

FINANCIAL RESULTS

Key RAS metrics

FY2022 revenues totaled RUB 88,722 million (+RUB 5,976 million or 7.2% YoY). FY2022 revenues from electricity transmission totaled RUB 85,718 million (+RUB 4,348 million or 5.3% YoY), the increase affected by grown tariff rates and increased 2022 net supply (+350 million kWh YoY).

FY2022 expenses, incl. administrative and commercial expenses, totaled RUB 82,069 million (+RUB 4,887 million or 6.3% YoY), the increase mainly affected by grown payments to other RGOs and personnel expenses.

FY2022 net profit totaled RUB 3,269 million (-RUB 1,827 million YoY), the decrease mainly affected by revaluation of financial assets and recovery of bad debt reserve in 2021 due to reconciliation and repayment for electricity transmission.

RAS metrics, RUB million

Metrics	2020	2021	2022	2022/2021, %
Total revenues, comprising:	76,064	82,746	88,722	7.2%
revenues from electricity transmission	74,900	81,370	85,718	5.3%
revenues from connection	730	766	1,259	64.4%
revenues from electricity sales	0	0	0	-
other revenues	434	610	1,745	186.1%
Total expenses	-72,519	-75,610	-80,319	6.2%
Gross profit	3,545	7,136	8,403	17.8%
Administrative costs	-1,406	-1,495	-1,675	12.0%
Commercial costs	-84	-77	-75	-2.6%
Profit (loss) from sales	2,055	5,564	6,653	19.6%
Interest receivable	84	102	223	118.6%
Interest payable	-973	-1,199	-1,562	30.3%
Income from shareholdings	600	1,035	1,341	29.6%
Other revenues	4,938	6,709	5,315	-20.8%
Other expenses	-6,705	-5,933	-7,662	29.1%
Pre-tax profit	-1	6,278	4,308	-31.4%
Income tax and other payments	20	-1,182	-1,039	-12.1%
Net income (loss)	19	5,096	3,269	-35.9%
EBITDA*	6,959	13,779	12,332	-10.5%
Collection of fees for electricity transmission	88,983.26	98,142.68	101,597.76	103.52%
Collection of fees for retail market electricity	921.33	236.87	93.95	39.66%

* EBITDA=Profit/loss before tax – interest payable + Depreciation and Amortization

Key IFRS metrics

The key portion of the Group's revenues comes from electricity transmission. Changes of the revenues depend on approved tariff rates and volume of electricity transmitted during the period. The Group also has revenues from connection and other revenues. FY2022 revenues totaled RUB 102,984 million (+RUB 6,470 million or 6.7%), incl:

- A RUB 3,940 million increase of revenues from electricity transmission is affected by grown transmission rates and 2022 net supply;
- A RUB 659 million increase of revenues from connection is affected by various groups of applicants and structure of concluded contracts;
- A RUB 947 million increase of revenues from electricity sales is affected by grown tariffs and electricity consumption;
- A RUB 924 million increase of other revenues is affected by the progress in activities and conclusion of additional contracts.

FY2022 operating expenses totaled RUB 97,606 million (+RUB 6,150 million YoY). The key growth factors are increased expenses on loss compensation, on purchased electricity for sale, depreciation and amortization and personnel. We recognized a RUB 793 million gain in Expected credit loss provision in 2022 as a result of recovery of bad debt reserve due to debt repayment by the debtor.

Net other income in 2022 totaled RUB 1,060 million (-RUB 87 million). Other operating revenues include gains from uncontracted consumption, gains from fines, penalties and forfeits, writing-off of payables and insurance indemnity.

FY2022 net income of the Group totaled RUB 4,276 million (+RUB 436 million YoY), the increase affected mainly by recognition of impairment loss related to PP&E and right-of-use assets in 2021. FY2022 EBITDA totaled RUB 15,933 million (-RUB 376 million YoY). The largest influence on the decrease of the indicator was due to grown revenues in 2021 as a result of recovery of expected credit loss provision.

IFRS metrics, RUB million

Metrics	2020	2021	2022
Revenues, incl.:	88,621	96,514	102,984
revenues from electricity transmission	67,966	73,648	77,588
revenues from connection	1,292	1,240	1,899
revenues from electricity sales	18,912	20,955	21,902
other revenues	451	671	1,595
Operating expenses	86,285	91,456	97,606
Expected credit loss provision	1,454	-1,504	-793
Impairment loss related to PP&E and right-of-use assets	0	2,141	0
Net other income	870	1,147	1,060
Operating result	1,752	5,568	7,231
Balance of financial income and expenses	-963	-596	-1,391
Profit before tax	789	4,972	5,840
Income tax	167	1,132	1,564
Profit for the period	622	3,840	4,276
EBITDA*	9,586	16,309	15,933
EBITDA margin,%	10.8%	16.9%	15.5%
Net debt	20,597	18,633	19,942

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

Indicator*	2020	2021	2022	2022/2021, %
Net Debt/EBITDA	2.15	1.14	1.25	10%
Current liquidity ratio	0.58	0.49	0.48	-2%
Financial leverage	0.96	0.92	1.05	14%
Share of LT loans	0.87	0.60	0.58	-3%
Net cash flow, RUB million	-2,008	2,116	1,661	-22%

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

Net/EBITDA as of 31.12.2022 is higher than Net/EBITDA as of 31.12.2021 due to debt increase. Current liquidity ratio as of 31.12.2022 is slightly lower than Current liquidity ratio as of 31.12.2021. Financial leverage as of 31.12.2022 is higher than Financial leverage as of 31.12.2021 due to grown ST liabilities. Share of LT loans as of 31.12.2022 is slightly lower than share of

LT loans as of 31.12.2021. Net cash flow in 2022 is positive. Net cash flow in 2022 is lower than Net cash flow in 2021, affected by interest paid, grown due to the increased key rate of the Bank of Russia, and increased debt portfolio during 1H2022 as well as grown income tax as a result of increased revenues, mainly from electricity transmission.

