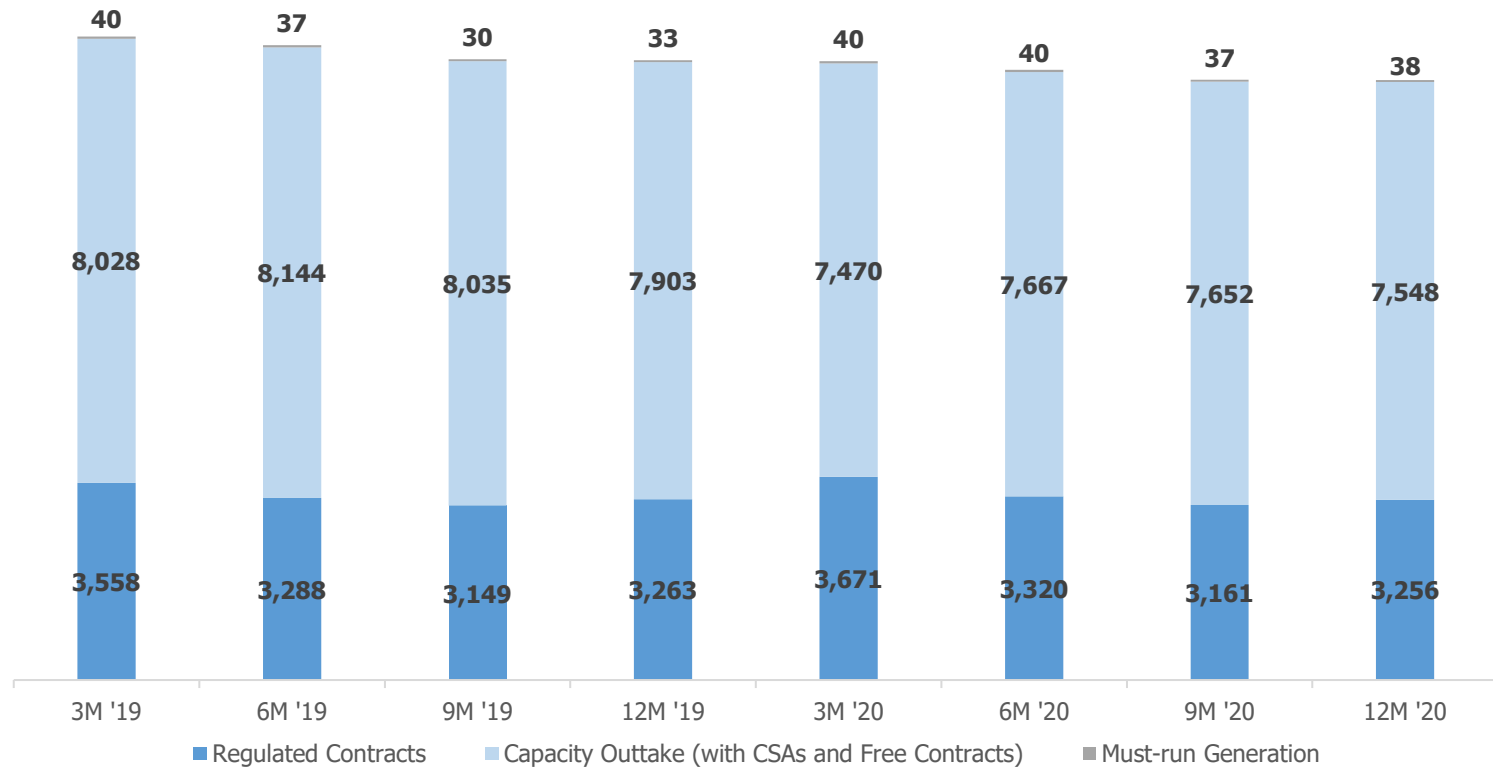
- lower consumption in Central energy system in 2020 year-on-year;
- higher air temperature (average air temperature in the heating period of 2020 amounted to +2.7 °C (vs. +2.1 °C in the heating period of 2019));
- COVID-19 related constraints.

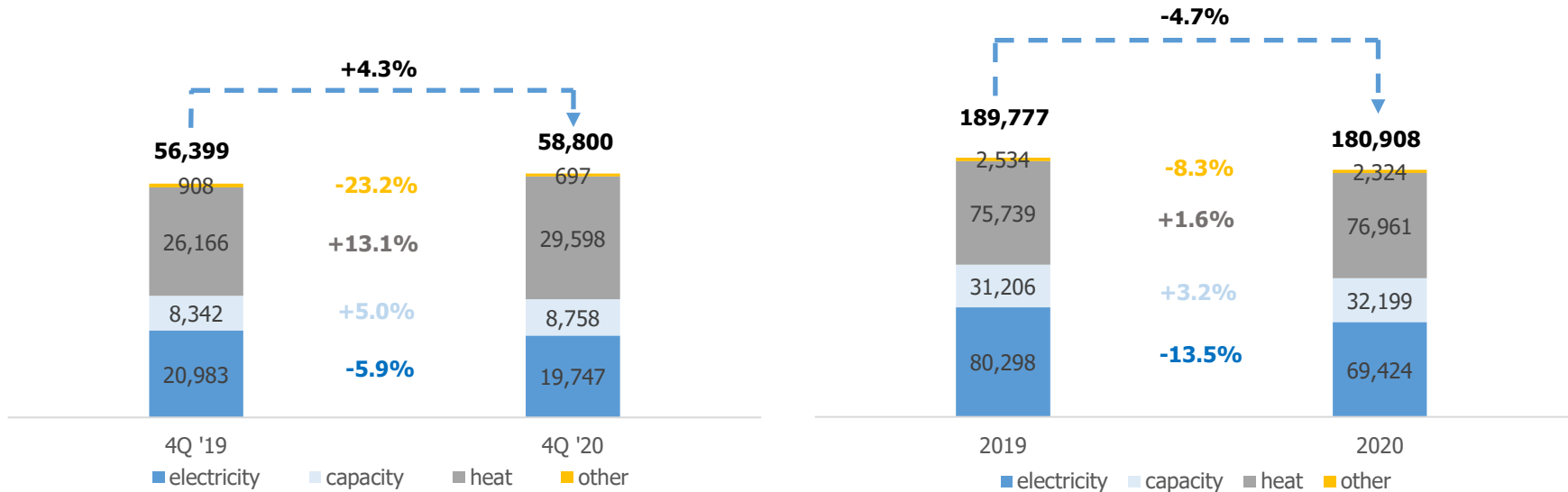


2020 heat production factors:

- colder weather in December 2020 year-on-year (-4.4°C and +0.8°C, correspondingly) influenced favorably the heat production in 4Q 2020;
- higher air temperature in 2020 – average air temperature in the heating period of 2020 amounted to +2.7°C .

Capacity Sales, MW





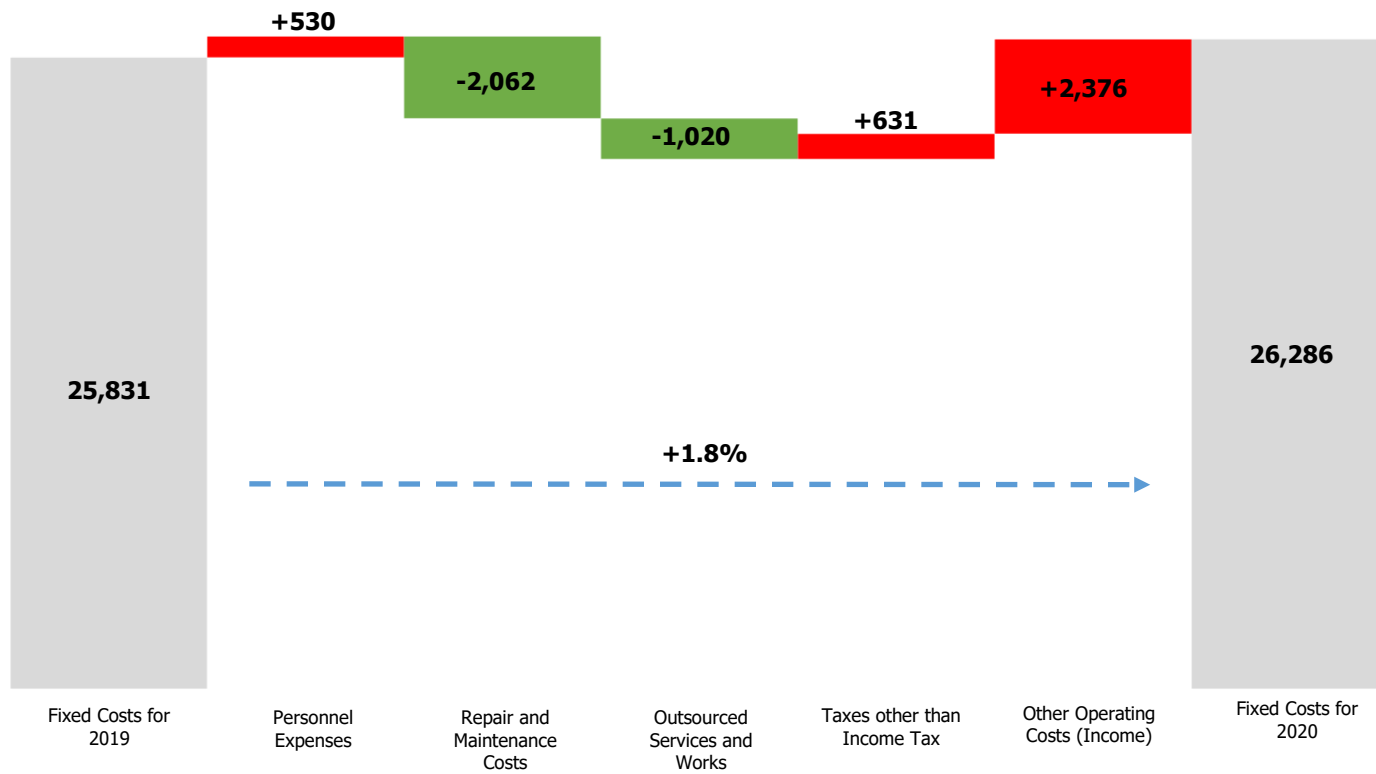
4Q 2020 revenue factors:

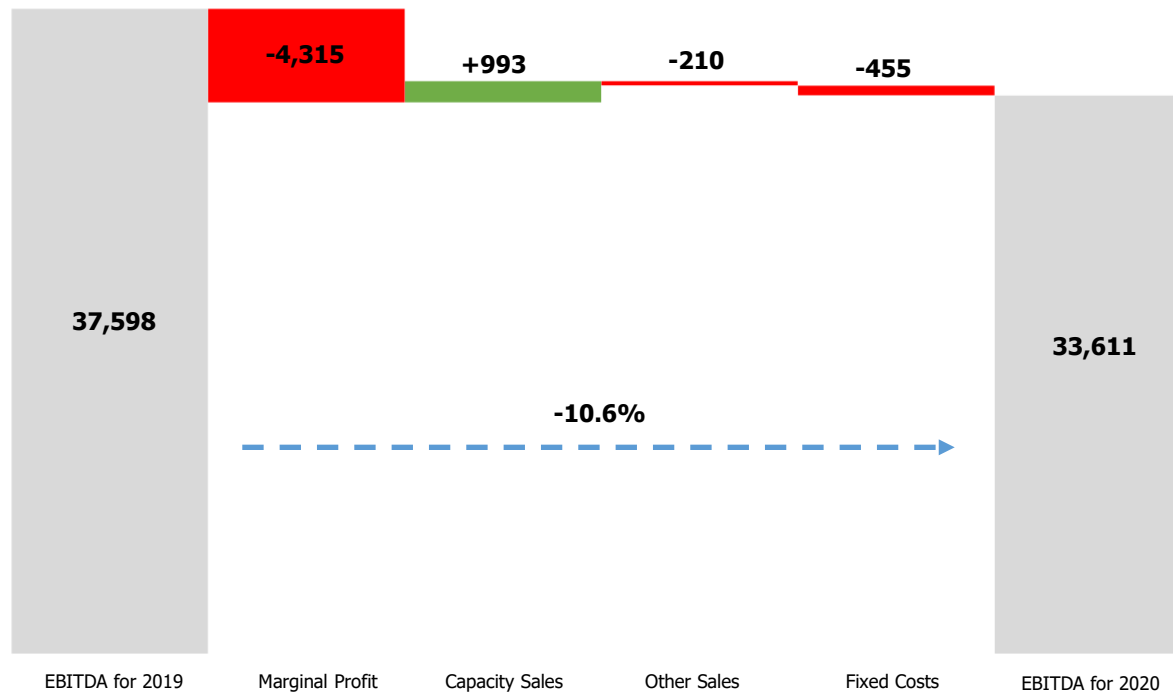
- heat output increase by 9.5%;
- electricity output decrease by 4.7%, resulting from lower electricity demand on the back of COVID-19 related constraints.

2020 revenue factors:

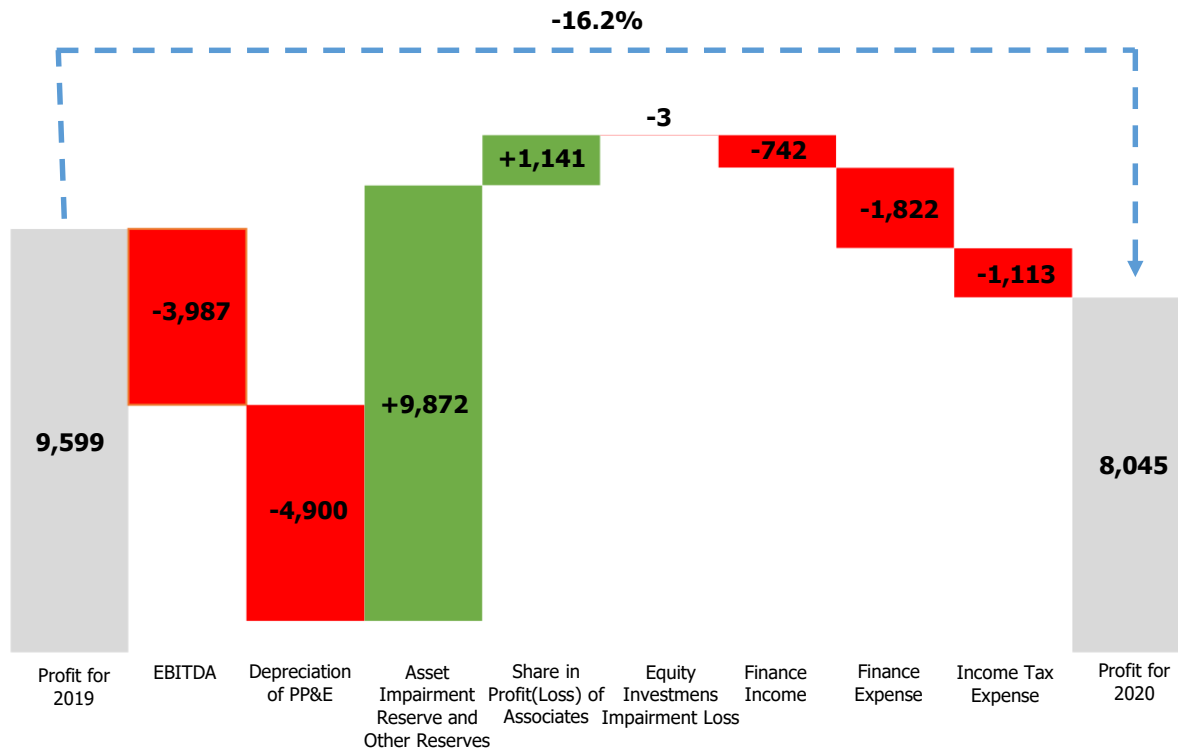
- electricity output decrease by 9.4%;
- heat output decrease by 1.5% on the account of warmer weather in the heating period of 2020.

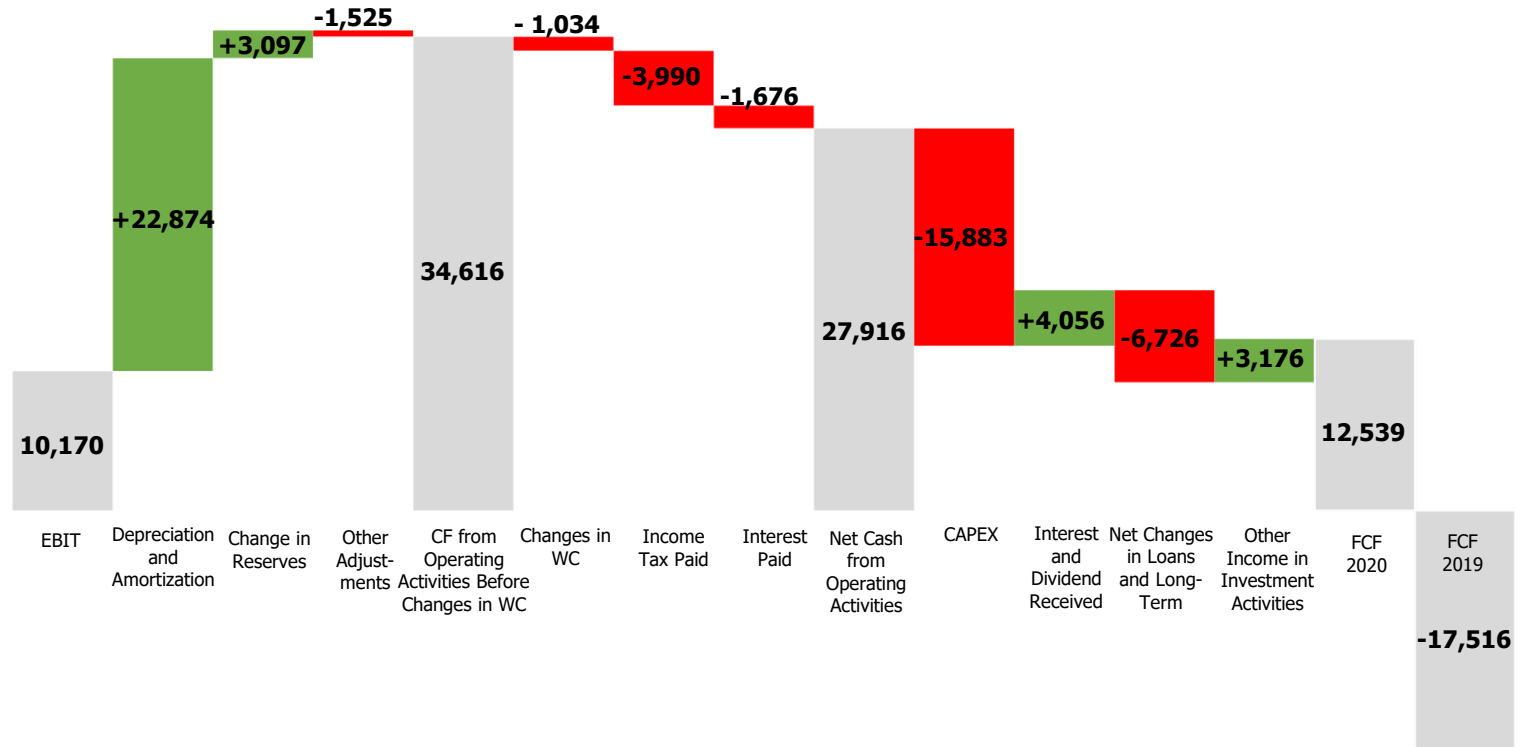
Fixed Costs, mn RUR



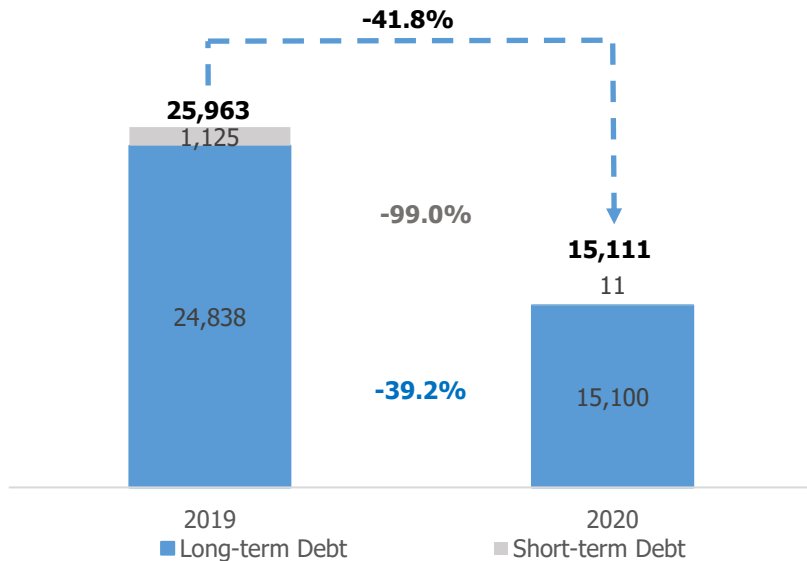


¹ EBITDA was adjusted to assets impairment reserve and other reserves.

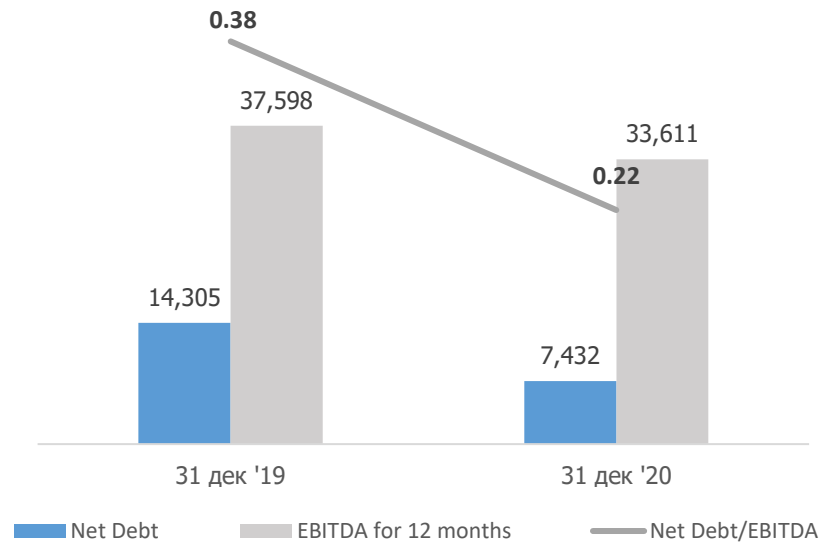
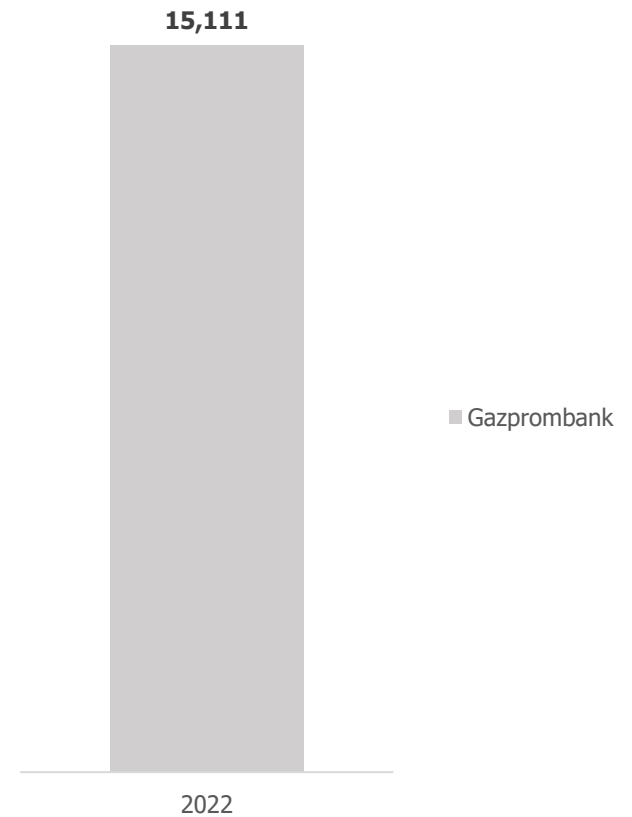




Debt, mn RUR



Maturity Profile as of December 31, 2020, mn RUR (carrying amount)





Governmental decree #43 of January 25, 2019 “About Modernization of Thermal Electricity Generating Facilities” issued

- Transfer to long-term competitive power outtake, with capacity supply in 5 years from the outtake date.
- Price parameters of competitive power outtake (points at demand curve) indexation: +15% for 2022-2023, +20% for 2024-2025.
- Competitive outtake of thermal power plants modernization projects. Capacity payments for the chosen projects provide for payback of investments with return on capital.



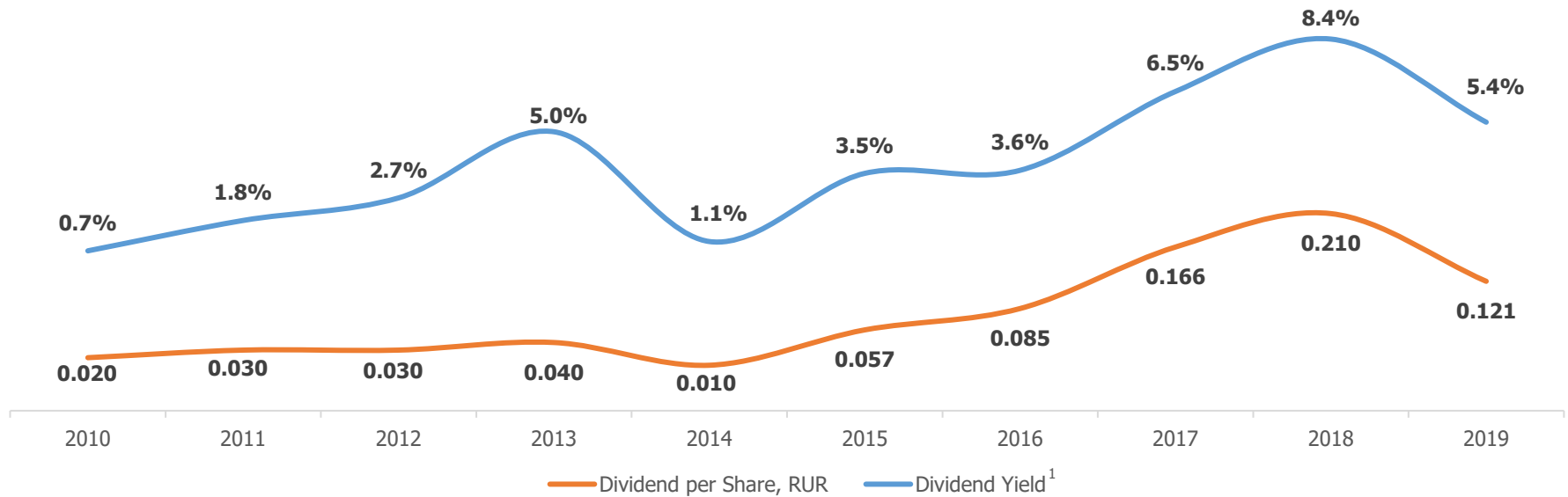
Operational Effectiveness Growth

- Modernization of turbine 295 MW at CHP-22 (unit 9) finalized.
- Realization of a program in order to upgrade primary technical and economic parameters and fuel rate.
- Inefficient capacity decommissioning program finalized: electricity generating capacity at CHP-17 and GRES-3; 90 atm units at CHP-20 and CHP-16.
- Optimization and automatization of chemical water treatment at the most water-consuming stations: CHP-21, CHP-23 and CHP-25.
- Activity going on, aimed at service interval and service life increase of CCGT gas turbines, payable capacity increase.
- Termination of coal usage at CHP-22.



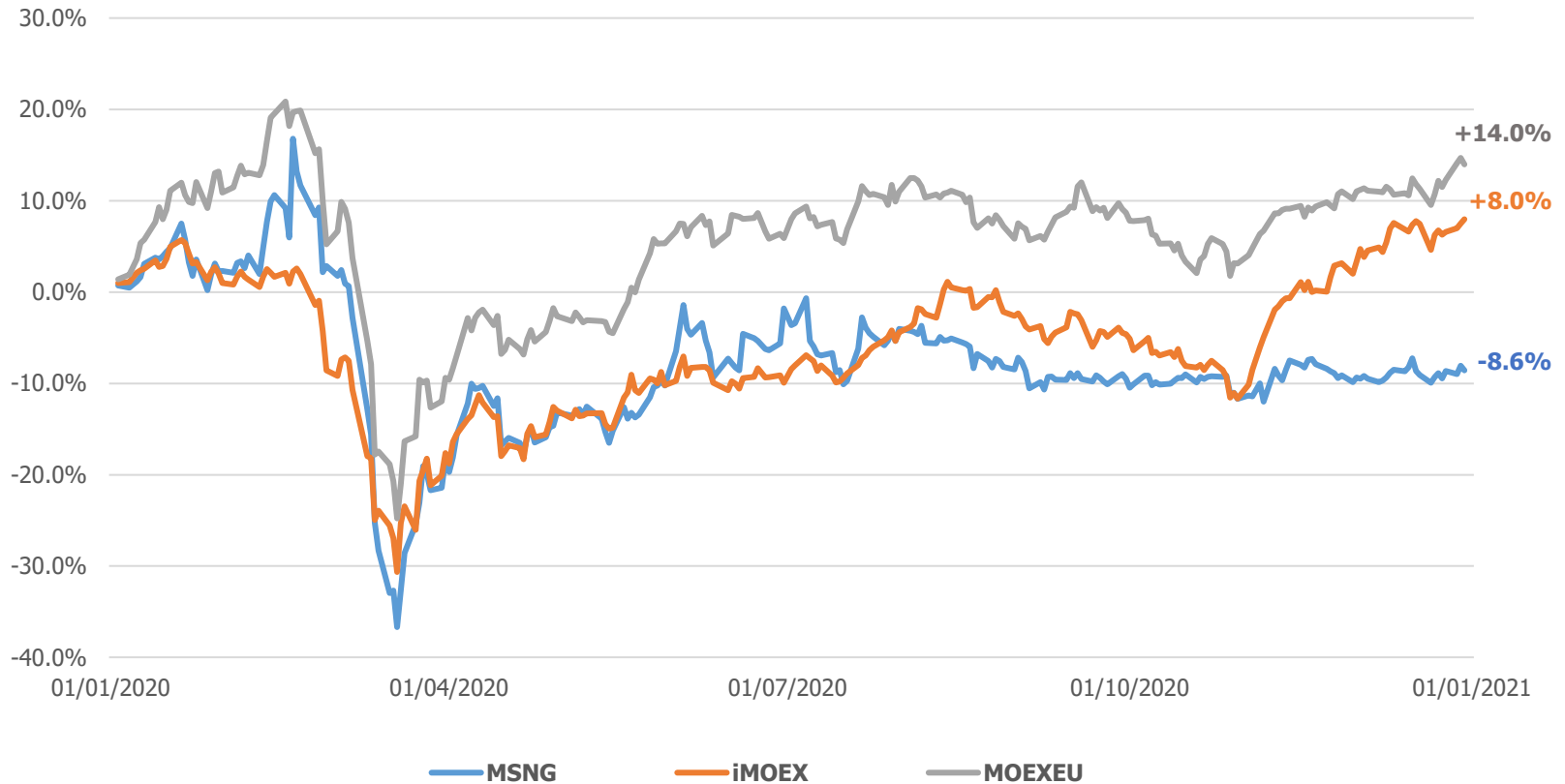
Business Expansion

- Positive effects of MOEK boiler houses switch to Mosenergo sources within Old Moscow borders.
- Actions in order to boost heat sales on the account of new territories, perspective real estate development areas connection.

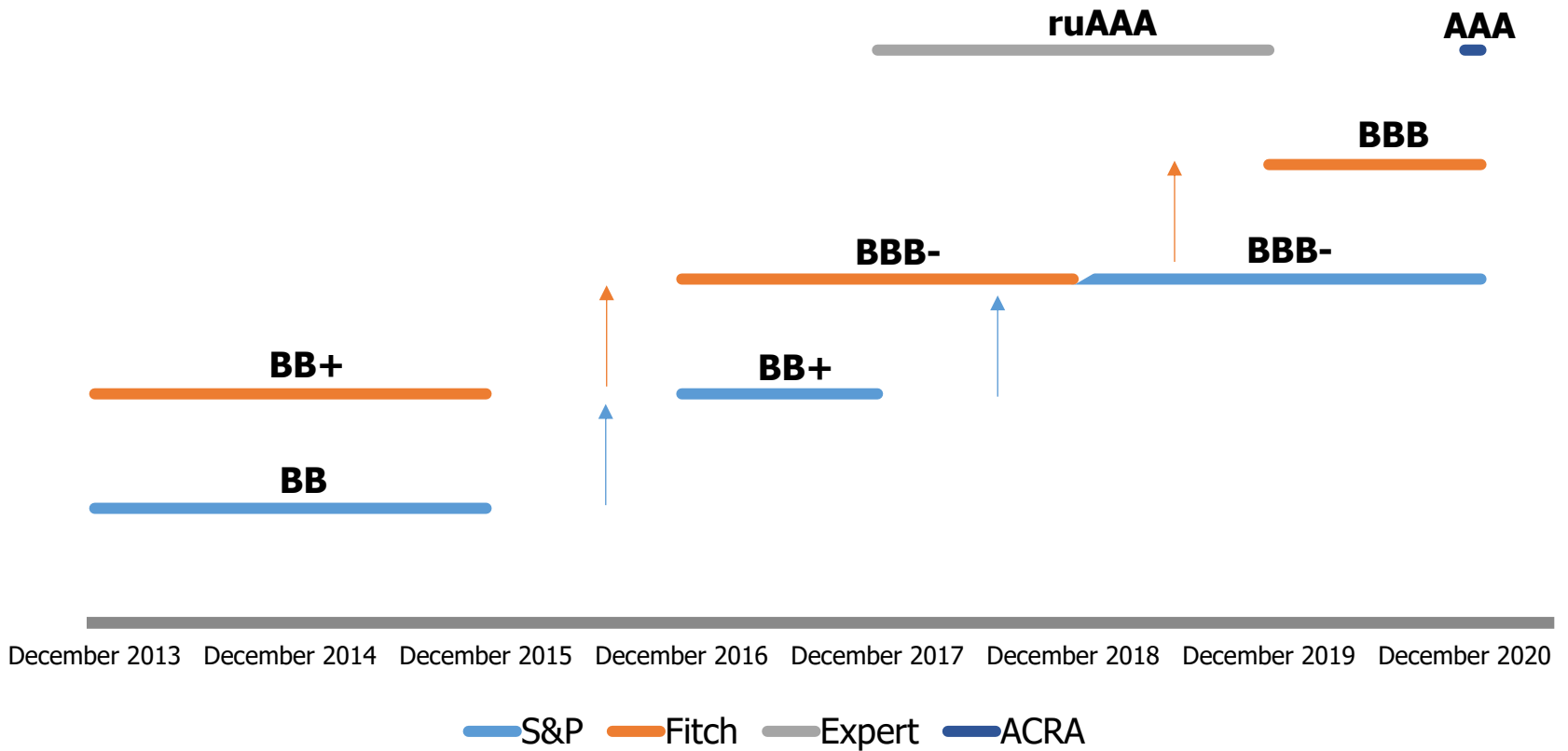


- Over the last 25 years Mosenergo didn't pay dividends only twice: in 2007 and 2008, it was the peak of financing of the first large-scale group of CSA units construction of 1.3 GW;
- Dividend yield during the final period of the CSA-program realization was higher than average over the last 10 years (3.9%).

¹ Calculated based upon the stock closing price as of record date, with consideration of change in settlement regime change to T+2 since September 2013.



- Mosenergo stock underperformed Moscow Exchange Utilities Index in 2020 by over 20%, while the Company business did not undergo any significant changes and remained financially stable .



¹ as of the stated month

THANK YOU FOR YOUR ATTENTION!

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