



PRESS RELEASE

Media Relations

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ENEL RUSSIA ACHIEVED 2019 FINANCIAL TARGETS

- The company delivered its guidance for 2019 disclosed with Strategic plan in February 2020
- 2019 results are expectedly lower versus 2018 due to the change in assets perimeter following the disposal of coal power plant Reftinskaya GRES from October 1st, 2019

MAIN FINANCIAL HIGHLIGHTS (millions of RUB)

| | 2019 | 2018 | Change |
|-----------------------------------|--------|--------|--------|
| Revenues | 65,835 | 73,265 | -10.1% |
| EBITDA | 15,318 | 17,225 | -11.1% |
| EBIT | 2,842 | 12,536 | -77.3% |
| Ordinary EBIT | 11,039 | 12,536 | -11.9% |
| Net income | 896 | 7,699 | -88.4% |
| Ordinary net income | 7,453 | 7,699 | -3.2% |
| Net debt at the end of the period | 4,171 | 19,376 | -78.5% |

Carlo Palasciano Villamagna, General Director of Enel Russia, said: “Our results as for 2019 were mostly impacted by Reftinskaya power plant disposal. But we managed to stay in line with our 2019 guidance mainly due to favorable market pricing, as well as managerial efforts on overall cost optimization. We are following our path towards a more sustainable business model with a strong focus on our wind projects implementation together with an improvement of our gas units’ efficiency through modernization projects. In line with our Strategic plan 2020-2022, for 2019 we are going to pay a fixed dividend of 3 billion RUB in order to assure reliable shareholders remuneration”.

Moscow, March 17th, 2020 – PJSC Enel Russia has published its audited consolidated financial statements for 2019 in accordance with the International Financial Reporting Standards (IFRS).

- **Revenues** decreased mainly as a result of:
 - lower power and capacity sales due to Reftinskaya power plant exit starting from 4Q 2019;
 - the decline in conventional gas units’ production that was mostly driven by lower loading by the System Operator due to overcapacity in the system, as well as lower electricity demand in European Russia and Urals due to higher average temperatures in 2019 versus 2018.

These factors were only partially offset with:

- higher electricity market prices in the Central and Urals regions during the first half of the year mainly due to drop of hydro production and increased demand of electricity set for export from



- European Russia and Urals (the first price zone);
- slightly higher regulated sales due to annual increase in regulated tariffs, as well as higher free capacity (KOM) prices resulting from their indexation for 2019.
- **EBITDA** decreased mainly following the revenues which offset a positive effect coming from a 13% fixed cost decline that was mainly attributable to:
 - lower non-manageable operation and maintenance costs due to elimination of property tax on movable assets from 2019;
 - lower manageable operation and maintenance costs and personnel costs on the change in assets perimeter. Personnel costs additionally benefited from personnel liabilities recalculation related to Reftinskaya GRES, as well as lower headcount more than offsetting the impact on salaries of the Consumer Price Index (CPI).
- **EBIT** notably declined largely because of impairment loss recognized as a result of reclassification of non-current assets of Reftinskaya GRES to the “Assets held for sale” category from July 1st, 2019. Lower amount of depreciation due to its elimination for Reftinskaya GRES starting from July 1st, 2019, as well as lower accruals for bad debts partially offset the abovementioned negative effect.
- **Ordinary EBIT**, net of Reftinskaya sale-related effects, mainly reflected lower EBITDA.
- **Ordinary net income** was in line with ordinary EBIT, however, supported by around a 36% decrease in net financial charges which was mainly attributable to managerial action, that resulted in the optimization of debt currency and cost structure, as well as to lower average level of debt due to its partial repayment from Reftinskaya sale proceeds.
- **Net debt** as of December 31st, 2019 sharply declined by 78% against the value posted as of December 31st, 2018 mainly reflecting the receipt of Reftinskaya sale proceeds that were used afterwards for partial debt repayment.

About Enel Russia

PJSC Enel Russia is a subsidiary of Enel Group. PJSC Enel Russia operates the following three gas power plants: Konakovskaya GRES, Nevinomysskaya GRES and Sredneuralskaya GRES. The company's total gross installed electrical capacity is 5,628.7 MW (equivalent to 5,255.4 MW net installed capacity) and thermal capacity is 2,032 Gcal/h.

A coal-fired power plant Reftinskaya GRES of 3.800 MW under temporary company's operation during the transition period required to complete the sale transaction with its new owner JSC Kuzbassenergo.

Besides that, PJSC Enel Russia implements three projects in the field of wind generation: Azovskaya WPP (90 MW), Kolskaya WPP (201 MW) and Rodnikovskaya WPP (71 MW). PJSC Enel Russia's authorized capital is 35,371,898,370 roubles, which is divided into ordinary shares with a par value of 1 rouble. The Enel S.p.A. share in the company's authorized capital is 56.43%, PFR Partners Fund I Limited's share is 19.03%, Prosperity Capital Management Limited's share is 5.74% and other minority shareholders' share is 18.8%. PJSC Enel Russia shares are listed in Level 1 the Moscow Exchange quotation list.

The company was established in Yekaterinburg on October 27, 2004 as OJSC OGGK-5. On July 7, 2009 by the resolution of Annual General Shareholders' Meeting the company was renamed OJSC Enel OGGK-5 and on August 8, 2014 the Federal Tax Service registered the new version of the company's charter with the name OJSC Enel Russia. On June 25, 2015 the company changed its legal type and was renamed PJSC Enel Russia.

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