

PRESENTATION OF PJSC «MOSENERGO» IFRS FINANCIAL RESULTS FOR 6M2020

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External Events:

1. Decreasing weighted average electricity price by 9.4% in the reporting period year-on-year.
2. Warmer weather during 1Q 2020 heating season vs. autumn-winter in 2019 caused lower heat output (-6.6%).
3. Nuclear stations output increase (45% of Central energy system output) by 12.7%.¹
4. Increased water factor in HPPs operational regions (2,2% of Central energy system output), resulting in growth in HPP electricity production by 44.3% in 1H 2020. ¹
5. Lower consumption in Central energy system by 2.1%, by 3.1% in Moscow and Moscow Region energy systems.¹

Internal Events:

1. Fuel rate on electricity decreased by 5.7% (down to 210.3 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 (years 10-15) 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 1H 2020 by 9.8% year-on-year.

¹ System operator data

Operational Highlights¹

	6M 2019	6M 2020	Change
Electricity Output, mn kWh	32,320	27,932	-13.6%
Electricity Sales, mn kWh	33,368	28,864	-13.5%
Heat Output, th.Gcal	43,507	40,645	-6.6%
Fuel Rate on Electricity, g/kWh	223.0	210.3	-5.7%
Fuel Rate on Heat, kg/Gcal	163.0	162.9	-0.1%

Financial Highlights, mn RUR

Показатель	6M 2019	6M 2020	Изм.
Revenue (electricity and heat)	86,955	75,751	-12.9%
Variable Costs	(69,708)	(61,308)	-12.1%
Marginal profit	17,247	14,443	-16.3%
Revenue (capacity)	15,764	16,129	+2.3%
Revenue (other)	1,136	1,072	-5.6%
Fixed Costs ²	(10,778)	(12,114)	+12.4%
EBITDA³	23,033	18,155	-21.2%
EBITDA, adj⁴	23,369	19,530	-16.4%
Depreciation and Amortization	(8,994)	(11,376)	+26.5%
Operating Profit	14,039	6,779	-51.7%
Profit for the Period	12,730	6,592	-48.2%

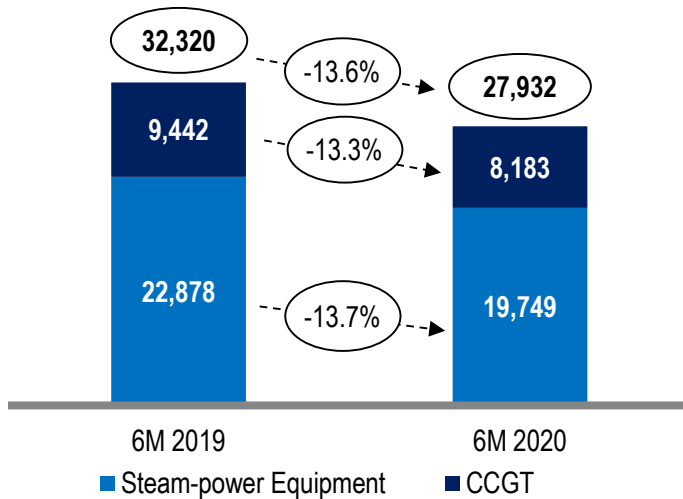
¹ Management report data

² Excluding Depreciation and Amortization

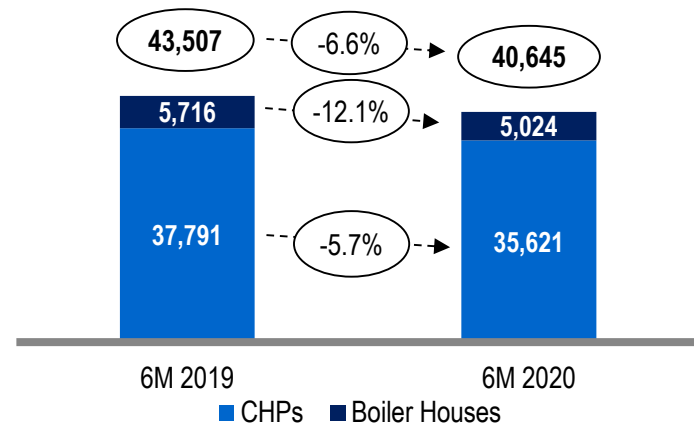
³ EBITDA = Operating Profit + Depreciation and Amortization

⁴ EBITDA = Marginal profit + Revenue (capacity) + Revenue (other) - Fixed Cost, excluding Depreciation and Amortization. Adjusted to net charge for impairment and other provisions

Electricity Output, mn kWh



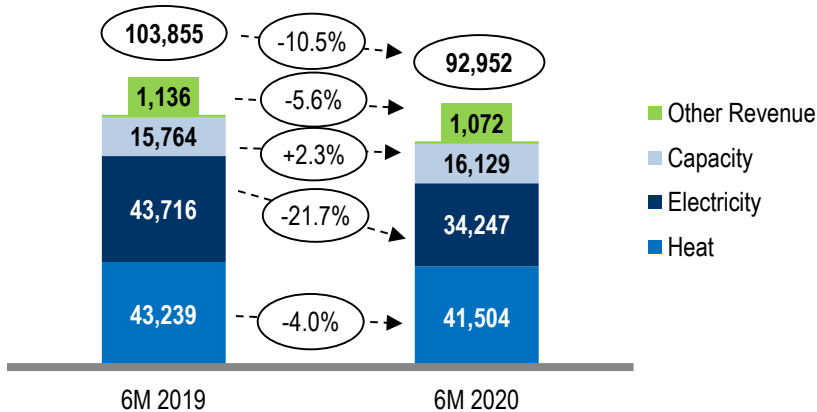
Heat Output, thous. Gcal



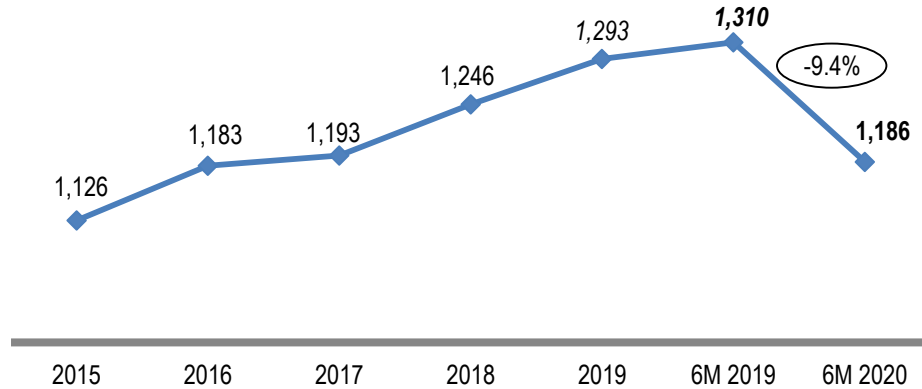
Lower electricity and heat output resulted from:

- warmer weather in the reporting period (average air temperature in winter part of 1H 2020 amounted to +2.7°C (vs. -0.6°C in winter part of 1H 2019));
- increased HPPs and NPPs share in Central energy system's electricity output;
- COVID-19 related constraints.

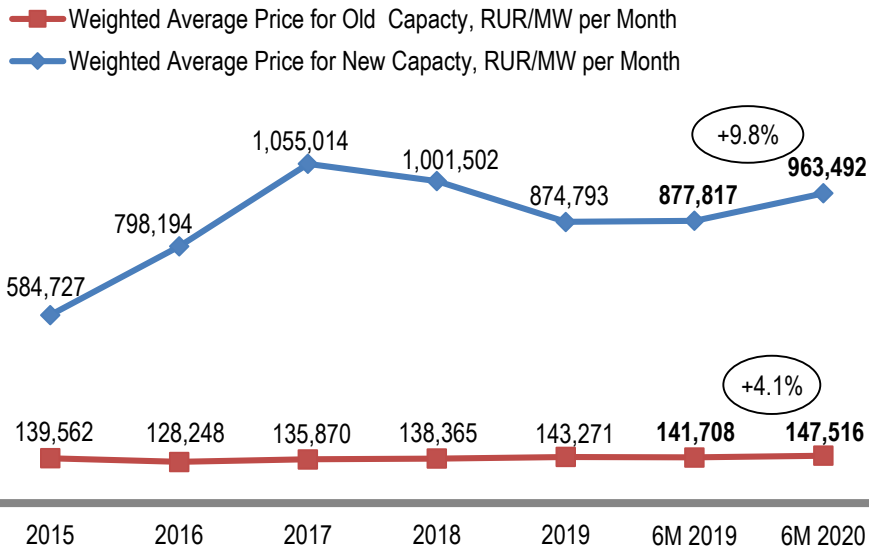
Revenue, mn RUR



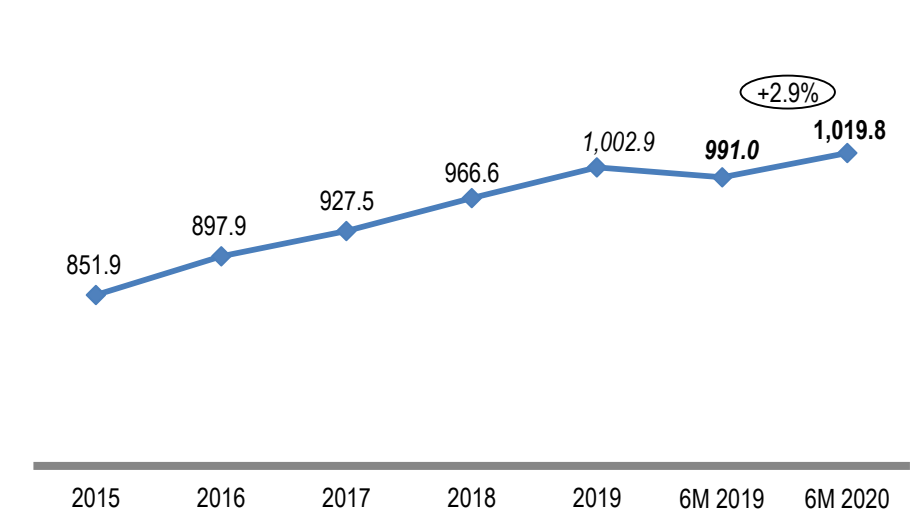
Weighted Average Price for Electricity at the Wholesale Market, RUR/MW h¹



Weighted Average Capacity Price¹

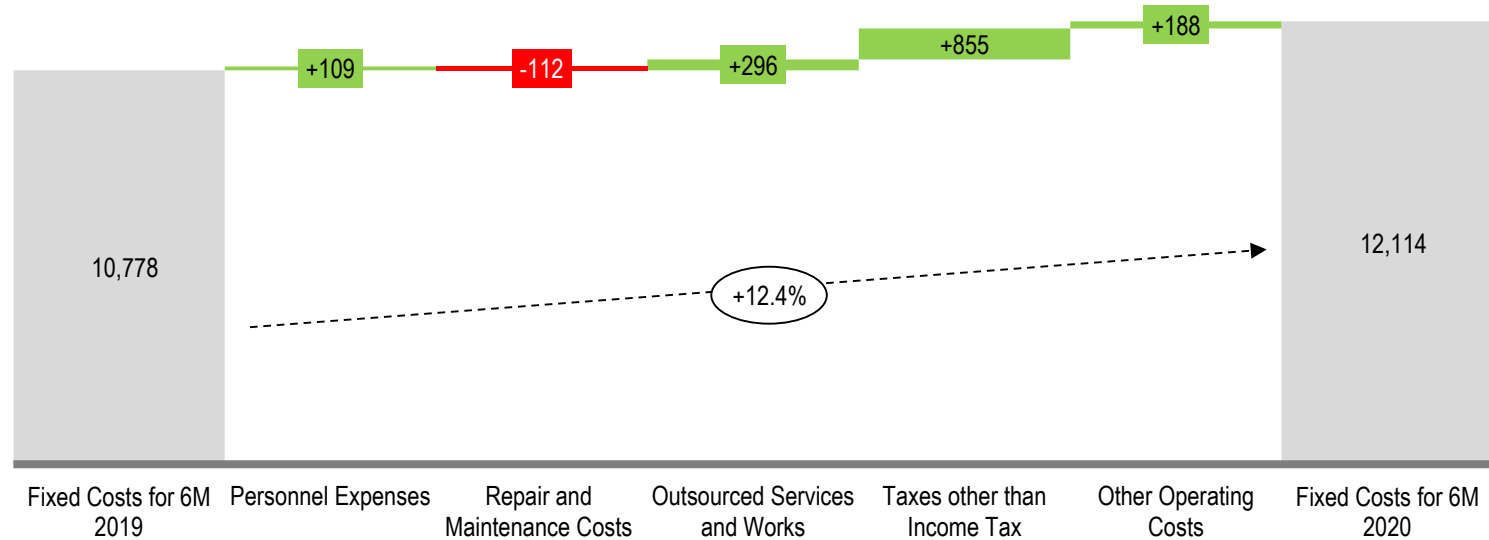


Weighted Average Tariff for Heat Generation, RUR/Gcal¹



¹ RAS data

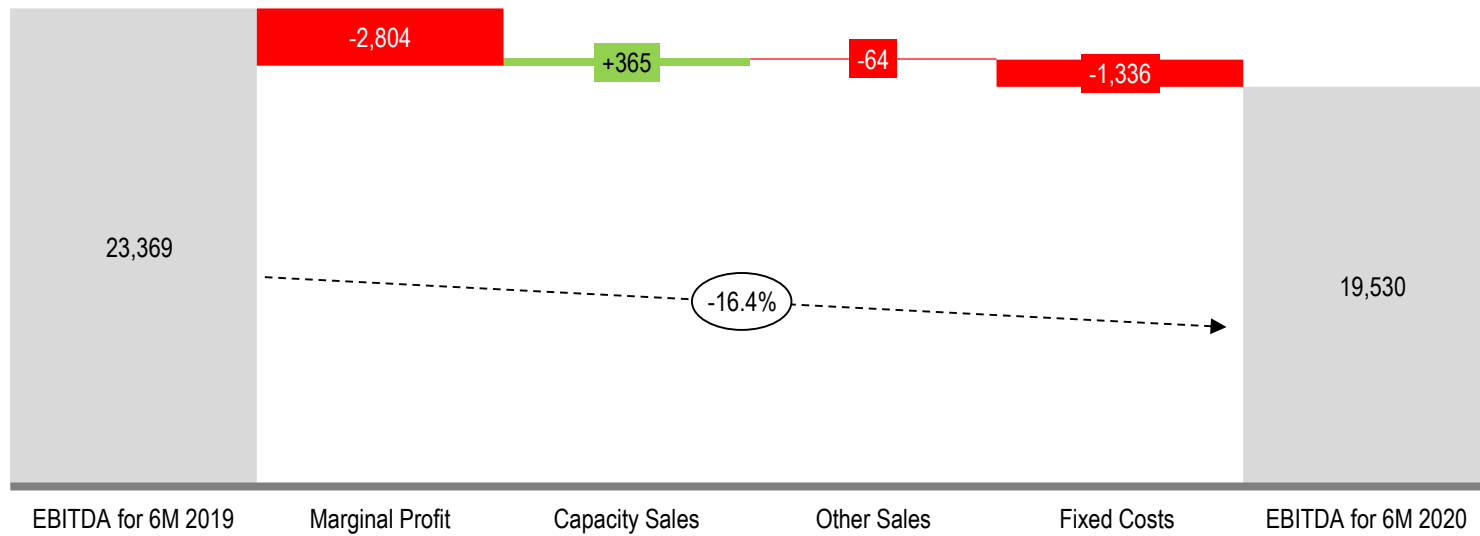
mn RUR



Fixed Costs Changer Factors

- Taxes other than income tax increased on the account of adjusted property tax for previous periods declaration filed in 1Q 2019 and tax deduction granted as one-off income. Increase in fixed costs in 1H 2020, adjusted to this item amounted to marginal 4.5%.

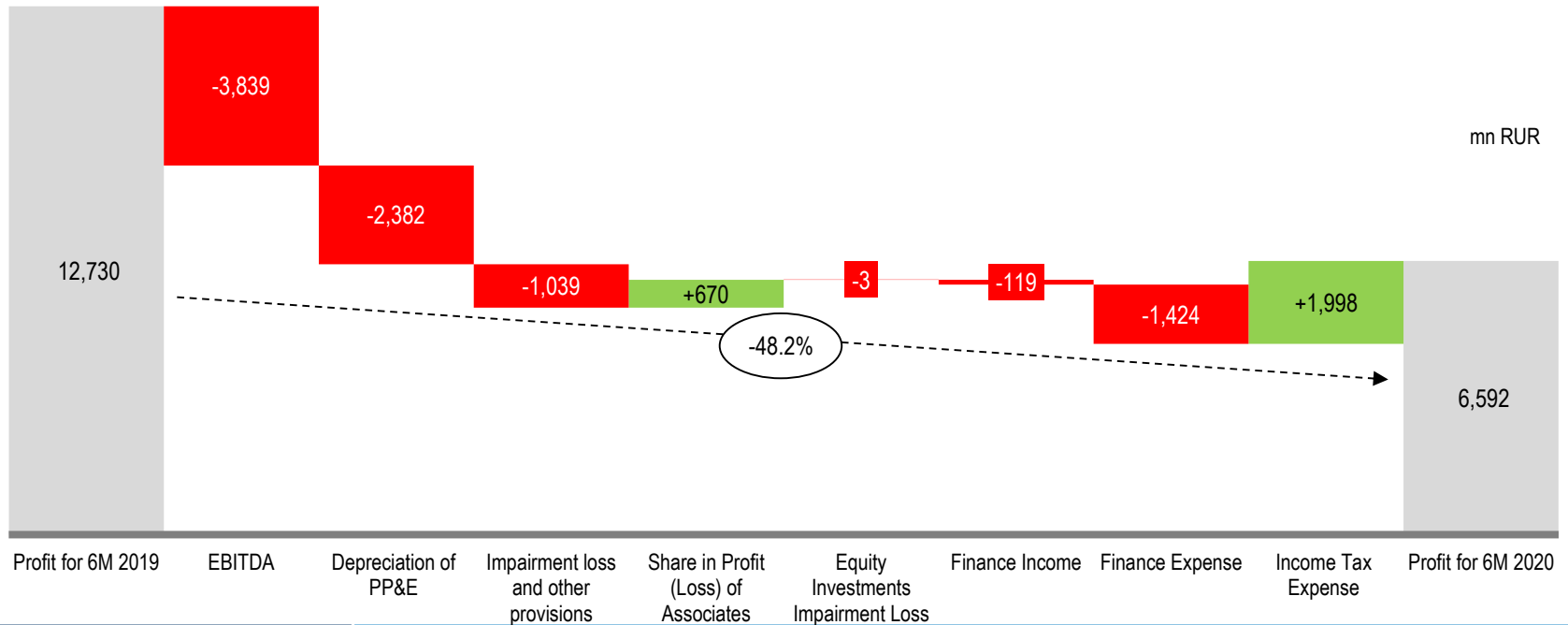
mn RUR



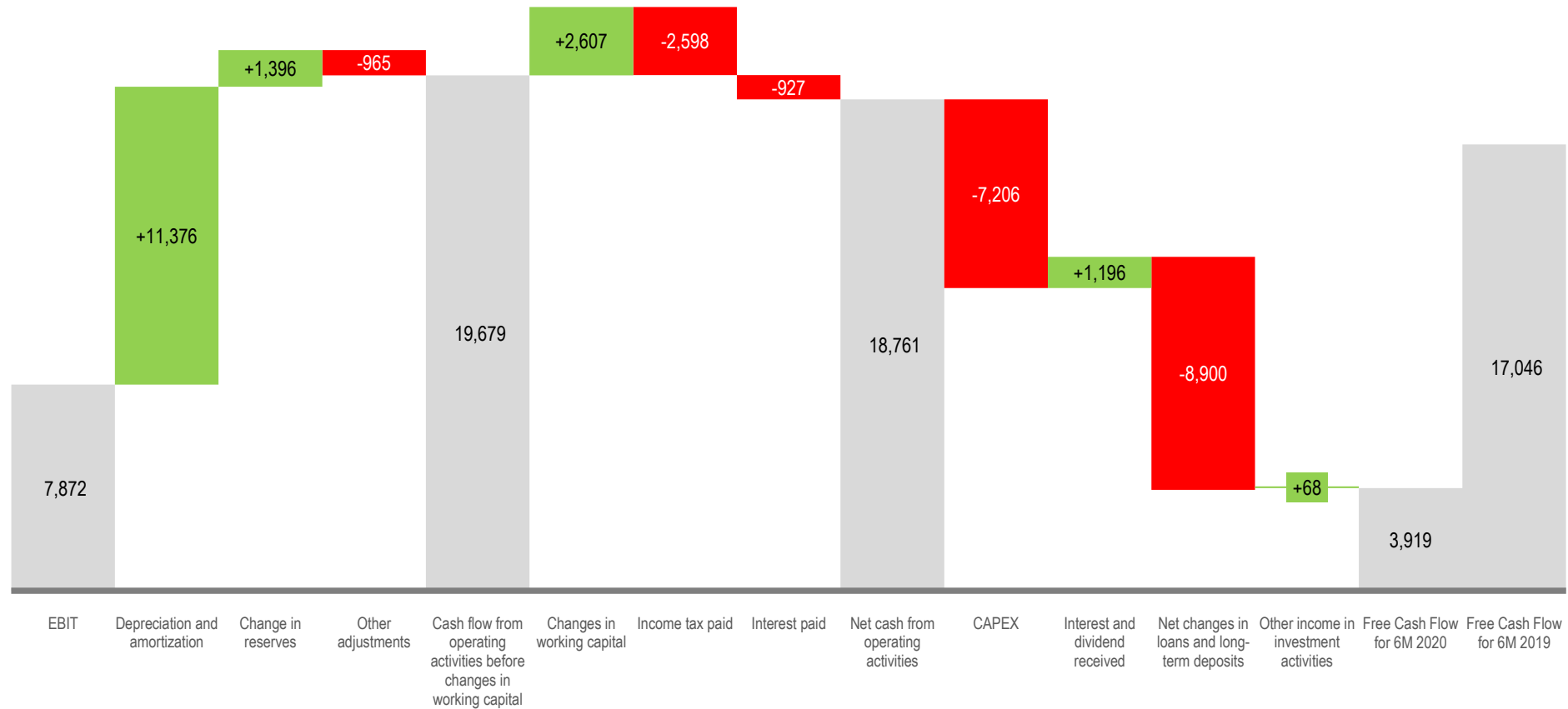
¹ Adjusted to net charge for impairment and other provisions

Profit Composition

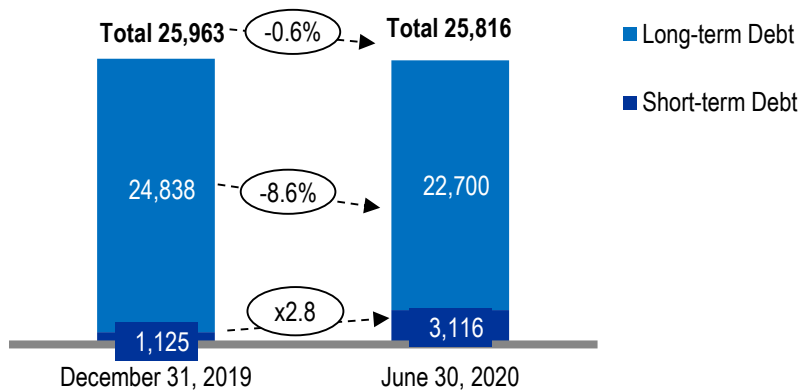
Parameter	6M 2019	6M 2020	Change
EBITDA	23,369	19,530	-16.4%
Depreciation of PP&E	(8,994)	(11,376)	+26.5%
Net Charge for Impairment and Other Provisions	(336)	(1,375)	x4.1
Operating profit	14,039	6,779	-51.7%
Share in Loss of Associates	(224)	446	-
Equity Investments Impairment Loss	-	(3)	-
Finance Income	2,602	2,483	-4.6%
Finance Expense	(409)	(1,833)	x4.5
Income Tax Expense	(3,278)	(1,280)	-61.0%
Profit for the Period	12,730	6,592	-48.2%



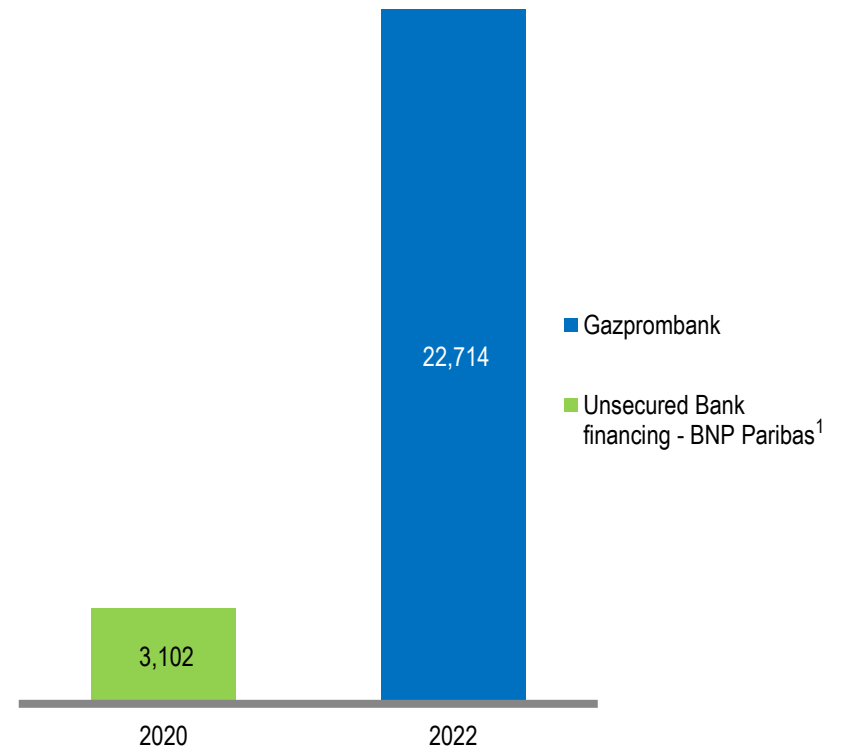
mn RUR



Debt Structure, mn RUR

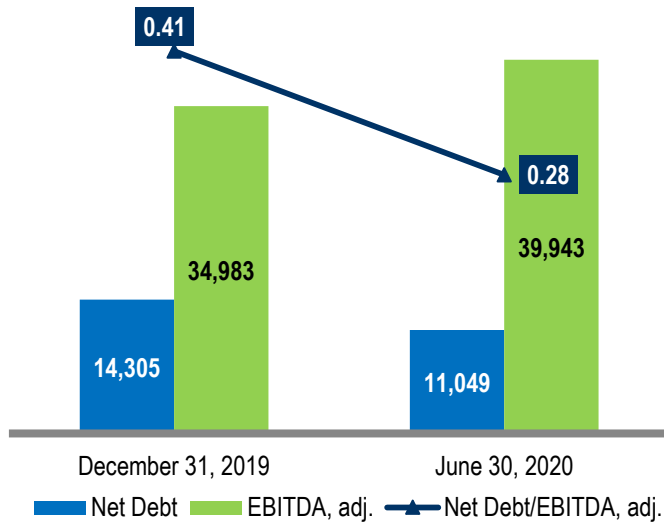


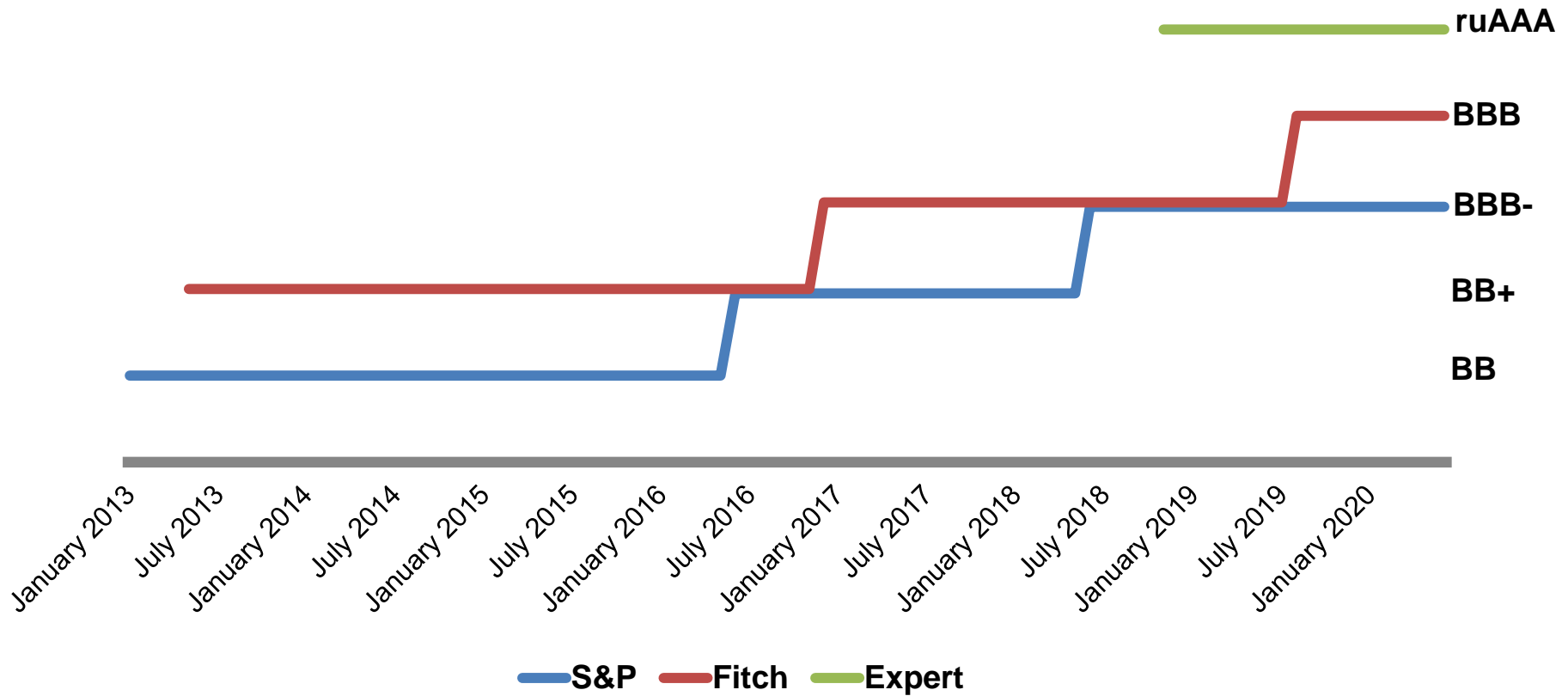
Maturity Profile as of June 30, 2020, mn RUR (carrying amount)



¹ Fully repaid on 30.07.2020

Net Cash / EBITDA, adj. for 12 months





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 provides 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.

THANK YOU FOR YOUR ATTENTION!

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