

10 February 2019, Moscow

## PJSC Inter RAO Announces RAS Financial Results for 2018

PJSC Inter RAO announced financial results for 2018 prepared according to the Russian Accounting Standards (RAS).

Indicator*	2018	2017	+/-
Revenue	53,9	41,0	31,5%
Production cost	36,1	32,9	9,7%
Gross profit	17,8	8,1	By a factor of 2,2
Sales Profit (Loss)	8,3	-0,7	-
Net profit	18,9	15,7	20,9%
	As of December 31, 2018	As of December 31, 2017	
Total assets	506,4	468,1	8,2%
Total equity	435,7	430,3	1,2%
Loans and borrowings	63,7	28,9	в 2,2 раза
Net liabilities **	-71,7	-50,1	42,9%

\* in billion rubles unless otherwise stated. Relative deviation (%) is calculated using accounting data in thousand rubles.

\*\* Short-term loans and borrowings plus long-term loans and borrowings less cash and cash equivalents less short-term financial investments (cash in bank accounts)

### Income statement

Revenue of PJSC Inter RAO for 2018 amounts to 53,9 billion rubles, up 12,9 billion rubles (31,5%) as compared to 2017.

Power export revenues amount to 38,5 billion rubles, up 11,1 billion rubles (40,8%) as compared to 2017. This change is primarily attributed to an increase in the ruble equivalent of the sale price related to the price increase on power market Nord Pool in "Lithuania" and "Finland" zones, growth of euro exchange rate, and exports increase in these directions.

Revenue from WECM electricity and capacity sales decreased by 1,2 billion rubles (8,8%) and amounted to as much as 12,1 billion rubles in 2018. This decrease in revenue on the wholesale market for electricity and capacity is related to the decrease in electricity import from Kazakhstan. Revenues from other sales in 2018 amounted to 3,4 billion rubles, an increase of 2,9 billion rubles (7,9 times) is due to the changes in the export supply schedule of power-generating equipment.

Production cost in 2018 was 36,1 billion rubles, which is 3,2 billion rubles (9,7%) higher than in 2017. The change in production cost reflects several multidirectional factors, including a 1,6 billion rubles (6,0%) increase in the cost of electricity purchased domestically due to the increase in electricity export mainly to Lithuania and Finland, 1,1 billion rubles (18,7%) decrease in import costs, largely as a result of decrease in import from Kazakhstan (15,9%), an increase in other cost of sales by 2,7 billion rubles (11,2 times) within the framework of power-generating equipment export projects.

Gross profit in 2018 was 17,8 billion rubles compared to 8,1 billion rubles in 2017.

Selling costs changed insignificantly as compared to 2017 and amounted to 3,0 billion rubles.

Administrative expenses increased by 0,8 billion rubles (13,2%) compared to 2017 and amounted to 6,5 billion rubles. The increase was mainly influenced by the planned indexation of wages and planned costs for the periodic five-year maintenance of vehicles.

Sales profit in 2018 was 8,3 billion rubles compared to 0,7 billion rubles loss on sales in 2017.

Income from share ownership in other companies decreased by 6,5 billion rubles (47,1%) and amounted to 7,3 billion rubles, which was related to lower dividend payments from Group's subsidiaries.

Balance of interest receivable and payable increased by 0,6 billion rubles (20,7%) compared to 2017 and amounted to 3,8 billion rubles. Balance of interest was mainly formed by an increase in deposit portfolio and also due to raising short-term loan of intragroup resources.

Balance of other income/expenses in 2018 was 2,7 billion rubles compared to minus 2,9 billion rubles in 2017. This change was influenced primarily by income/expenses related to foreign currency translation differences resulting from changes in the exchange rates.

As a result, the net profit for in 2018 amounted to 18,9 billion rubles, compared to 15,7 billion rubles in 2017.

## **Balance sheet**

As of December 31, 2018, total assets of PJSC Inter RAO increased by 38,3 billion rubles (8,2%), to 506,4 billion rubles, compared to December 31, 2017.

Non-current assets changed insignificantly in comparison with the beginning of the year and decreased by 1,6 billion rubles (0,5%) amounting to 355,4 billion rubles.

Current assets in 2018 increased by 39,9 billion rubles (36,0%). The main reason to the change is the rise in funds placed in monetary assets and short-term loans as compared to December 31, 2017, as well as decrease in short-term receivables.

As of December 31, 2018, debt load amounted to 63,7 billion rubles. The debt portfolio is represented by short-term borrowed intra-group resources. The net debt of PJSC Inter RAO amounted to minus 71,7 billion rubles compared to minus 50,1 billion rubles as of the beginning of the year.

Total debt (excluding loans and borrowings) decreased by 1,8 billion rubles (20,4%) compared to the beginning of the year and amounted to 7,1 billion rubles as of December

31, 2018. The change is mainly attributed to the decrease in current liabilities pursuant to the terms contracts concluded.

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**Inter RAO Group** is a diversified energy holding serving various segments of Russian and international electric power industry. The Group is the leading exporter and importer of electricity in Russia actively increasing electricity generation and sales, and developing new lines of business. The corporate strategy of Inter RAO is focused on making Inter RAO a global energy enterprise, a key player in the global energy market, and the leading Russian energy company by energy efficiency. Inter RAO Group owns and operates 33.7 GW of installed power generation capacity.  
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