

# MOSENERGO

## 9M 2020 IFRS Results

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## External Events:

1. Decreasing weighted average electricity price by 6.0% in the reporting period year-on-year.
2. Warmer weather during 1Q 2020 heating season vs. autumn-winter in 2019 caused lower heat output (-7.1%).
3. Nuclear and hydro stations output increase for 9M 2020 in Central energy system year-on-year by 5.7% and 39.8%, correspondingly.<sup>1</sup>
4. Lower consumption in Central energy system by 1.9%, by 2.5% in Moscow and Moscow Region energy systems.<sup>1</sup>

## Internal Events:

1. Fuel rate on electricity decreased by 2.6% (down to 231 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 9M 2020 by 9.4% year-on-year.

<sup>1</sup> System operator data

## Operational Highlights<sup>1</sup>

|                                 | 9M 2019 | 9M 2020 | Change |
|---------------------------------|---------|---------|--------|
| Electricity Output, mn kWh      | 43,654  | 38,745  | -11.2% |
| Electricity Sales, mn kWh       | 45,100  | 40,182  | -10.9% |
| Heat Output, th.Gcal            | 49,810  | 46,276  | -7.1%  |
| Fuel Rate on Electricity, g/kWh | 237.2   | 231.0   | -2.6%  |
| Fuel Rate on Heat, kg/Gcal      | 163.8   | 164.0   | +0.1%  |

## Financial Highlights, mn RUR

| Показатель                     | 9M 2019       | 9M 2020       | Изм.          |
|--------------------------------|---------------|---------------|---------------|
| Revenue (electricity and heat) | 108,887       | 97,040        | -10.9%        |
| Variable Costs                 | (89,204)      | (81,408)      | -8.7%         |
| <b>Marginal profit</b>         | <b>19,683</b> | <b>15,632</b> | <b>-20.6%</b> |
| Revenue (capacity)             | 22,864        | 23,441        | +2.5%         |
| Revenue (other)                | 1,627         | 1,627         | -             |
| Fixed Costs <sup>2</sup>       | (17,834)      | (18,702)      | +4.9%         |
| <b>EBITDA<sup>3</sup></b>      | <b>26,225</b> | <b>21,264</b> | <b>-18.9%</b> |
| <b>EBITDA, adj<sup>4</sup></b> | <b>26,340</b> | <b>21,998</b> | <b>-16.5%</b> |
| Depreciation and Amortization  | (13,551)      | (17,203)      | +27.0%        |
| Operating Profit               | 12,674        | 4,061         | -68.0%        |
| <b>Profit for the Period</b>   | <b>12,624</b> | <b>5,344</b>  | <b>-57.7%</b> |

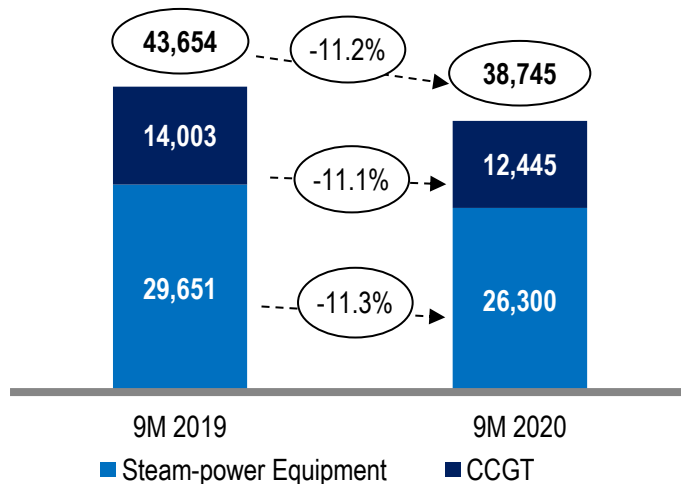
<sup>1</sup> Management report data

<sup>2</sup> Excluding Depreciation and Amortization

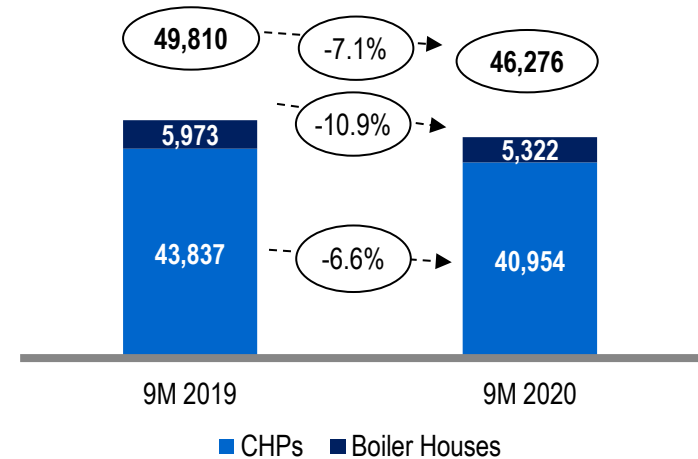
<sup>3</sup> EBITDA = Operating Profit + Depreciation and Amortization

<sup>4</sup> 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



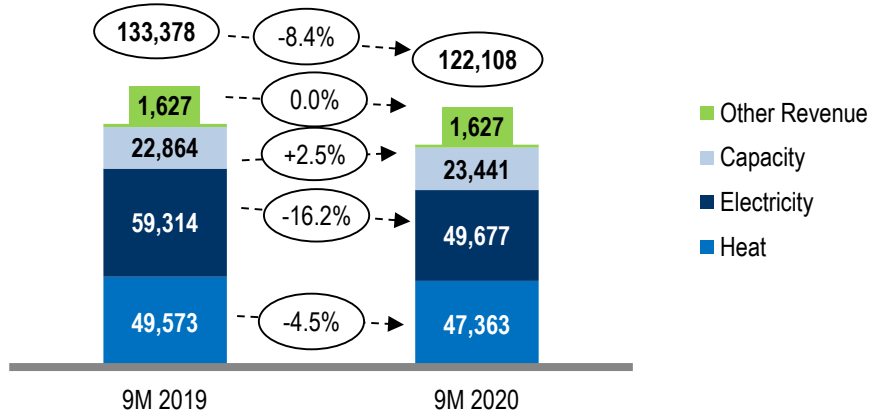
### Heat Output, thous. Gcal



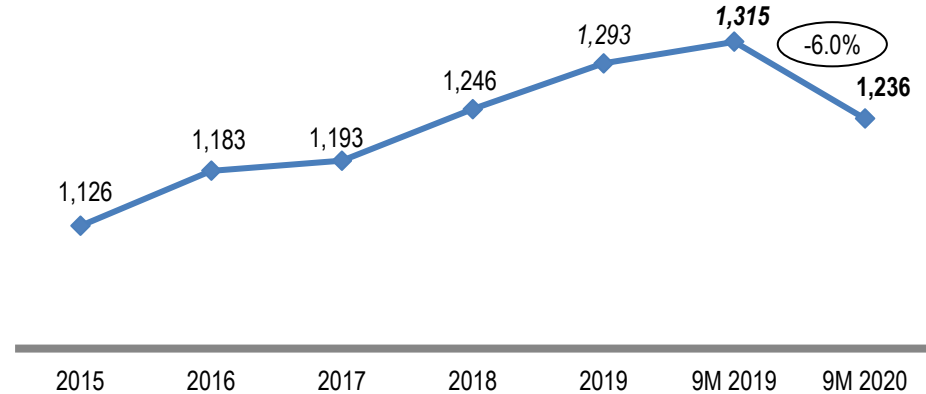
Lower electricity and heat output resulted from:

- warmer weather in the reporting period (average air temperature in autumn-winter period of 9M 2020 amounted to +2.9°C (vs. +0.9°C in autumn-winter period of 9M 2019);
- increased HPPs and NPPs electricity output in Central energy system;
- COVID-19 related constraints.

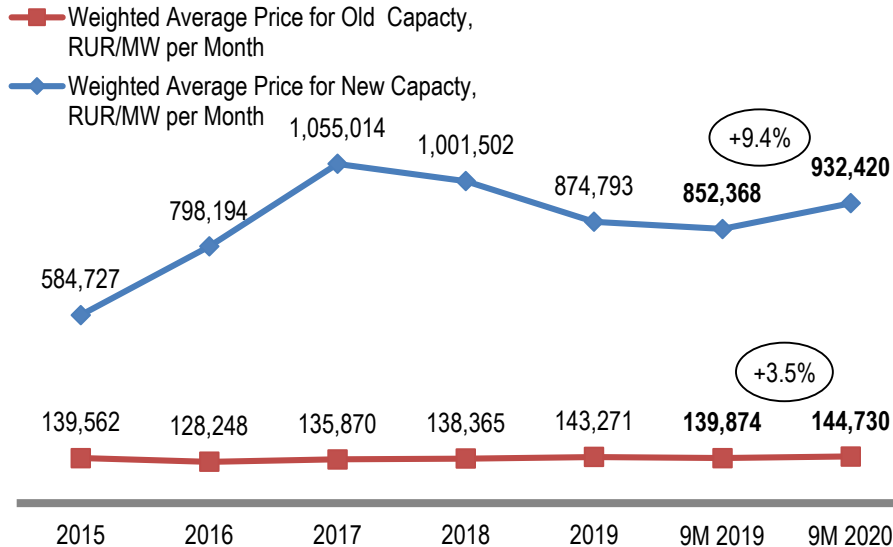
### Revenue, mn RUR



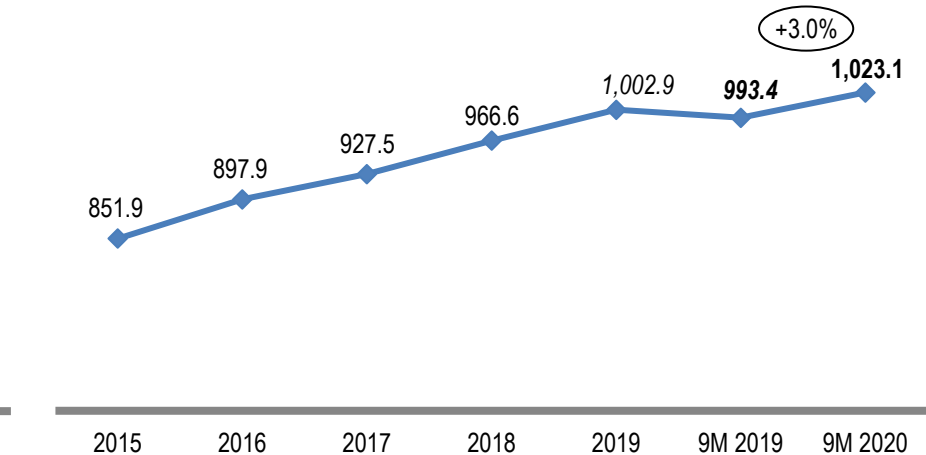
### Weighted Average Price for Electricity at the Wholesale Market, RUR/MW h<sup>1</sup>



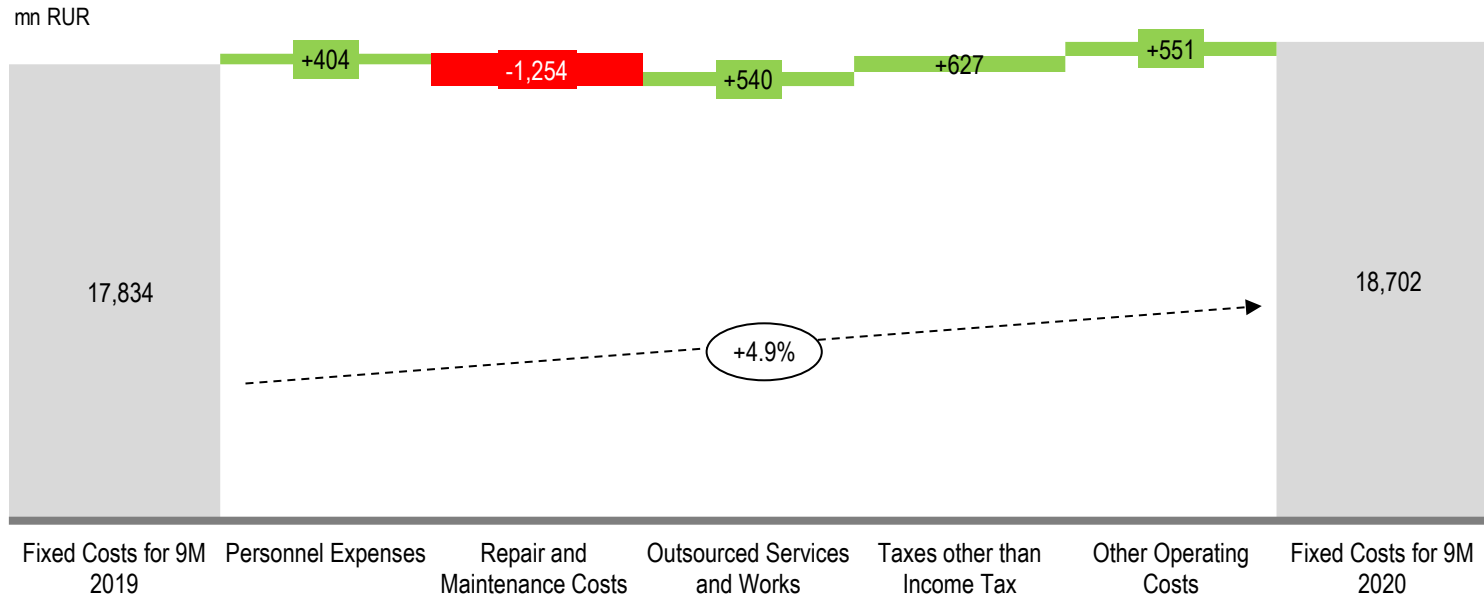
### Weighted Average Capacity Price<sup>1</sup>



### Weighted Average Tariff for Heat Generation, RUR/Gcal<sup>1</sup>



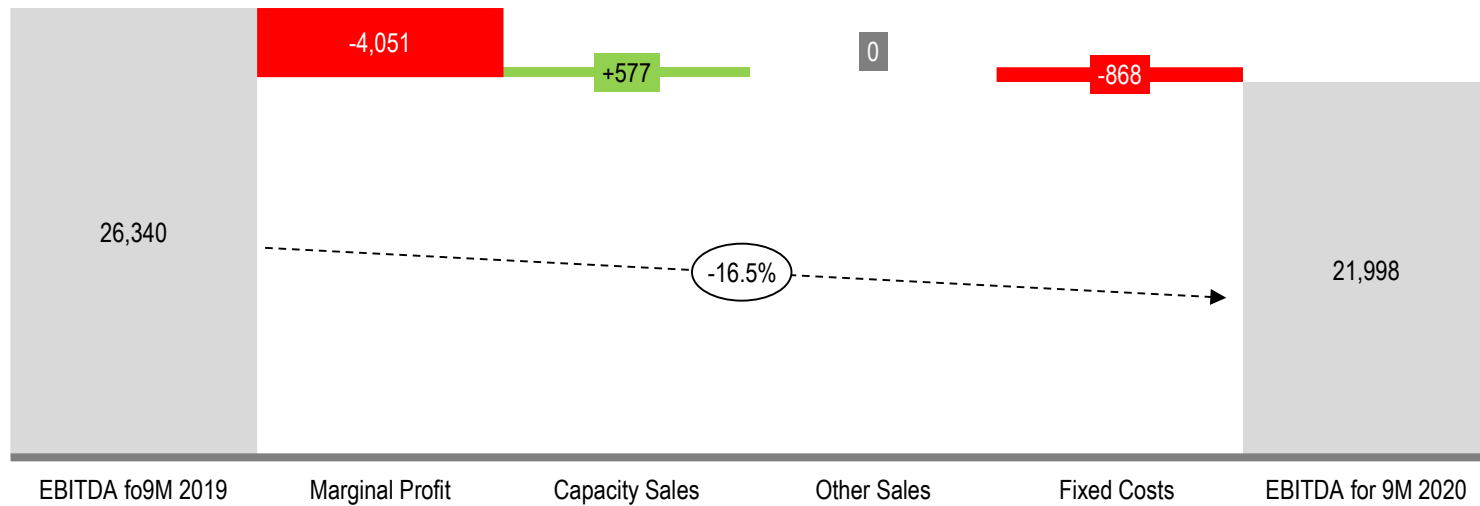
1. RAS data



## Fixed Costs Changer Factors

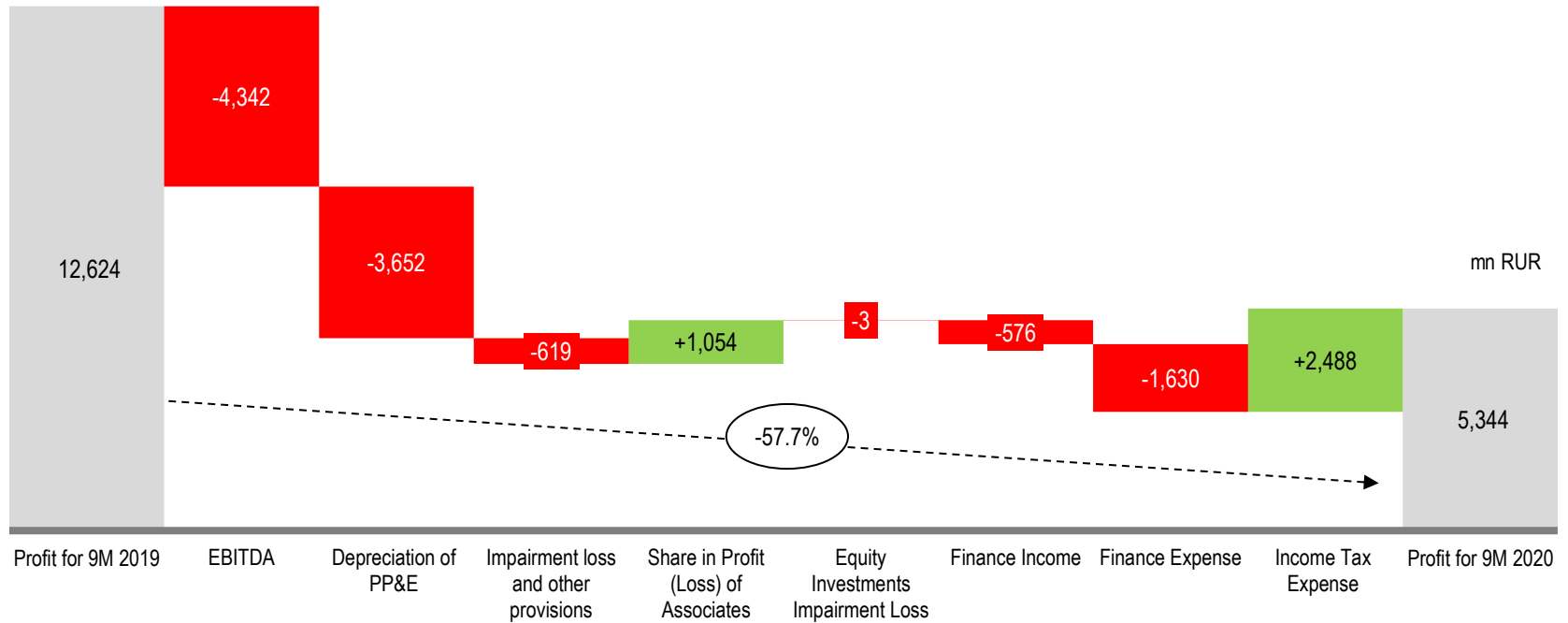
- Taxes other than income tax increased on the account of adjusted property tax for previous periods declaration filed in 1Q 2019 and tax deduction granted as one-off income. Increase in fixed costs in 9M 2020, adjusted to this item amounted to marginal 1.4%.

mn RUR

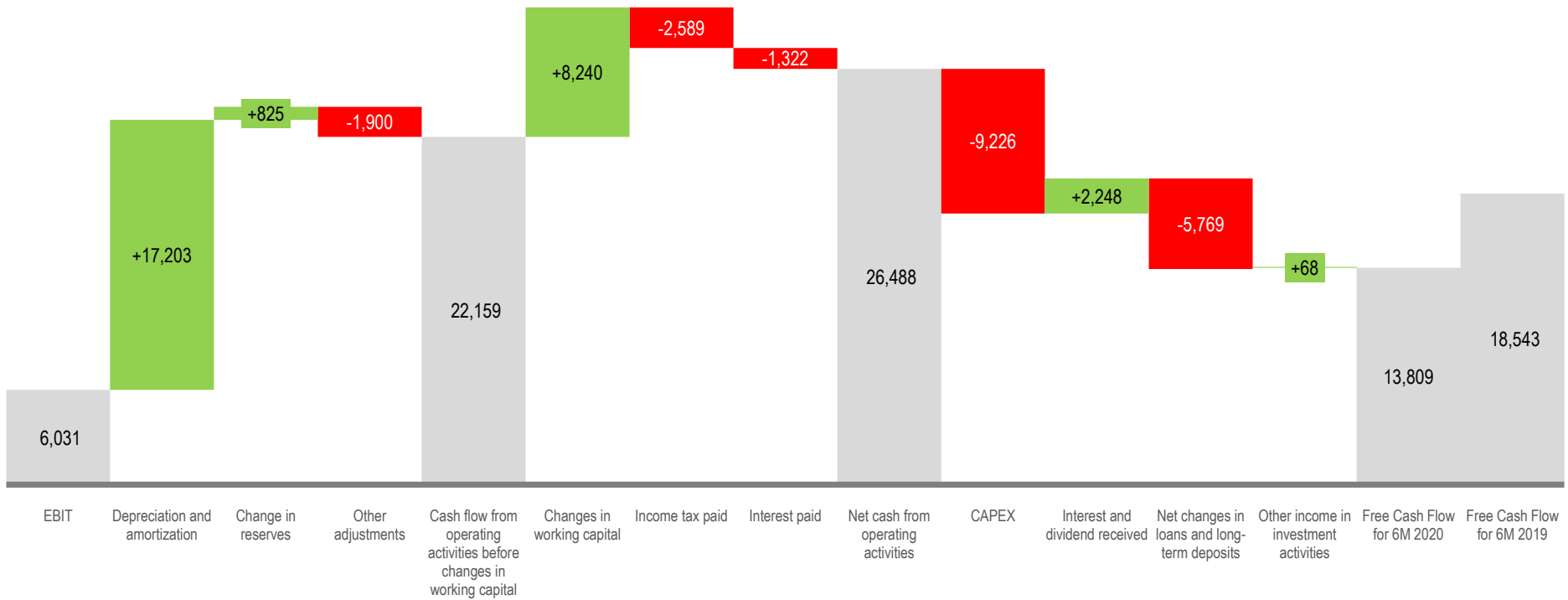


1. Adjusted to net charge for impairment and other provisions

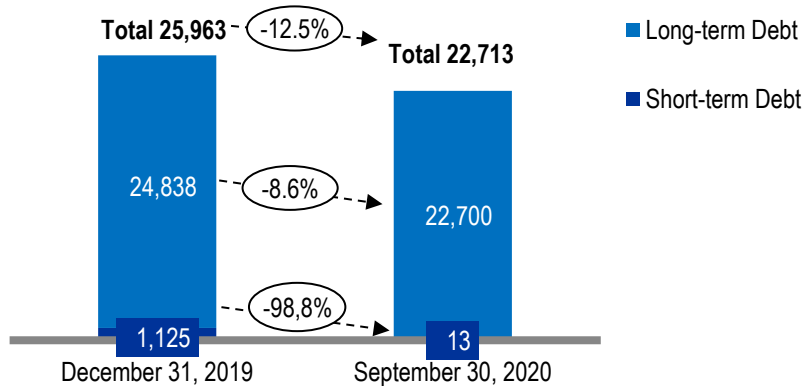




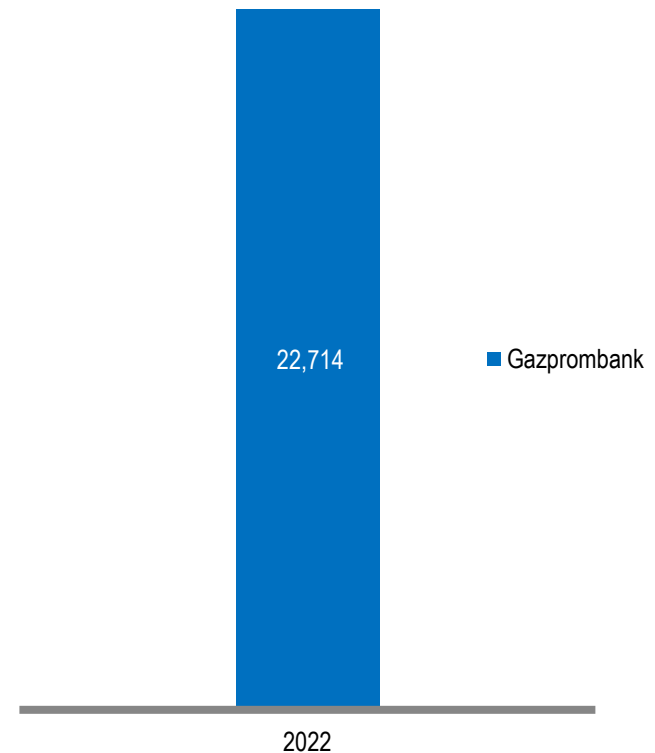
mn RUR



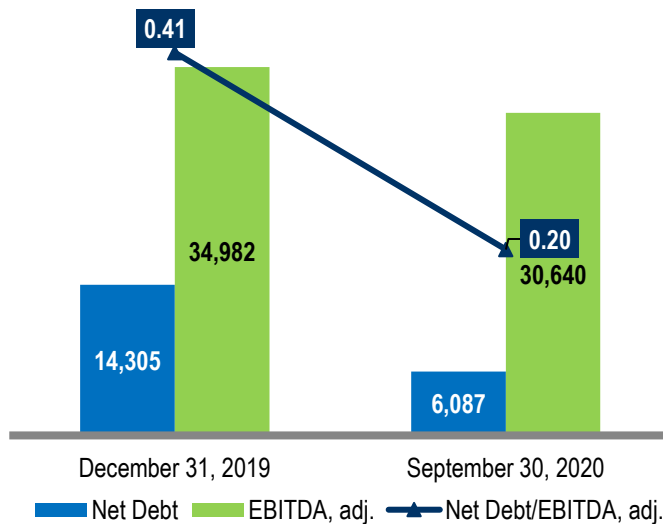
## Debt Structure, mn RUR

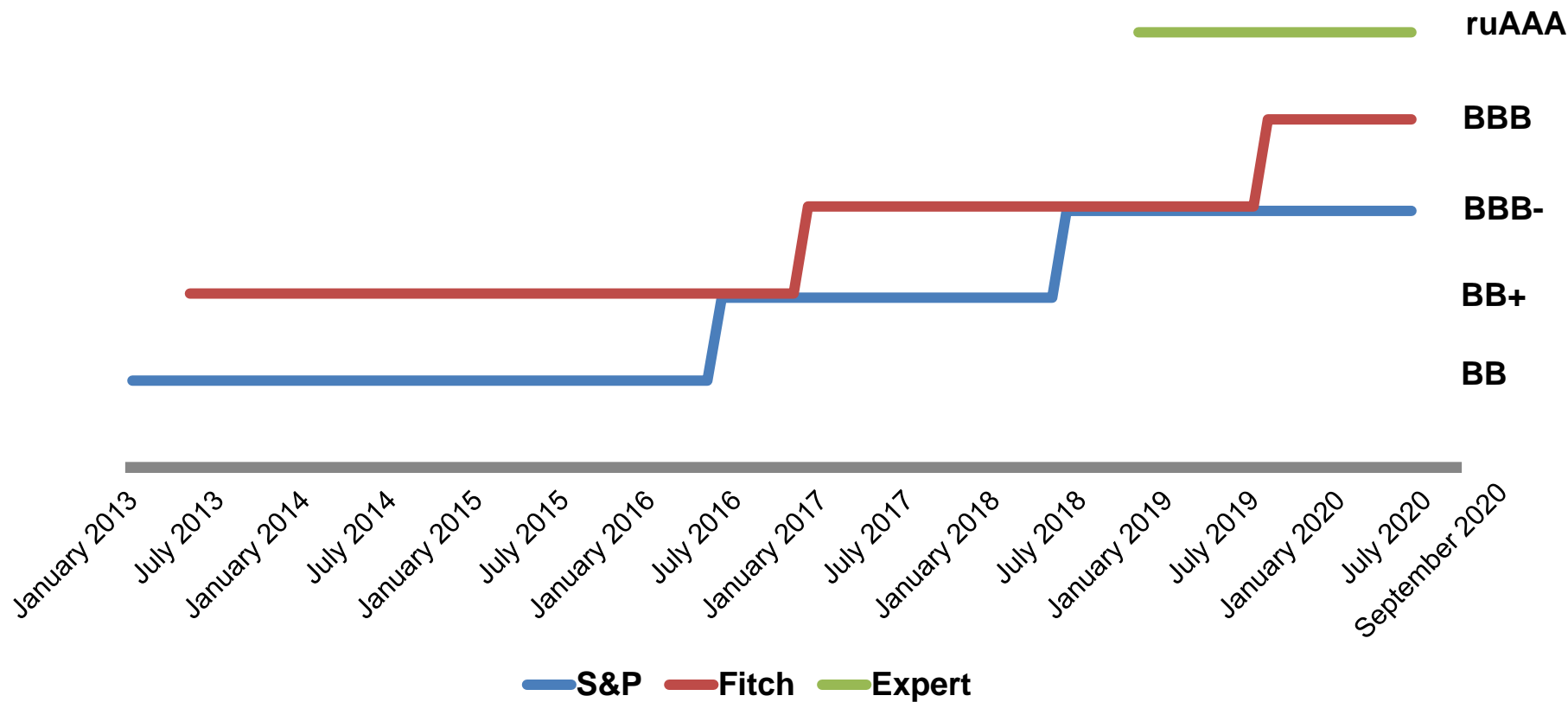


## Maturity Profile as of September 30, 2020, mn RUR (carrying amount)



## 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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