

RusHydro Group announces its operating results for the 9M 2020

October 22, 2020. Moscow, Russia. PJSC RusHydro (ticker symbol: MICEX-RTS, LSE: HYDR; OTCQX: RSHYY) announces operating results for the 9 months of 2020, of the parent company and subsidiaries of RusHydro Group reflected in consolidated financial statements – **all-time high results in the company's history for the comparable period.**

9M key highlights:

- **112,748 GWh** - total electricity generation by RusHydro Group including Boguchanskaya hydropower plant (+13.7%)^[1];
- RusHydro Group's share in the electricity production in Russia in 9M 2020 increased to 14.6% as compared to 12.4% in 9M 2019 as electricity production and consumption in Russia declined by 3.4% and 2.8% respectively;
- **79,901 GWh** - electricity output from hydro and pumped storage plants excl. Boguchanskaya HPP (+17.2%)^[2];
- **19,434 GWh** – electricity output from thermal power plants (+2.7%);
- **316 GWh** – electricity output from alternative renewable energy facilities (+1.5%);
- **33,234 GWh** – total electricity output from power plants in the Far Eastern Federal District (+4.2%);
- **19,122 thousand Gcal/h** – heat output from thermal power plants in the Far Eastern Federal District (+1.7%);
- **28,671 GWh** – sales by Group's electricity retail companies (-1.4%).

Electricity generation by the plants of RusHydro Group, GWh

	3Q'20	3Q'19	chg, %	9M'20	9M'19	chg, %
Center of Russia	9,562	10,171	-6.0%	38,321	29,531	29.8%
South of Russia and North Caucasus	2,029	2,183	-7.1%	5,232	5,498	-4.8%
Siberia	9,276	9,813	-5.5%	22,864	20,478	11.7%
Total for the price zones	20,867	22,167	-5.9%	66,417	55,507	19.7%
Far East	3,957	4,179	-5.3%	11,893	10,760	10.5%
RAO ES East	5,928	5,506	7.6%	21,342	21,145	0.9%
TOTAL	30,752	31,852	-3.5%	99,652	87,414	14.0%
incl. by HPPs, PSPPs	25,206	26,748	-5.8%	79,901	68,178	17.2%
incl. by TPPs and other	5,456	5,012	8.8%	19,434	18,924	2.7%
Incl. by alt. renewables (geothermal, solar, wind)	90	91	-1.5%	316	312	1.5%
Boguchanskaya HPP	4,253	4,426	-3.9%	13,096	11,785	11.1%

Following 1.5x above normal level water inflows to the majority of reservoirs of the hydropower plants in 3Q 2019, predominantly normal-level water inflows in 3Q 2020 provided **record-high electricity production in 9M of 2020 further reiterating sustainability of RusHydro Group's business model.**

The underlying factors of the production change in January-September 2020 were:

- water inflows to the reservoirs of the Volga-Kama cascade, Siberia and the Far East above the normal level;
- increase of electricity consumption in the Far East by 3.9%
- increase of heat output in the Far East driven by weather conditions.

Center of Russia

In the third quarter of 2020, water inflows to the main reservoirs of the Volga-Kama cascade were 18% above the normal level: inflows to Ivankovskoye, Uglichskoye, Sheksninskoye and Rybinskoye reservoirs were 1.6-2.3x the normal level, while inflows to Gorsvskoye, Cheboksarskoye, Kamskoye and Kuybishevskoye reservoirs – at the normal level. Total water inflows to Volga-Kama reservoirs amounted to 44.1 km³ as compared to the normal level of 37.5 km³.

In October, water inflows to the majority of reservoirs on the Volga and the Kama Rivers are expected at the normal level, while inflows to Kamskoye and Sheksninskoye reservoirs – 1.25x and 2.1x the normal level, respectively. Total water inflow to the reservoirs of the Volga-Kama cascade in October is expected in the range of 13.6-18.0 km³ (normal level - 14.9 km³). As of 13.10.2020, water storage at the reservoirs of the cascade was above the normal level.

Aided by strong water inflows in the first half of the year, total electricity production by the hydropower plants of the Volga-Kama cascade and Zagorsksaya pumped storage in the nine months of 2020 increased by 29.8% to 38,321 GWh as compared to the corresponding period

of 2019.

South of Russia and North Caucasus

During the first nine months of 2020, total water inflow to Chirkeysaya HPP on the Sulak River was slightly below the normal level. In October 2020, total water inflow is expected below the normal level as well.

In 9M 2020, total electricity production by the hydropower plants in the South of Russia and North Caucasus decreased by 4.8% to 5,232 GWh as compared to the corresponding period last year.

Siberia

In 3Q 2020 water inflows to the reservoirs of Siberia were at the normal level. In September as water inflows increased above the normal level, electricity production at Sayano-Shushenskaya HPP, Russia's largest hydropower plant (installed capacity of 6.4 GW) increased to 3,773 GWh (+15.5%) against an already strong September '19.

In October 2020, water inflows to the reservoirs in Siberia are expected above the normal level, including to Sayano-Shushenskoye reservoir – 10-30% above the norm.

In 9M 2020, total electricity production by PJSC Rushydro's hydropower plants in Siberia increased by 11.7% to 22,864 GWh as compared to 9M 2019. Electricity production of Boguchanskaya HPP in 9M 2020 reached 13,096 GWh, an increase of 11.1% as compared to the corresponding period last year.

Far East

In the third quarter of 2020, water inflows to Zeyskoye and Kolymskoe reservoirs were 15-30% below the normal level. Stronger performance is expected in October as water inflows to Kolymskoye reservoir are expected at the normal level, while inflows to Zeyskoye reservoir will be 10-45% above the normal level. Water storage at the reservoirs in the Far East are at the normal level or slightly above it.

Total electricity generated by hydropower plants in the Far East (not included in the RAO ES East subgroup) in 9M 2020 increased by 10.5% to 11,892 GWh against the same period last year.

Total electricity generated by RAO ES East subgroup in the third quarter of 2020 amounted to 5,927 GWh, an increase of 7.6% as compared to the third quarter of 2019. The main driver behind the production growth was growth of electricity consumption in the region by 1.9%. JSC Far Eastern Generating Company's (DGK) share of electricity generated was 71% or 4,203 GWh, an increase of 12.2% against the same period last year.

In first nine months of the year, total electricity generation by RAO ES East subgroup increased by 0.9% to 21,341 GWh against the corresponding period of 2019.

Heat output by thermal plants of RAO ES East Subgroup in the third quarter of 2020 came in at 2,151 GCal as compared to the corresponding period of 2020. In the first nine months of the year heat output increased by 1.7% to 19,122 GCal.

Heat output by thermal plants of RAO ES of the East Subgroup, '000 GCal

	3Q'20	3Q'19	chg, %	9M'20	9M'19	chg, %
JSC DGK incl.	1,525	1,530	-0.3%	12,819	12,500	2.5%
Primorye power system	327	291	12.5%	2,709	2,493	8.7%
Khabarovsk power system	857	917	-6.6%	7,359	7,382	-0.3%
Amur power system	205	172	19.5%	1,552	1,424	9.0%
South Yakutsk power district	136	150	-9.4%	1,199	1,205	-0.3%
JSC RAO ES East (CHPP Vostochnaya)	52	71	-26.7%	572	565	1.2%
PJSC Yakutskenergo	186	178	4.5%	1,584	1,555	1.8%
UES of East	1,763	1,779	-0.9%	14,974	14,620	2.4%
Yakutsk power system incl.	53	54	-1.8%	733	755	-3.0%
JSC Sakhaenergo	3	3	-9.4%	43	49	-11.2%
JSC Teploenergoservice	50	51	-1.3%	690	707	-2.4%
Kamchatka power system incl.	128	126	1.6%	1,339	1,361	-1.7%
PJSC Kamchatskenergo	124	122	1.5%	1,289	1,309	-1.6%
JSC KSEN	4	4	5.4%	50	52	-4.3%

Magadan power system	108	98	10.4%	831	815	2.0%
Chukotka AO power system	40	47	1.5%	292	287	1.5%
Sakhalin power system	59	52	13.0%	954	963	-1.0%
Isolated power systems	388	376	3.0%	4,148	4,181	-0.8%
TOTAL	2,151	2,155	-0.2%	19,122	18,802	1.7%

Electricity retail

Total electricity output by RusHydro Group's energy retail companies in 3Q 2020 increased by 0.1% to 10,009 GWh as compared to 3Q 2019; in the first nine months of the year – decreased by 0.7% to 34,972 GWh. The majority of decrease came on the back of climate factor and implementation of nationwide government measures to contain the COVID-19 virus spread.

In the third quarter of 2020, total electricity output by ESC RusHydro subgroup's retail companies, operating in Chuvashia, Ryazan, Krasnoyarsk regions and in the Far East decreased by 0.9% and amounted to 8,199 GWh, in the first nine months of the year – decreased by 1.4% and amounted to 28,671 GWh.

Total electricity output by RusHydro's companies located in the isolated energy systems in the Far East Federal District amounted to 1,810 GWh in 3Q 2020, an increase of 5.1% as compared to the same period last year, in the first nine months of the year – increased by 2.7% to 6,300 GWh.

Electricity output by RusHydro Group's retail companies, GWh

	3Q'20	3Q'19	chg, %	9M'20	9M'19	chg, %
PJSC Krasnoyarskenergosbyt	2,310	2,378	-2.9%	8,017	8,520	-5.9%
JSC Chuvash retail company	682	732	-6.9%	2,284	2,400	-4.8%
PJSC Ryazan retail company	558	574	-2.8%	1,761	1,828	-3.7%
JSC ESC RusHydro	559	447	25.1%	1,493	1,307	14.3%
PJSC DEK	4,091	4,144	-1.3%	15,117	15,027	0.6%
Total ESC RusHydro subgroup	8,199	8,275	-0.9%	28,671	29,082	-1.4%
Isolated energy systems (for reference)	1,810	1,723	5.1%	6,300	6,137	2.7%
Total by Group	10,009	9,998	0.1%	34,972	35,219	-0.7%

Water inflows forecast

According to the forecast of the Hydrometeorology Center of Russia, the following dynamics of water inflows to the major reservoirs is expected in the 4th quarter of 2020:

- Total water inflows to reservoirs on Volga-Kama cascade and in Siberia are expected at the normal level or slightly above it;
- Inflows to the reservoirs on the rivers of Southern Caucasus are expected below the normal level;
- In the Far East inflows to Zeyskoye and Kolymskoye reservoirs are expected to be at or slightly above the long-run average.

[1] Hereinafter data is reported excluding Armenia and Primorskaya GRES. On 11.03.2020 RusHydro has finalized divestment of its assets in Armenia to PJSC Hrazdan Power Company (HrazTES, Tashir Group). Primorskaya GRES was sold to SUEK Group in June 2020.

[2] The Boguchanskaya hydropower plant is part of the Boguchanskiy Energy and Metals Complex (BEMO), a 50/50 joint venture (JV) between RusHydro and UC RUSAL, and is not part of RusHydro Group. According to RusHydro's shareholding in the JV (50%), the results of the plant are reported in the official financial statements in "Share of results of associates and jointly controlled entities". Operations of the HPP have been put into the press-release for general reference.