

MOSENERGO

6M 2021 IFRS Results

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External Events:

1. Weighted average electricity price increasing by 13.1% in the reporting period year-on-year.
2. Lower air temperature year-on-year in 1H 2021 heating season, resulting in 25% heat output growth.
3. Nuclear stations output increase and hydro stations marginal output decrease in 1H 2021 year-on-year¹.
4. Growing consumption in Central energy system by 7.2%, and by 9.1% in Moscow Region energy system.¹

Internal Events:

1. Increased payments period started for capacity supply since December 1, 2020 for one CSA unit – CHP-20 (420 MW).
2. CHP-26 (420 MW) CSA unit transferred to competitive capacity outtake since December 31, 2020.

¹ System operator data

**Production**

1. International Certification Center AFNOR Certification (France) confirmed Mosenergo Energy Management System compliance with ISO 50001:2018 Standard.

**Investment Case**

1. Standard&Poor's rating agency confirmed "BBB- / Stable" credit rating for Mosenergo.
2. Mosenergo Annual General Shareholders Meeting approved the dividends amount for the Company ordinary shares for 2020FY of 0.17945 rubles per share vs. 0.12075 rubles per share for 2019FY.

**Sustainable Development**

1. Mosenergo and Moscow energy system museum became one of the winners of the 3-rd Russian contest "Corporate Museum" and was awarded 2-nd grade diploma in "The Best educational Projects of Educational Museums" category, as well as an award for historic heritage conservation.
2. Mosenergo won the first "Gazprom Energoholding" LLC labor safety specialists contest.

Financial Highlights, mn RUR

Parameter	2Q 2020	2Q 2021	Change	6M 2020	6M 2021	Change
Revenue (electricity and heat)	25,187	31,417	+24.7%	75,751	99,753	+31.7%
Variable Costs	(21,467)	(26,886)	+25.2%	(60,963)	(80,200)	+31.6%
Marginal profit	3,720	4,531	+21.8%	14,788	19,553	+32.2%
Revenue (capacity)	7,427	7,641	+2.9%	16,129	16,691	+3.5%
Revenue (other)	539	562	+4.3%	1,072	1,208	+12.7%
Fixed Costs ¹	(6,194)	(6,787)	+9.6%	(12,459)	(12,902)	+3.6%
EBITDA²	5,194	5,541	+6.7%	18,155	23,173	+27.6%
EBITDA (according to Mosenergo reporting)³	5,193	5,541	+6.7%	18,151	23,173	+27.7%
EBITDA, adj.⁴	5,492	5,947	+8.3%	19,530	24,550	+25.7%
Depreciation and Amortization	(5,723)	(5,945)	+3.9%	(11,376)	(12,079)	+6.2%
Operating Profit (Loss)	(529)	(404)	-23.6%	6,779	11,094	+63.7%
Profit (Loss) for the Period	896	(373)	-141.6%	6,592	9,067	+37.5%
Profit (Loss) per Share, RUR	0.023	(0.009)		0.166	0.228	

Operational Highlights⁵

Показатель	2Q 2020	2Q 2021	Change	6M 2020	6M 2021	Change
Electricity Output, mn kWh	10,619	12,223	+15.1%	27,932	31,581	+13.1%
Electricity Sales, mn kWh	11,034	13,554	+22.8%	28,864	34,218	+18.5%
Heat Output, th.Gcal	12,159	12,351	+1.6%	40,645	50,819	+25.0%
Fuel Rate on Electricity, g/kWh	230.8	249.7	+8.2%	210.3	223.5	+6.3%
Fuel Rate on Heat, kg/Gcal	164.4	164.3	-0.1%	162.9	162.1	-0.5%

¹ Excluding Depreciation and Amortization

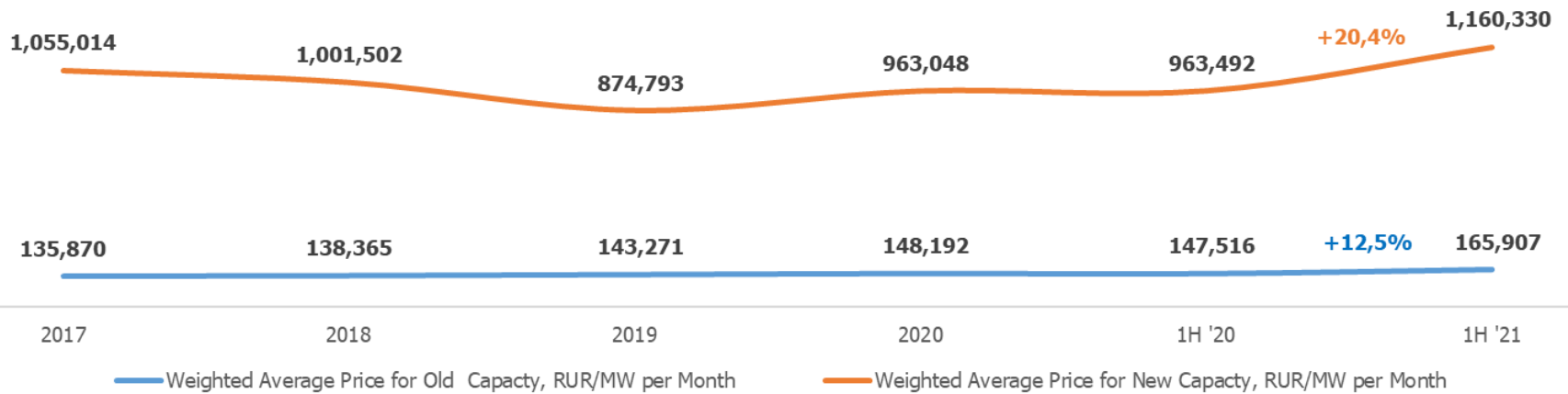
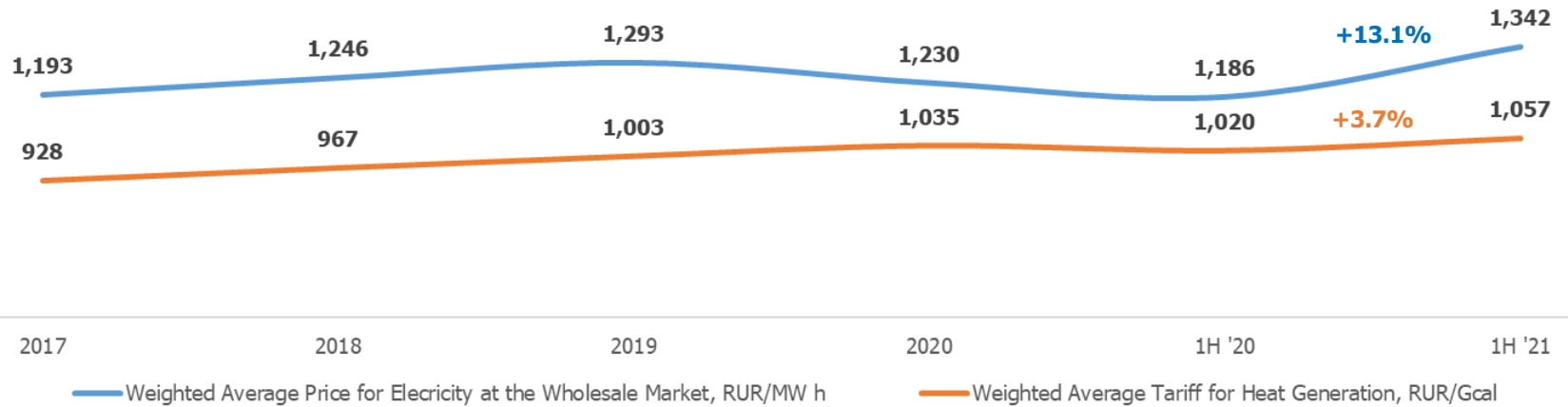
² EBITDA = Operating Profit + Depreciation and Amortization

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.

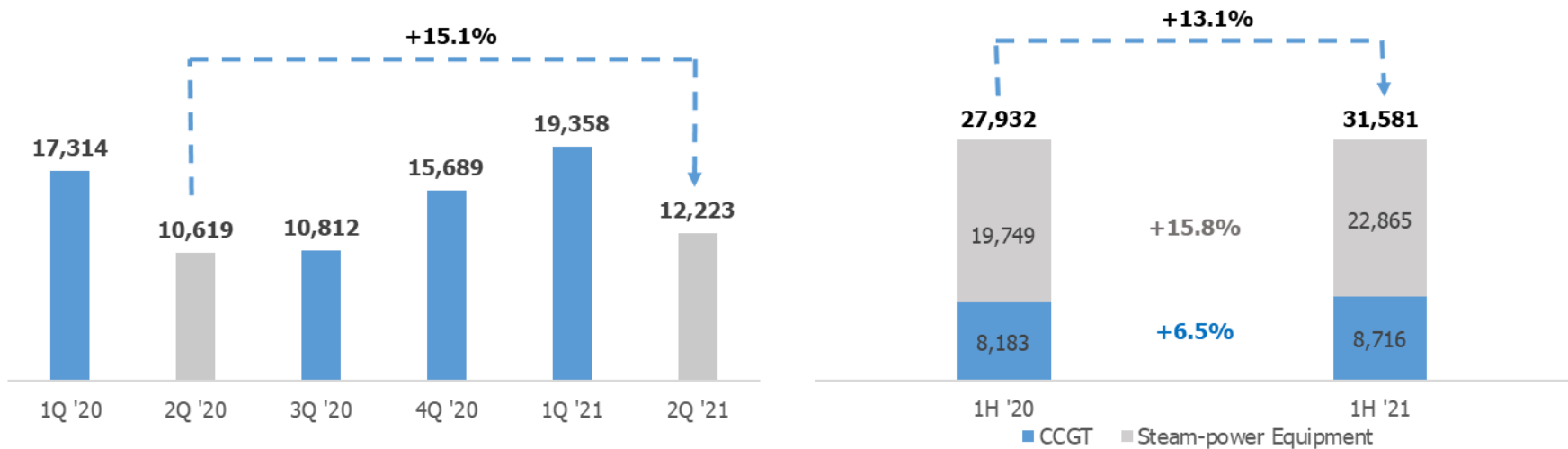
⁴ EBITDA = Marginal profit + Revenue (capacity) + Revenue (other) - Fixed Cost, excluding Depreciation and Amortization. Adjusted to assets impairment reserve and other reserves.

⁵ Management report data.

Prices and Tariffs¹



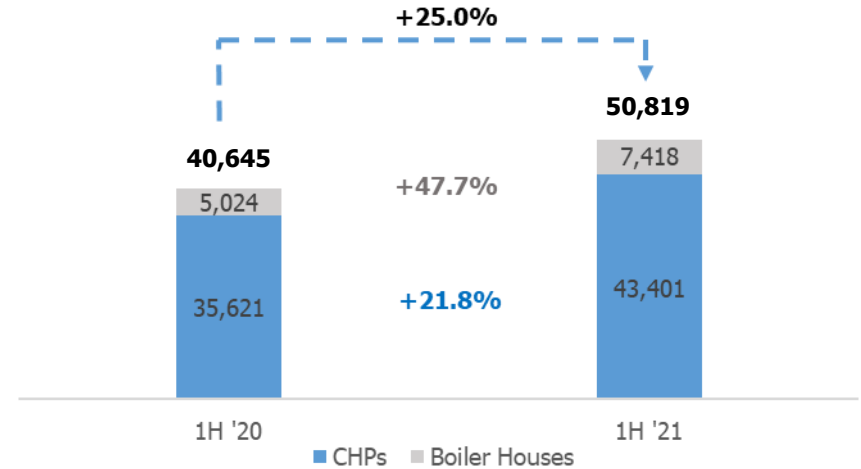
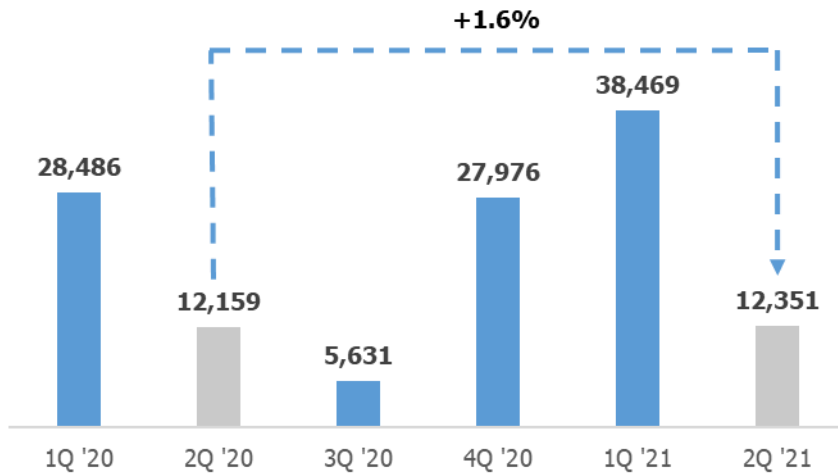
¹ RAS Data



1H 2021 electricity production factors:

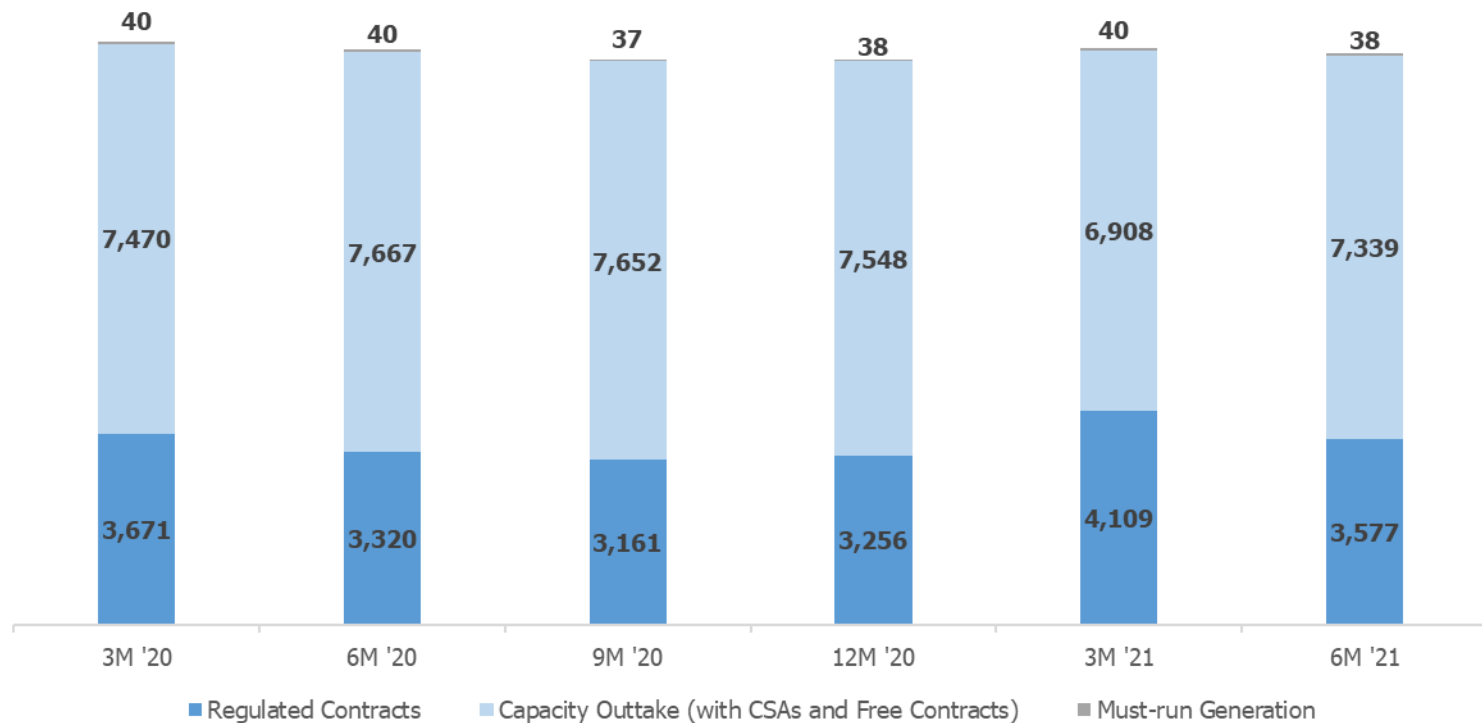
- growing consumption in Moscow Region energy system in the reporting period;
- lower air temperature (average air temperature in winter period of 1Q 2021 amounted to -5.9°C (vs. $+1.2^{\circ}\text{C}$ in the winter period of 1Q 2020);

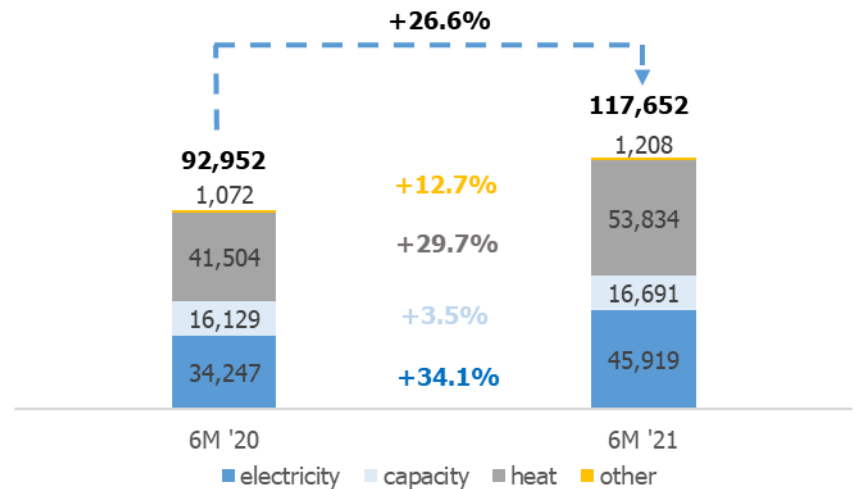
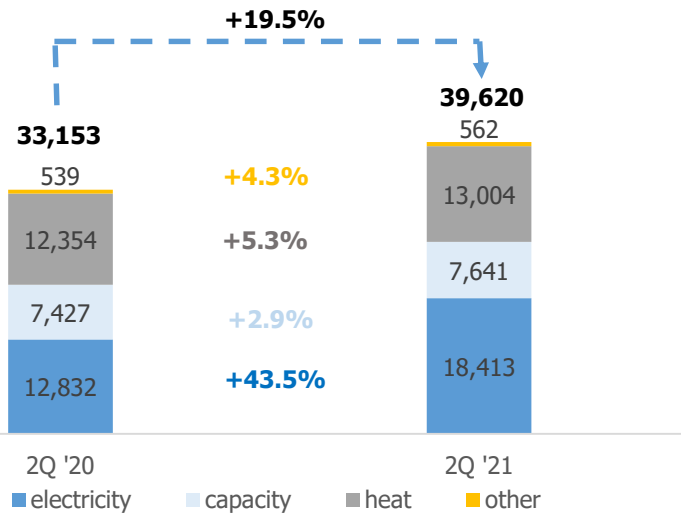
Growth at steam-power equipment resulted from growing cogeneration load.



1H 2021 heat production factors:

- colder weather in 1Q 2021 year-on-year;
- heating season lasted longer: 129 days in 1H 2021 vs. 127 in 1H 2020;
- 4 boiler houses transferred under Mosenergo management in May, 2020.





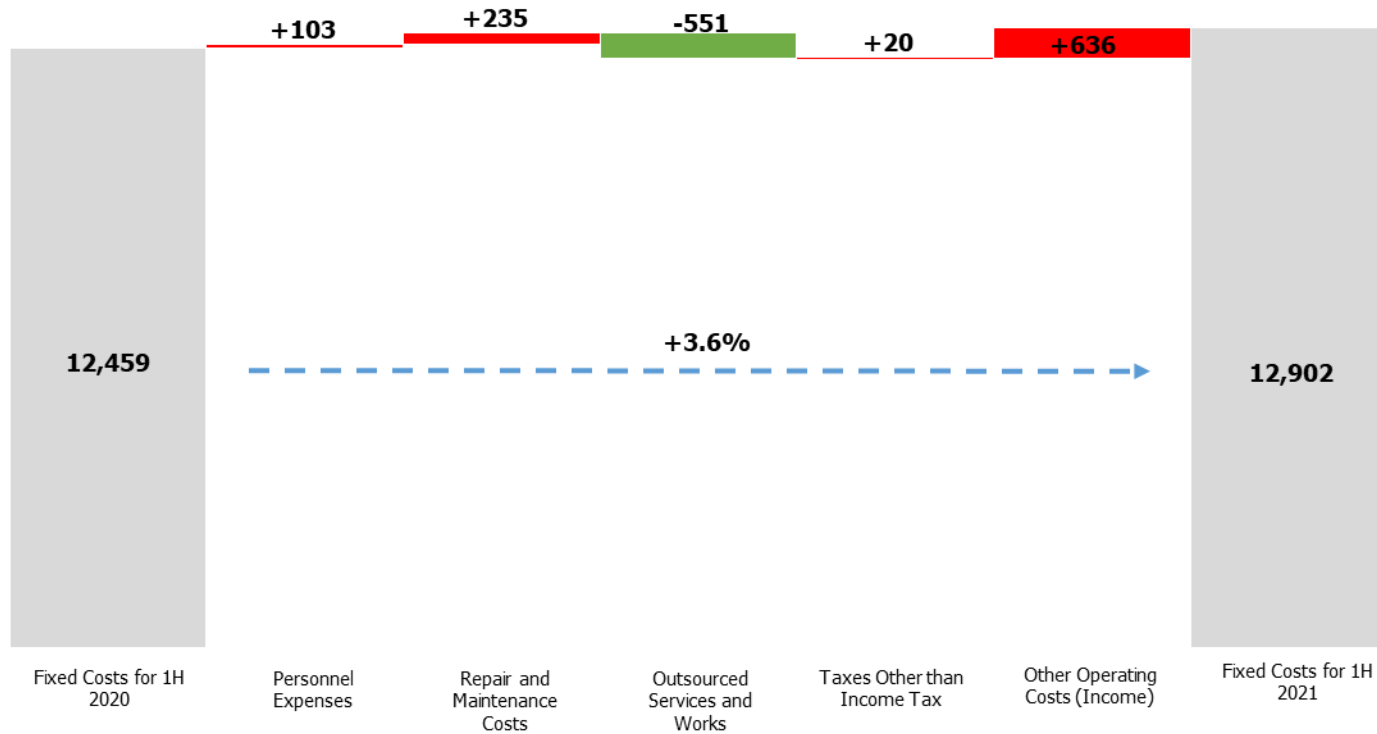
2Q 2021 revenue factors:

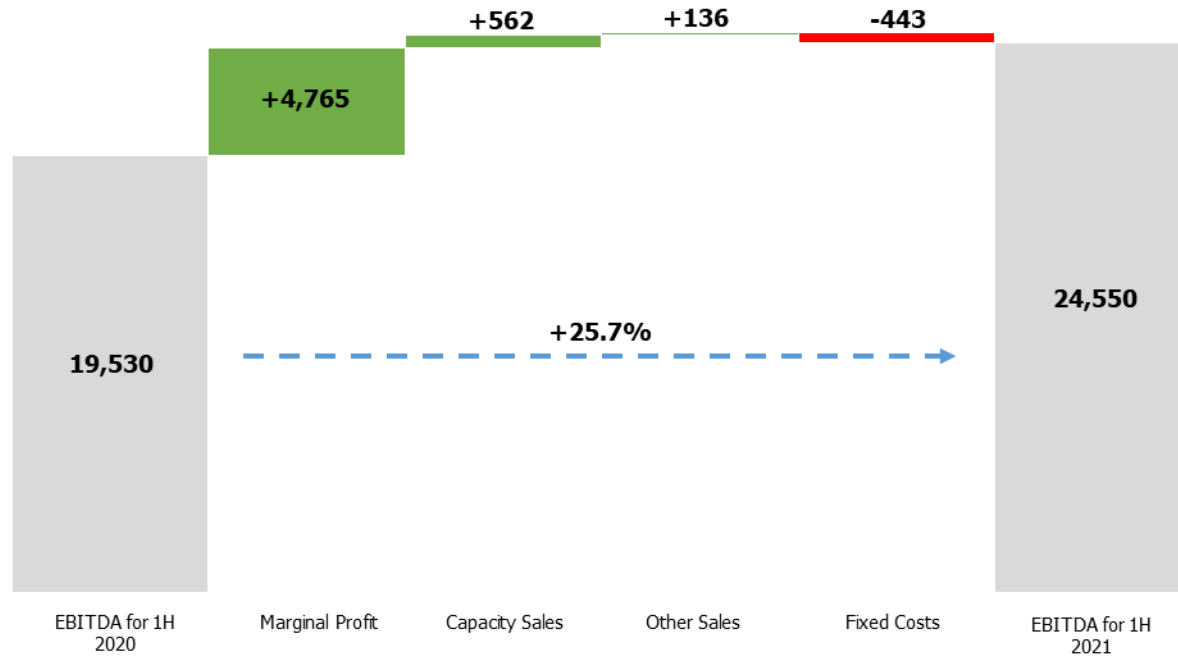
- Electricity output increase by 15.1%;
- positive average weighted price for electricity dynamics.

1H 2021 revenue factors:

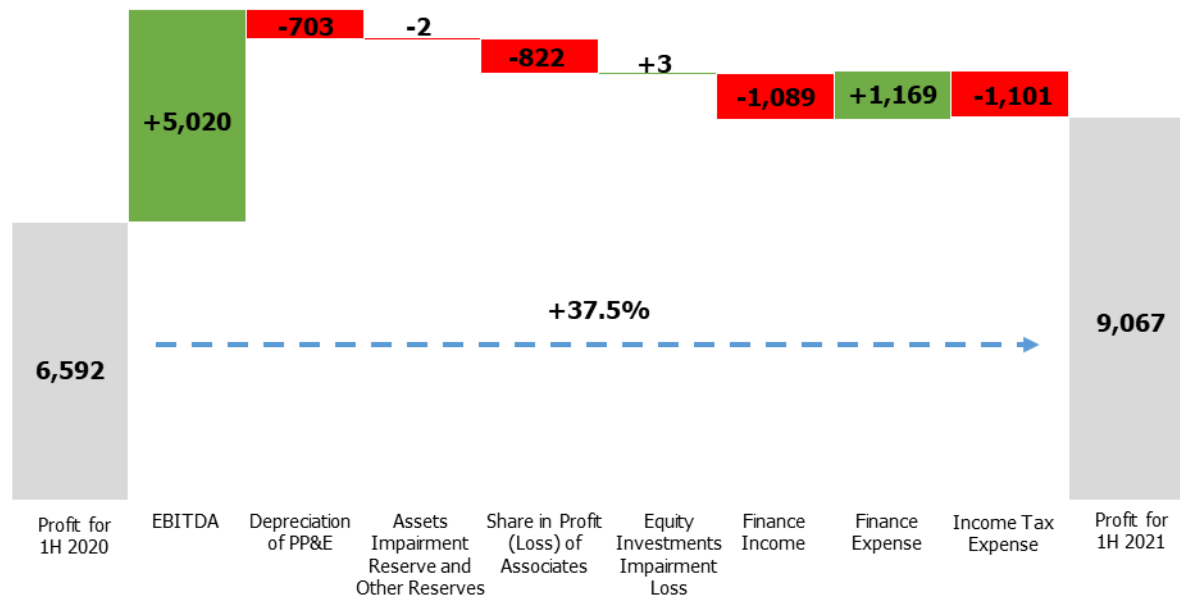
- electricity and heat output increase by 13.1% and 25%, correspondingly;
- positive average weighted price for electricity and capacity dynamics.

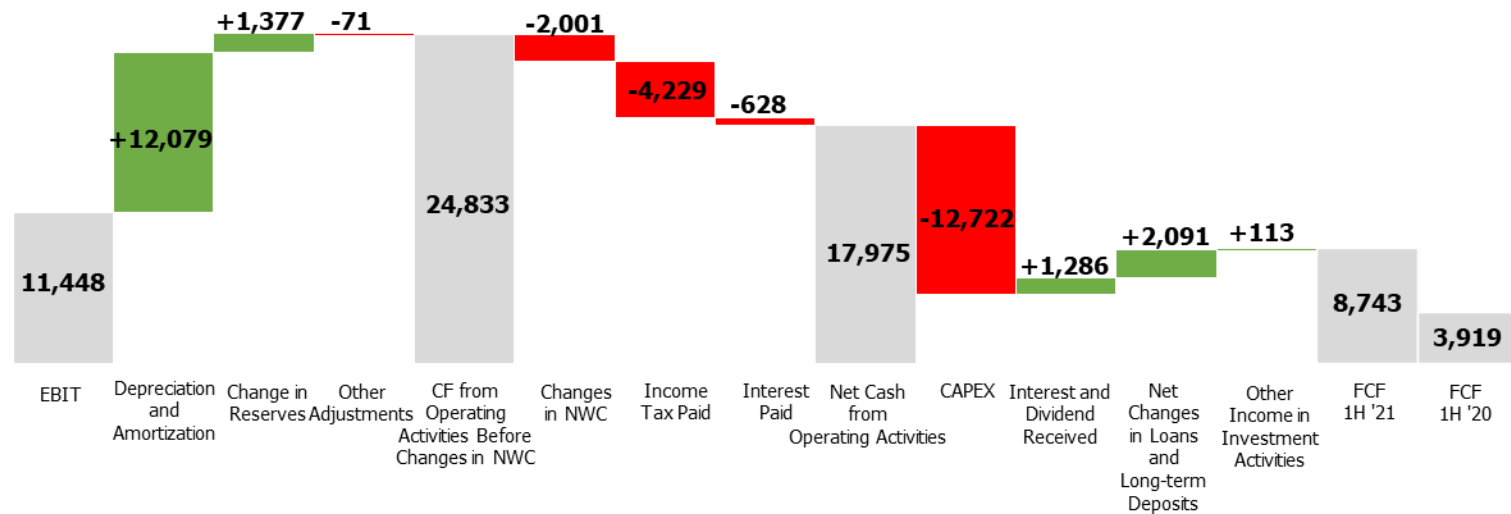
Fixed Costs, mn RUR

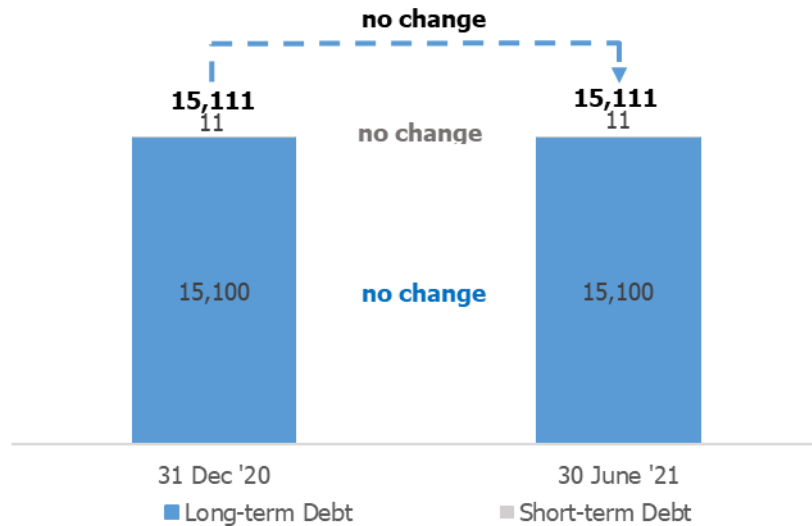




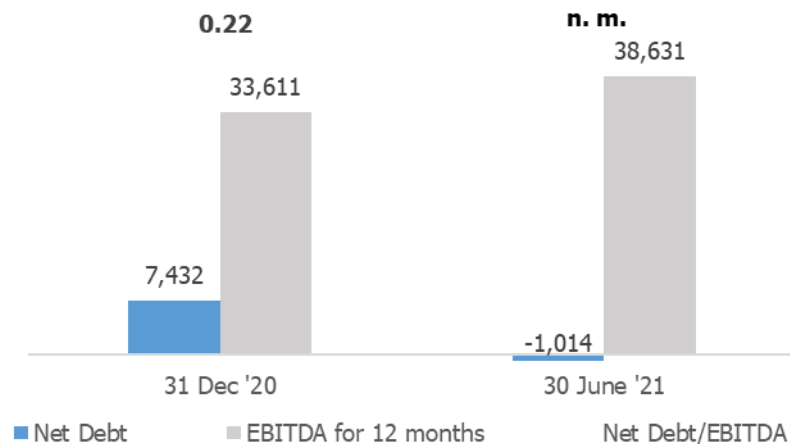
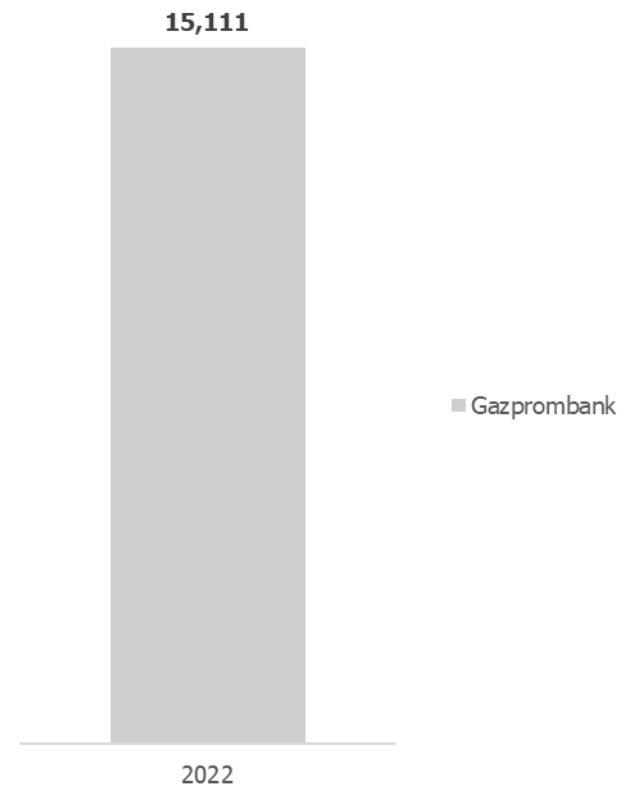
¹ EBITDA was adjusted to assets impairment reserve and other reserves







Maturity Profile as of June 30, 2021, 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.



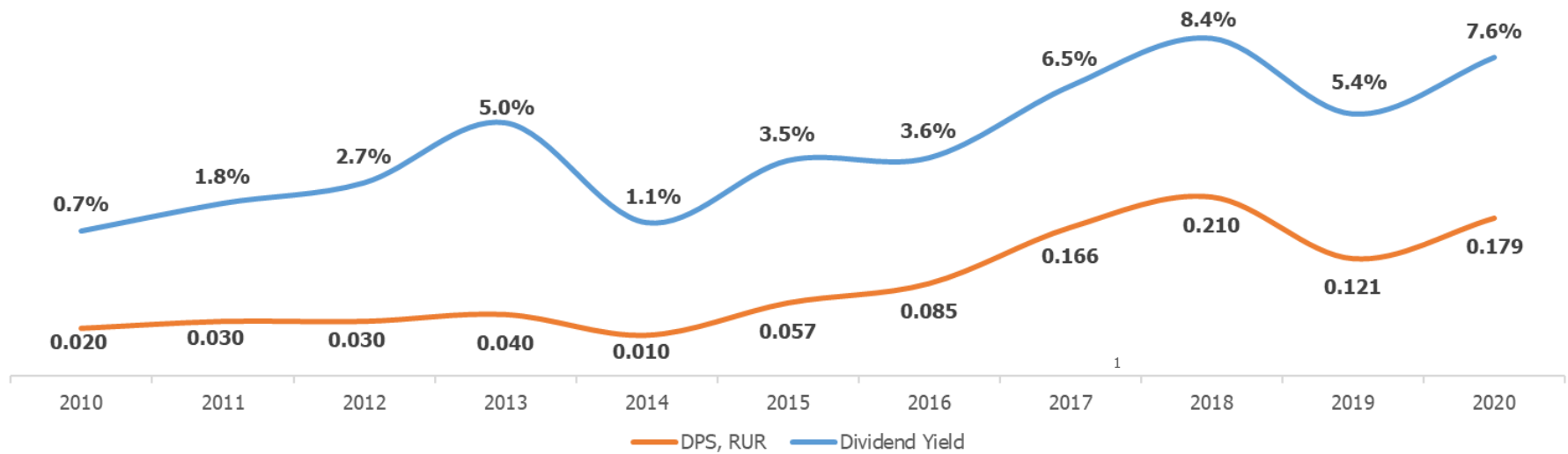
Operational Effectiveness Growth

- 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.



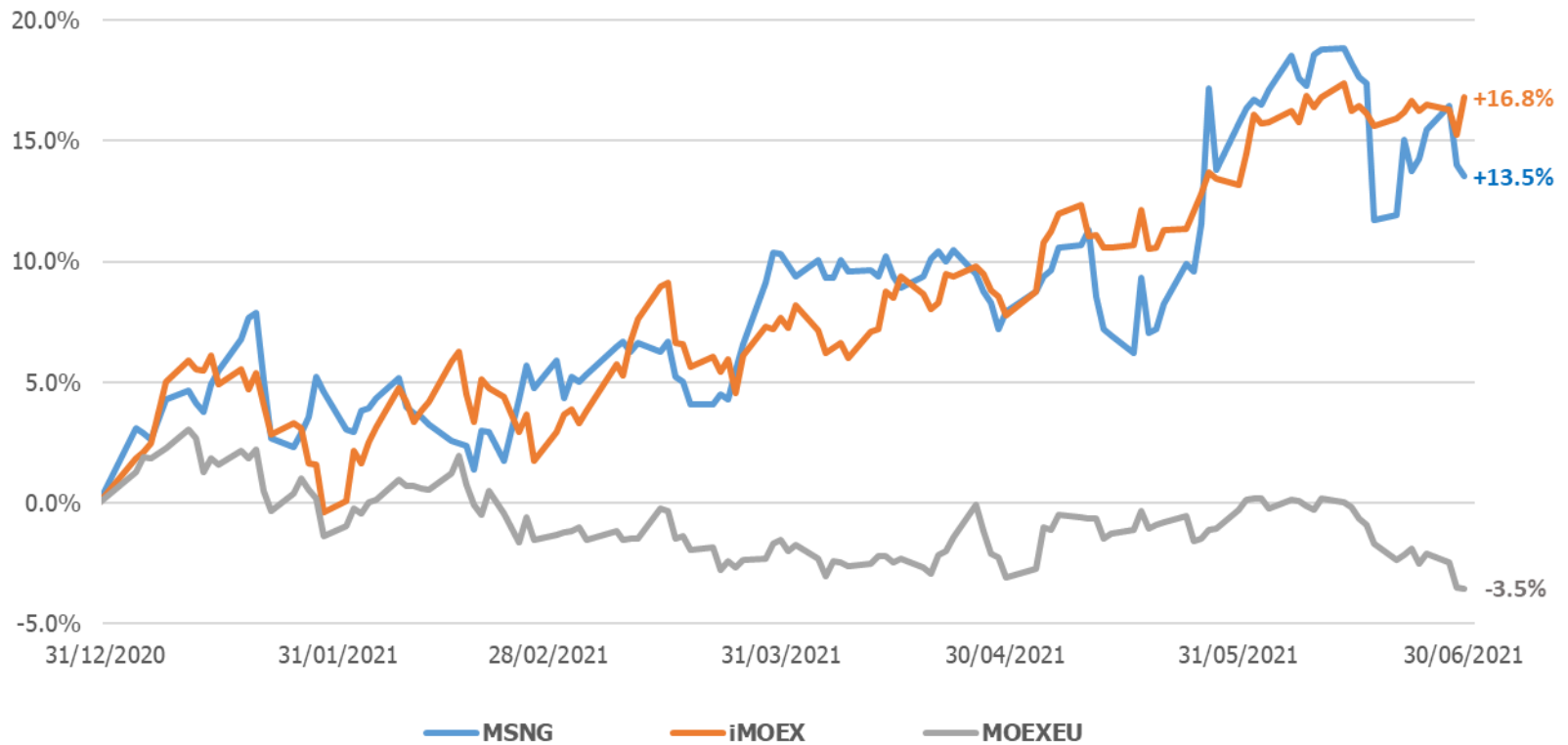
Business Expansion

- 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.

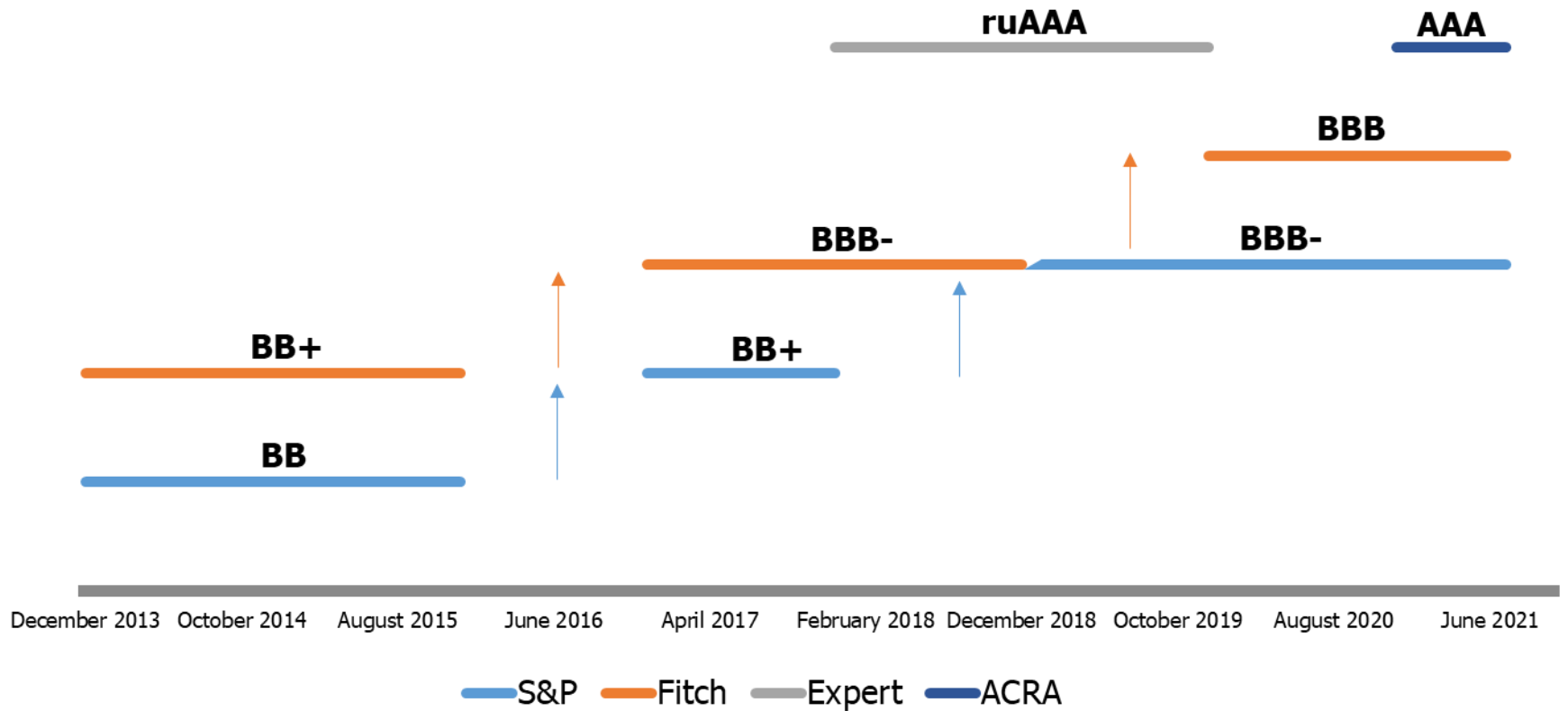


- over the last 25 years Mosenergo didn't pay dividends only twice: for 2007FY and 2008FY, it was the peak of financing of the first large-scale group of CSA units construction of 1.3 GW;
- average dividend yield during the period, following the CSA-program realization was higher than average over the last 10 years (4.6%).

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 in 1H 2021 outpaced Moscow Exchange Utilities Index (MOEXEU).



¹ Expert rating was called off, according to the issuer's decision, on October 12, 2020

THANK YOU FOR YOUR ATTENTION!

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