

FINANCIAL RESULTS

Key RAS metrics

FY2021 total revenues totaled RUB 82,746 million (+RUB 6,682 million or 8.8% YoY). Revenues from electricity transmission totaled RUB 81,370 million (+RUB 6,470 million or 8.6% YoY), the hike impacted by grown net supply (+2,671 million kW YoY) and grown transmission rates.

FY2021 total expenses (incl. administrative and commercial costs) totaled RUB 77,280 million (+RUB 3,271 million or 4.4% YoY), the increase resulting from grown expenses on loss compensation, payments to other grid operators, personnel expenses.

FY2021 net income totaled RUB 5,174 million (+RUB 5,155 million YoY), the hike impacted by grown revenues from electricity transmission, other expenses, incl. recovery of bad debt allowance as a result of reconciliation and collection of payments for electricity transmission.

RAS metrics, RUB million

Metric	2019	2020	2021	2021/ 2020, %
Total revenues, comprising:	94,042	76,064	82,746	8.8%
revenues from electricity transmission	70,084	74,900	81,370	8.6%
revenues from connection	783	730	766	4.9%
revenues from electricity sales	22,805	0	0	-
other revenues	370	434	610	40.6%
Total expenses	-85,497	-72,519	-75,700	4.4%
Gross profit	8,545	3,545	7,046	98.8%
Administrative costs	-1,534	-1,406	-1,503	6.9%
Commercial costs	-969	-84	-77	-8.3%
Profit (loss) from sales	6,042	2,055	5,466	166.0%
Interest receivable	117	84	102	21.4%
Interest payable	-1,084	-973	-1,003	3.1%
Income from shareholdings	440	600	1,035	72.5%
Other revenues	4,342	4,938	6,402	29.6%
Other expenses	-6,993	-6,705	-5,626	-16.1%
Pre-tax profit	2,864	-1	6,376	-637,700.0%
Income tax and other payments	-709	20	-1,202	-6,110.0%
Net income (loss)	2,155	19	5,174	27,131.6%
EBITDA*	9,557	6,959	13,327	91.5%
Receivables for electricity transmission services	12,333.7	12,712.0	12,120.0	-4.7%

* EBITDA = pre-tax profit - interest payable + depreciation and amortization = line 2300 F2 - line 2330 F2 + line 6514 F.2.1 + line 6554 F.2.1 + line 6564 F.2.1

RUB 5,174 million

NET INCOME IN 2021

Key IFRS metrics

Revenues from electricity transmission contribute the most to the total revenues of the Group. Changes in the amounts mainly depend on approved tariffs and volume of transmitted electricity during the period. The Group also generates revenues from electricity sales, connection and other services. FY2021 Group's revenues totaled RUB 96,514 million (+RUB 7,893 million or 8.9%), incl.:

- a RUB 5,682 million hike in revenues from electricity transmission resulted from grown net supply and electricity transmission tariffs;
- a RUB 52 million decrease in revenues from connection is due to differences in the structure of applicants and concluded contracts of each period;
- a RUB 2,043 million increase in revenues from electricity sales resulted from grown tariff and volume of electricity consumption;
- a RUB 220 million increase in other revenues is due to business development and conclusion of additional contracts.

IFRS metrics, RUB million

Metric	2019	2020	2021
Revenues, incl.:	106,149	88,621	96,514
revenues from electricity transmission	62,790	67,966	73,648
revenues from connection	1,137	1,292	1,240
revenues from electricity sales	41,793	18,912	20,955
other revenues	429	451	671
Operating expenses	100,716	86,285	91,456
Expected credit loss provision	1,907	1,454	-1,504
Impairment loss related to PP&E and right-of-use assets	0	0	2,141
Net other income	886	870	1,147
Operating result	4,412	1,752	5,568
Balance of financial income and expenses	-643	-963	-596
Profit before tax	3,769	789	4,972
Income tax	1,008	167	1,132
Profit for the period	2,761	622	3,840
EBITDA*	12,153	9,586	16,309
EBITDA margin, %	11.4%	10.8%	16.9%
Net debt **	14,943	17,979	15,948

* EBITDA=Profit/loss before tax + Depreciation and Amortization + interest payable (loans, lease) + impairment loss.

** Net debt, net of lease liabilities.

FY2021 operating expenses totaled RUB 91,456 million (+RUB 5,171 million YoY), the increase mainly due to grown expenses on electricity transmission, loss compensation and purchase electricity, depreciation and personnel.

FY2021 net other income totaled RUB 1,147 million (+RUB 277 million YoY).

Other operating income includes gains from uncontracted electricity consumption, income from fines, penalties and forfeits on commercial contracts, payables write-offs and insurance recovery. The increase is mainly due to grown income from fines, penalties and forfeits charged for violation of contractual liabilities.

FY2021 net income of the Group totaled RUB 3,840 million (+RUB 3,218 million YoY), the hike impacted by grown revenues from electricity transmission and other revenues.

Metric	2019	2020	2021	YoY (+/-)
Net Debt/EBITDA	1.47	2.15	1.32	-0.83
Current liquidity ratio	0.72	0.58	0.49	-0.09
Financial leverage	0.91	0.96	0.92	-0.04
Share of LT loans	0.88	0.87	0.60	-0.27
Net cash flow, RUB million	-1,419.95	-2,007.54	2,115.50	4,123.04

* Calculations in the table above use consolidated financial statements prepared under IFRS.

Net Debt/EBITDA as of 31.12.2021 is lower than Net Debt/EBITDA as of 31.12.2020 due to improved EBITDA and reduction of debt. Current liquidity ratio as of 31.12.2021 is lower than current liquidity ratio as of 31.12.2020 due to increased short-term liabilities resulted from reclassification of bonds into short-term ones in line with the 2022 offer.



Financial leverage as of 31.12.2021 is slightly lower than financial leverage as of 31.12.2020. Share of LT loans as of 31.12.2021 is lower than share of LT loans as of 31.12.2020 due to reduced LT loans resulted from reclassification of bonds into short-term ones. Net cash flow in 2021 is higher than net cash flow in 2020 due to an increase in cash from operating activities, namely from electricity transmission.