

MOSENERGO

3M 2021 IFRS Results

Denis Voronchikhin, Investor Relations Directorate

Tel. (495) 957-1-957 (ext. 3457), VoronchikhinDS@mosenergo.ru

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External Events:

1. Weighted average electricity price increasing by 10.8% in the reporting period year-on-year.
2. Lower temperature year-on-year in 1Q 2021 heating season, resulting in 35% heat output growth.
3. Nuclear stations output increase and hydro stations output decrease in 1Q 2021 year-on-year¹.
4. Growing consumption in Central energy system by 7.4%, and by 10.2% in Moscow and Moscow Region energy systems.¹

Internal Events:

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

¹ System operator data

Financial Highlights, mn RUR

Parameter	1Q 2020	1Q 2021	Change
Revenue (electricity and heat)	50,565	68,336	+35.1%
Variable Costs	(39,496)	(53,314)	+35.0%
Marginal profit	11,069	15,022	+35.7%
Revenue (capacity)	8,701	9,050	+4.0%
Revenue (other)	533	646	+21.2%
Fixed Costs ¹	(6,265)	(6,115)	-2.4%
EBITDA²	12,961	17,632	+36.0%
EBITDA (according to Mosenergo reporting)³	12,958	17,632	+36.0%
EBITDA, adj.⁴	14,038	18,603	+32.5%
Depreciation and Amortization	(5,653)	(6,134)	+8.5%
Operating Profit	7,308	11,498	+57.3%
Profit for the Period	5,696	9,440	+65.7%
Free Cash Flow	(609)	(1,675)	

Operational Highlights⁵

Parameter	1Q 2020	1Q 2021	Change
Electricity Output, mn kWh	17,314	19,358	+11.8%
Electricity Sales, mn kWh	17,830	20,663	+15.9%
Heat Output, th.Gcal	28,486	38,469	+35.0%
Fuel Rate on Electricity, g/kWh	197.8	206.9	+4.6%
Fuel Rate on Heat, kg/Gcal	162.3	161.4	-0.6%

¹ Excluding Depreciation and Amortization

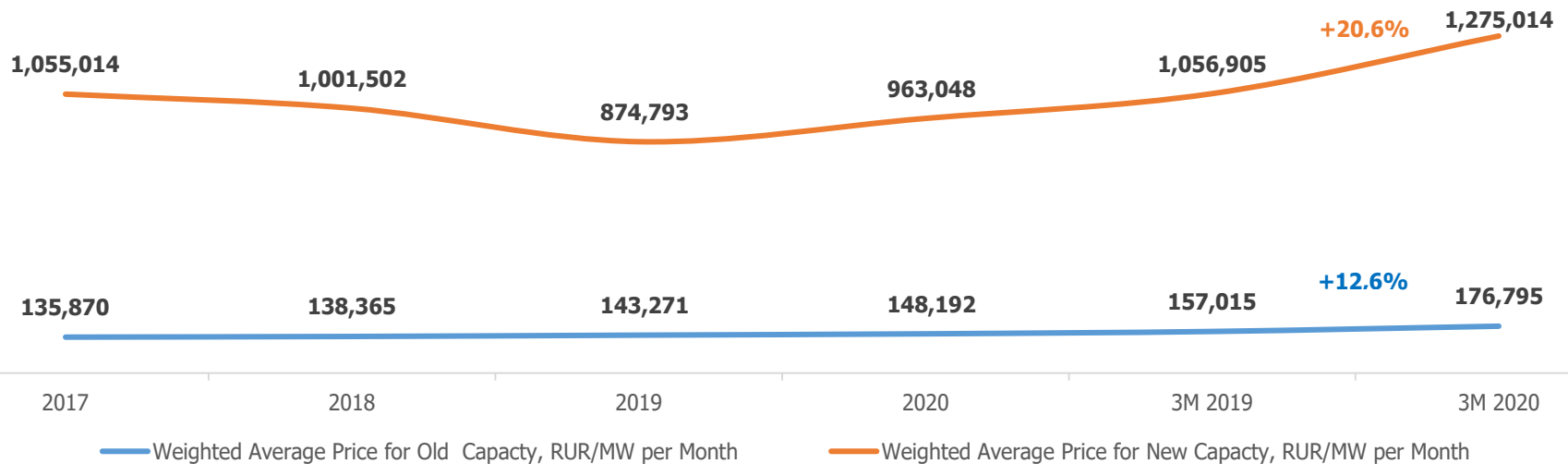
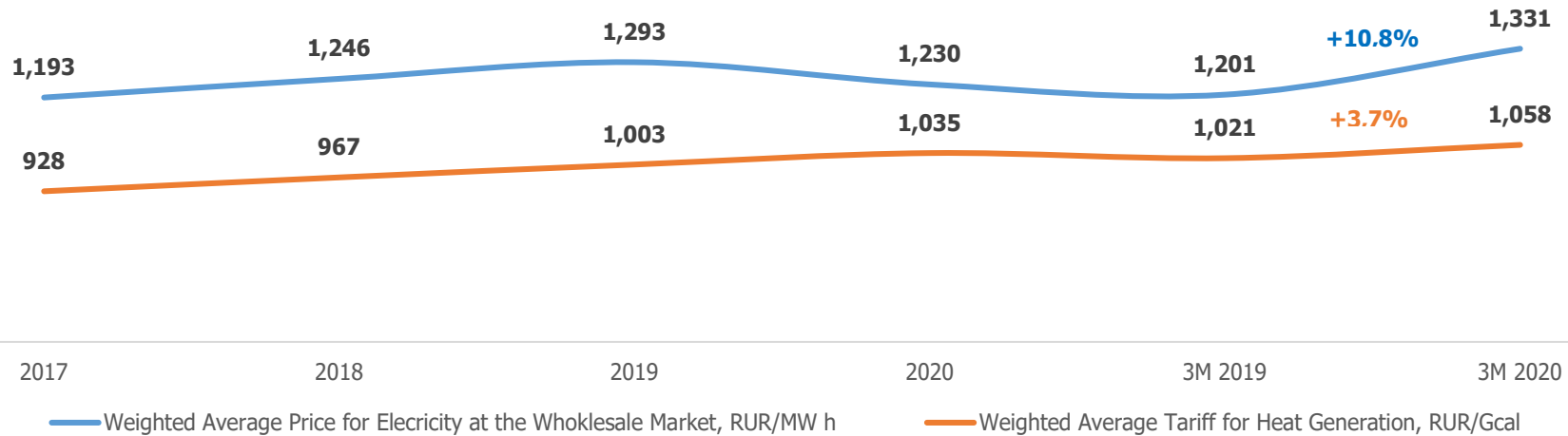
² EBITDA = Operating Profit + Depreciation and Amortization

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.

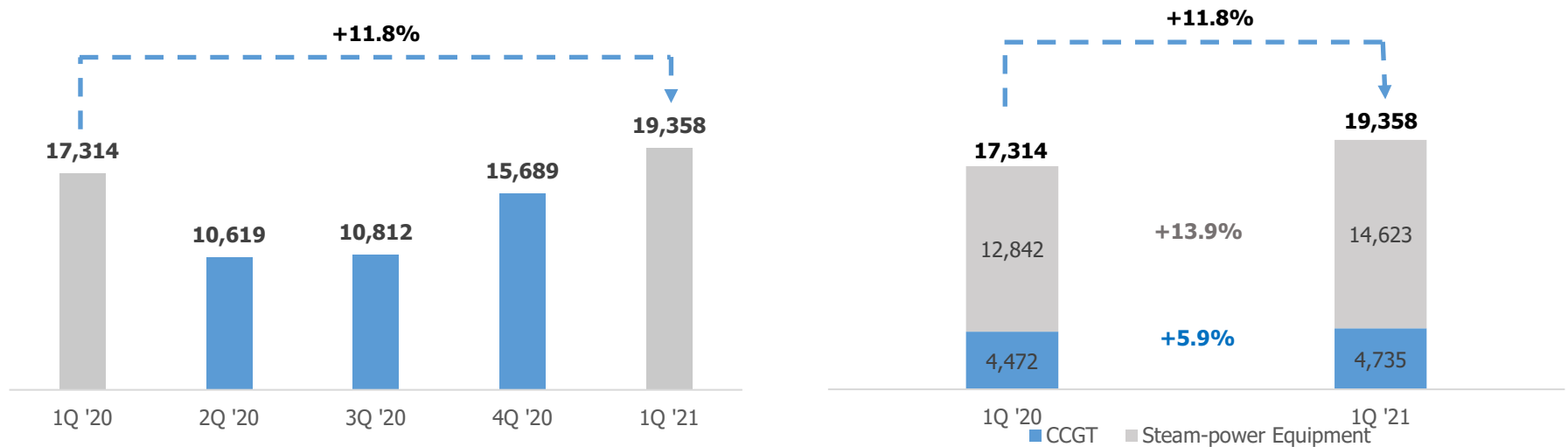
⁴ EBITDA = Marginal profit + Revenue (capacity) + Revenue (other) - Fixed Cost, excluding Depreciation and Amortization. Adjusted to assets impairment reserve and other reserves.

⁵ Management report data.

Prices and Tariffs¹



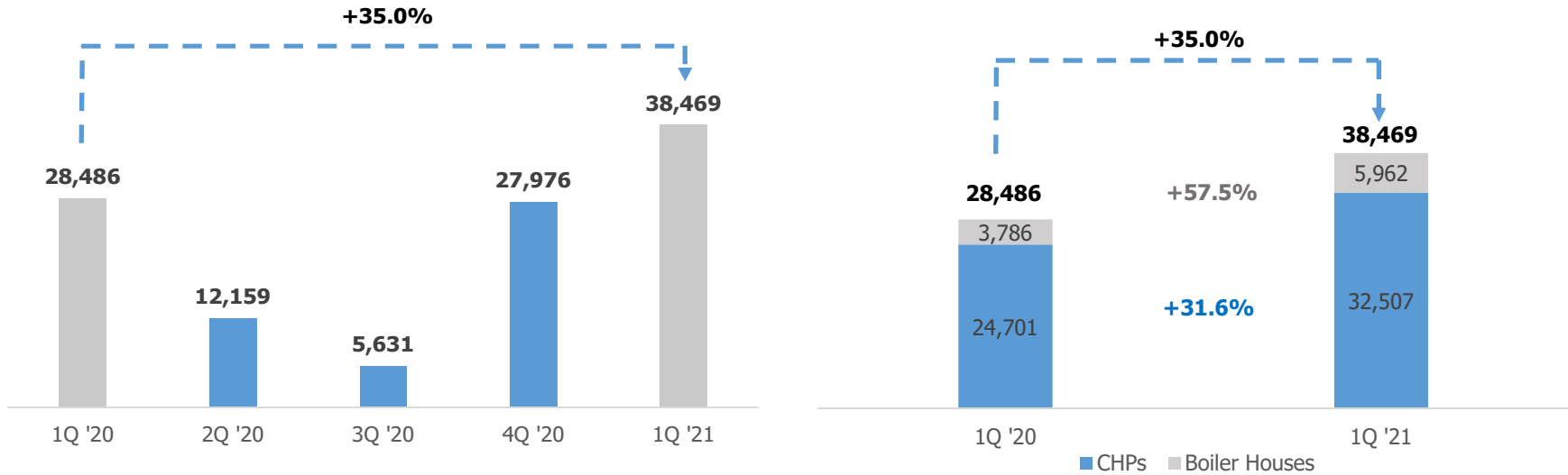
¹ RAS Data



1Q 2021 electricity production factors:

- growing consumption in Central energy system in the reporting period;
- lower air temperature (average air temperature in the heating period of 1Q 2021 amounted to -5.9°C (vs. +1.2°C in the heating period of 1Q 2020));

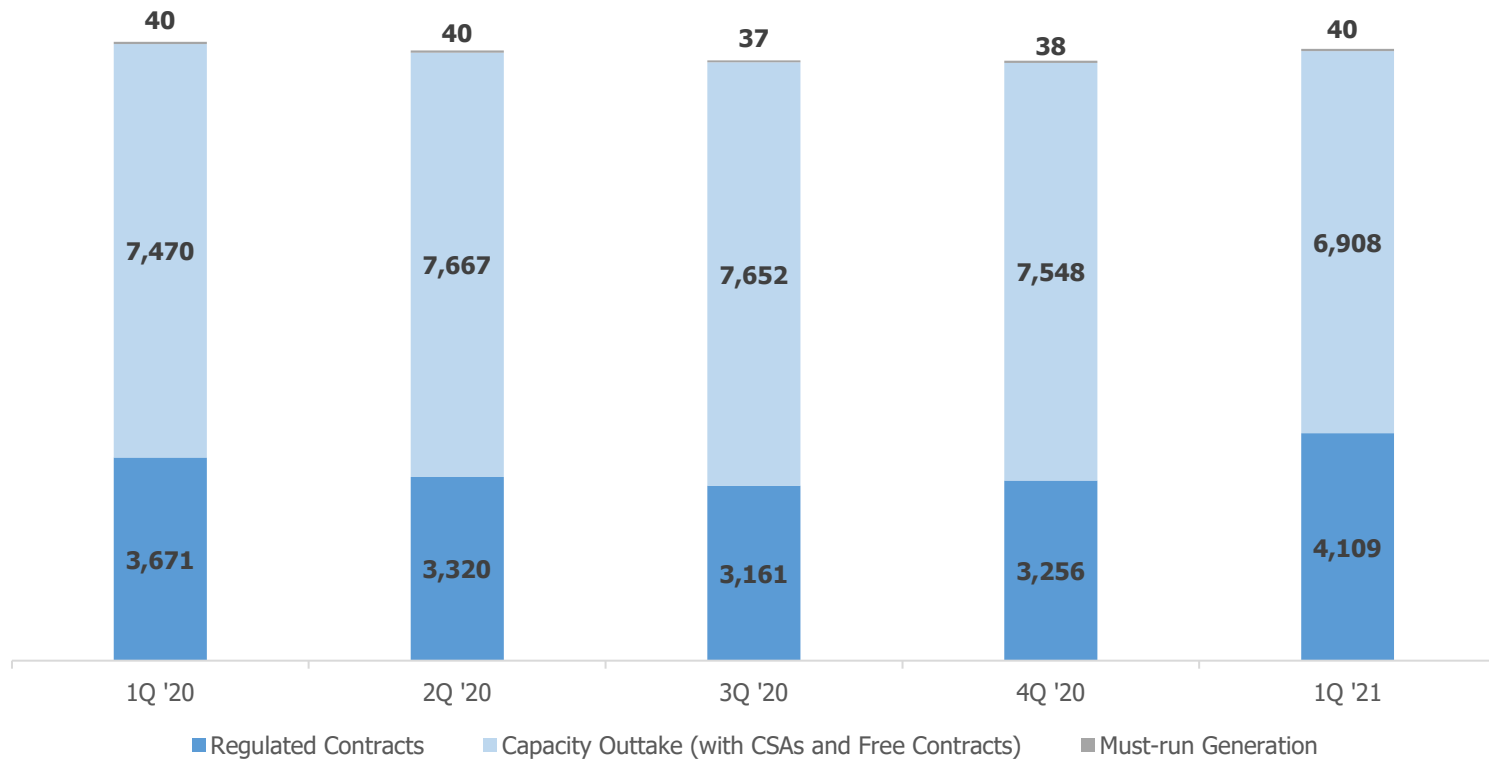
Strong growth at steam-power equipment resulted from growing cogeneration load.

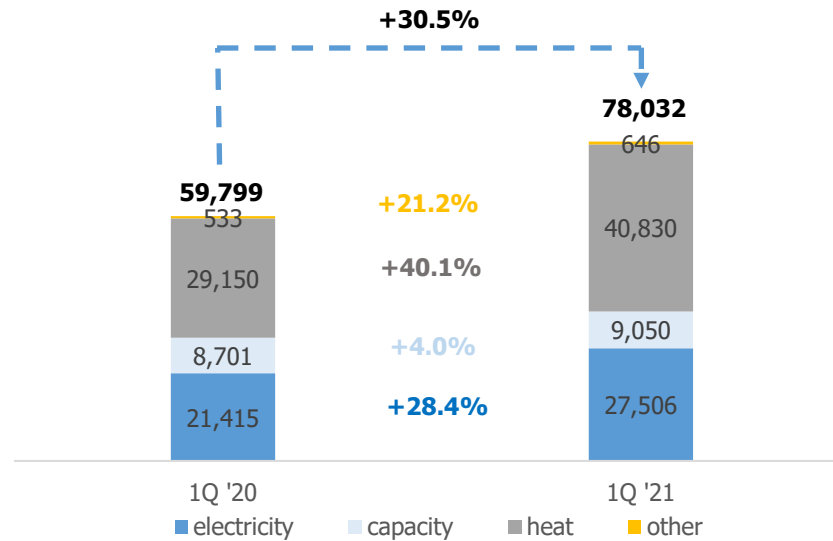


1Q 2021 heat production factors:

- colder weather in 1Q 2021 year-on-year;
- heating season lasted 90 days in 1Q 2021 vs. 91 in 1Q 2020;
- 4 boiler houses transferred under Mosenergo management in May, 2020.

Capacity Sales, MW

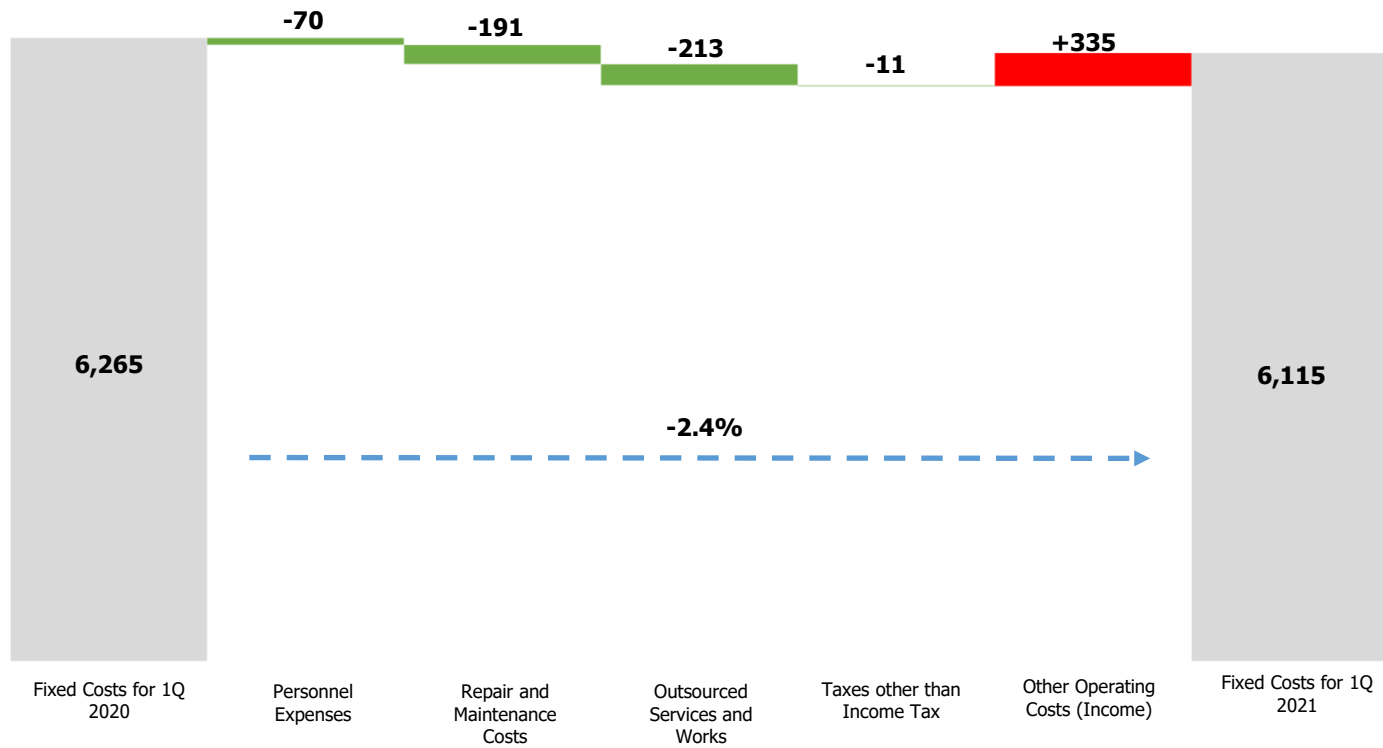


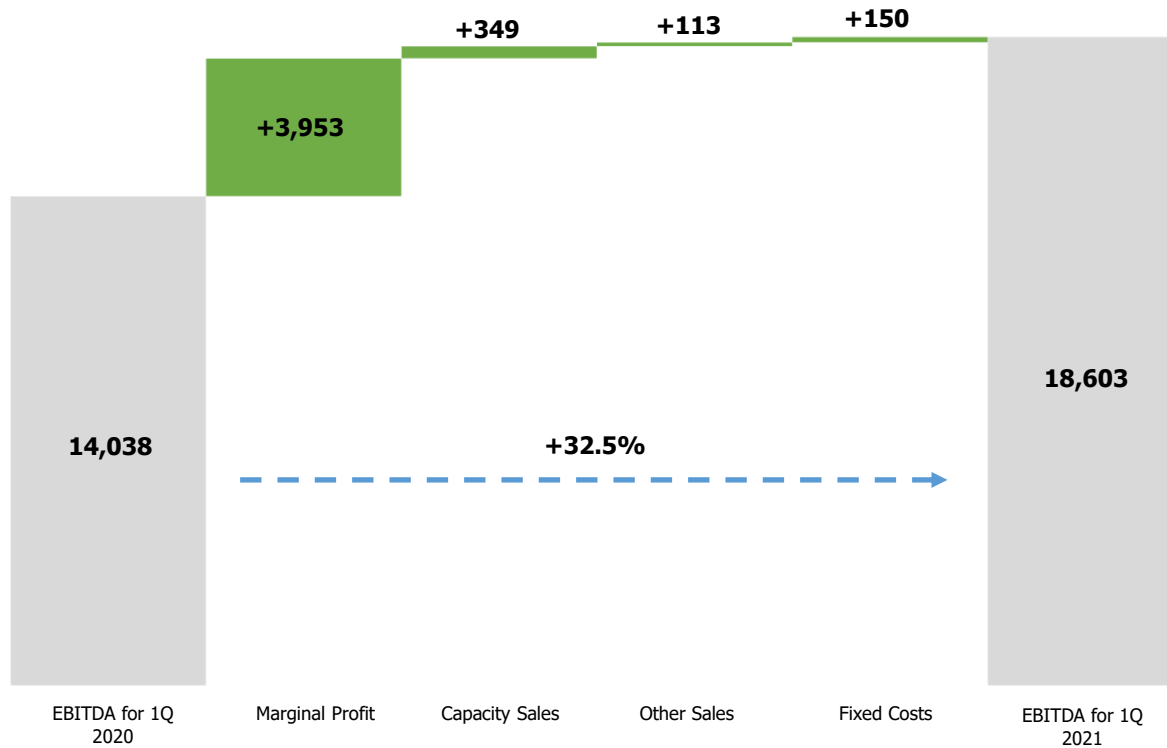


1Q 2021 revenue factors:

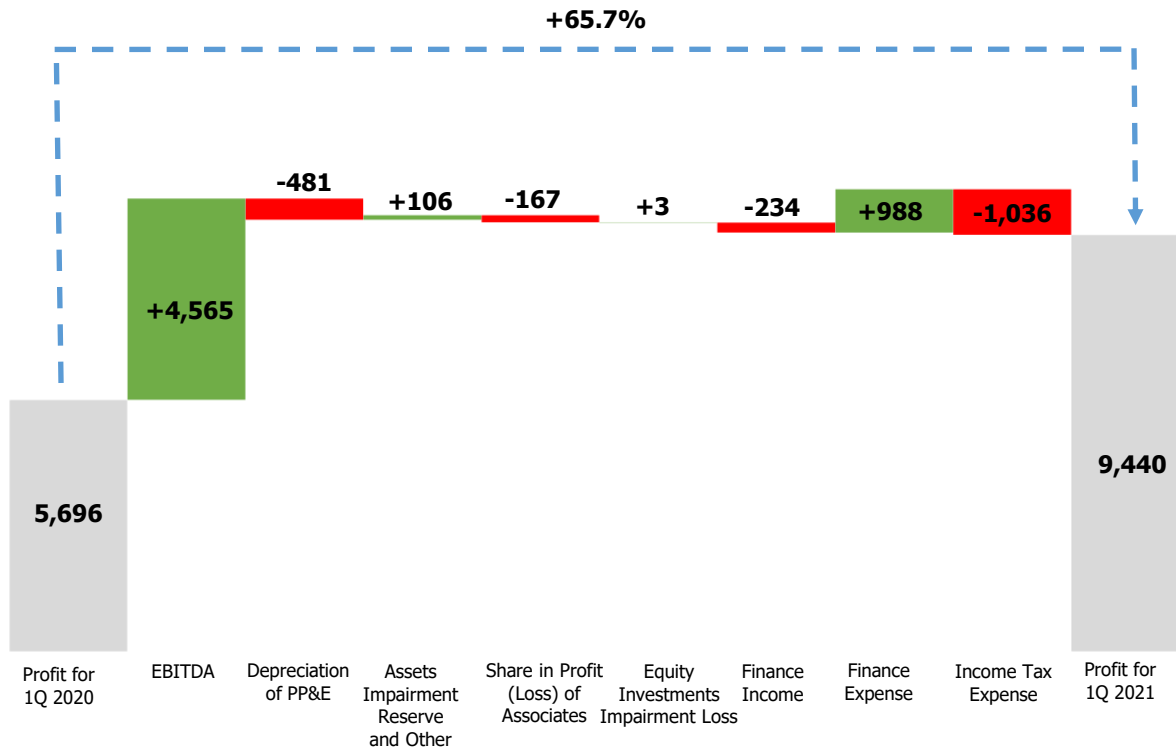
- electricity and heat output increase by 11.8% and 35.0%, correspondingly;
- positive average weighted price dynamics for electricity and heat, as well as capacity.

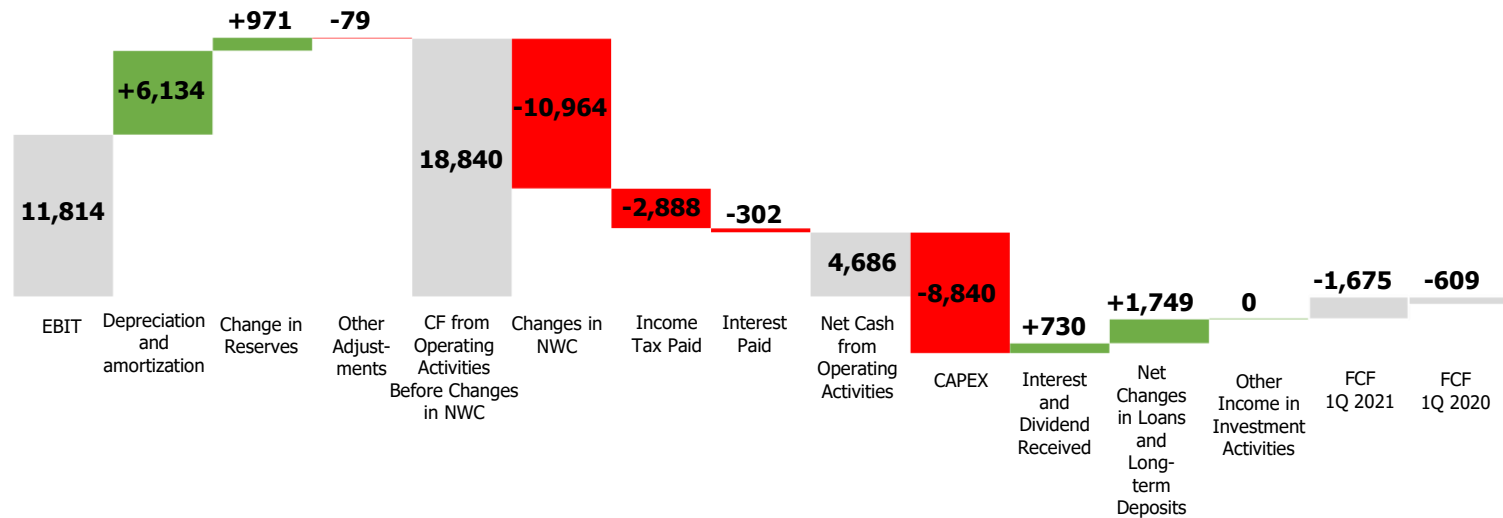
Fixed Costs, mn RUR

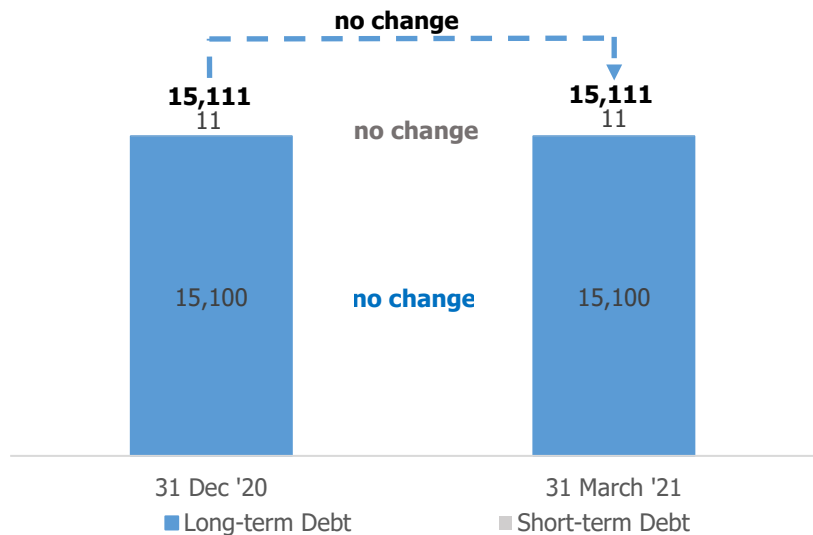




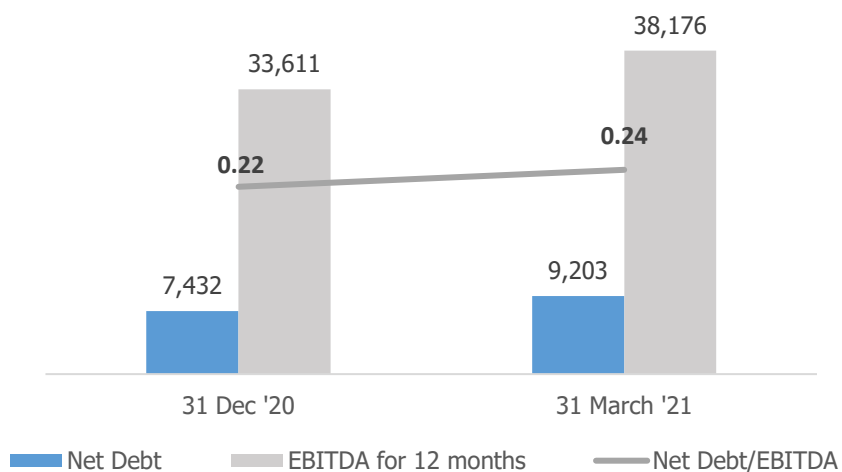
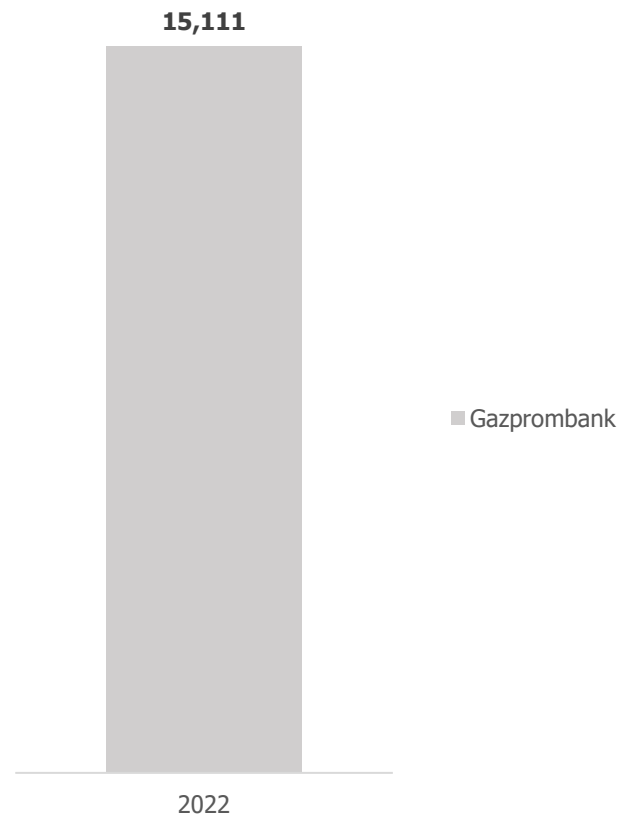
¹ EBITDA was adjusted to assets impairment reserve and other reserves.







Maturity Profile as of March 31, 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.



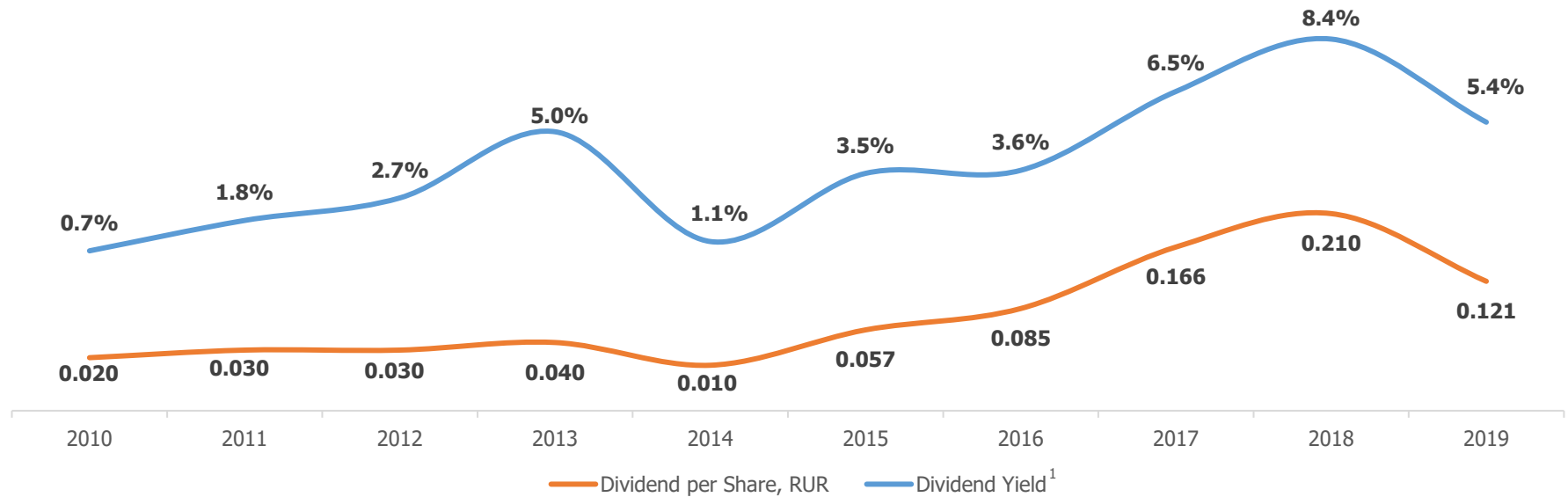
Operational Effectiveness Growth

- 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

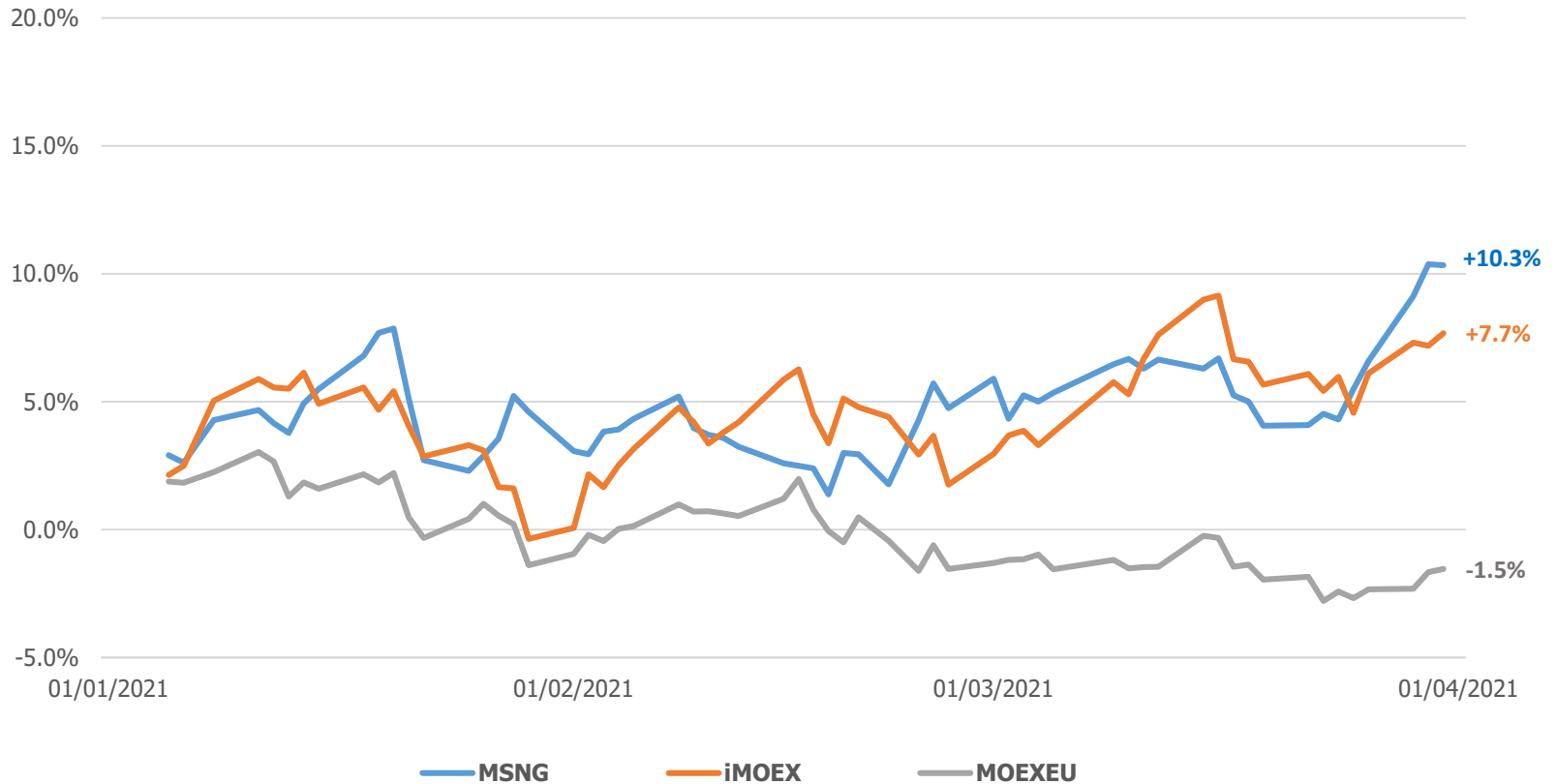
- Positive effects of MOEK boiler houses switch to Mosenergo sources within Old Moscow borders.
- Actions in order to boost heat sales on the account of new territories, perspective real estate development areas connection.



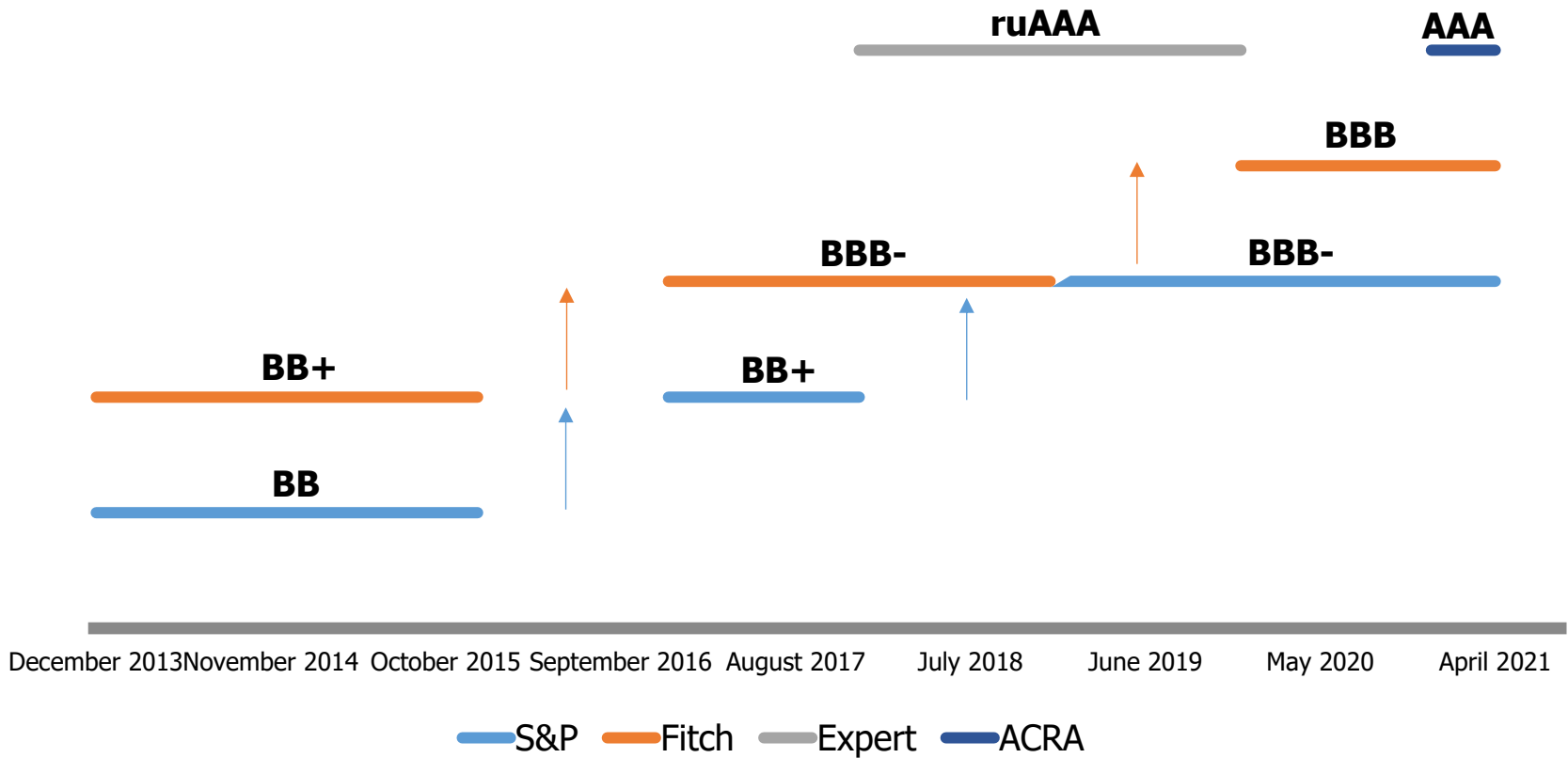
- Over the last 25 years Mosenergo didn't pay dividends only twice: in 2007 and 2008, it was the peak of financing of the first large-scale group of CSA units construction of 1.3 GW;
- Dividend yield during the final period of the CSA-program realization was higher than average over the last 10 years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



- Mosenergo stock in 1Q 2021 outpaced Main Market Moscow Exchange Index (iMOEX) and 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!

Denis Voronchikhin
Investor Relations Directorate
Tel. (495) 957-1-957 (ext. 3457)
VoronchikhinDS@mosenergo.ru