

RESULTS OF FINANCIAL AND ECONOMIC ACTIVITIES

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“ According to the year-end results, the Company managed to maintain an upward trend in net profit growth. The financial result for 2022 was RUB 5.24 billion, an increase of RUB 3.53 billion from 2021, due to the growth in services rendered and cost optimisation.

The Company's management took exhaustive measures to contain cost and debt portfolio growth, optimise interest expenses, improve the efficiency of the procurement management system, reduce the unit cost of energy equipment operation, reduce grid losses and improve energy efficiency.

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Revenue from sales of services (total) was

63,738.9 RUB mn

which is RUB 6,069.2 million more than for the same period in 2021 (RUB 57,669.7 million)

Including:

- Revenue for electricity transmission services amounted to **RUB 61,452.9 million**, which is RUB 6,926.6 million more than in 2021 (RUB 54,526.3 million) due to the effect of approved tariffs for electricity transmission services for 2022, as well as an increase of 943 million kWh (4%) in the volume of electricity transmission services rendered
- Revenue from grid connections totalled **RUB 1,282.1 million**, or RUB 1,065.6 million less than the actual figures for 2021 (RUB 2,347.7 million), due to the execution of grid connection contracts in 2021 with major applicants, including Stage 1 under the agreement with Caspian Pipeline Consortium – Russia, JSC (revenue of RUB 729 million) and the agreement with Novoroslesexport, JSC (revenue of RUB 361 million)
- Revenue from other activities amounted to **RUB 1,003.9 million**, which is RUB 208.1 million more than the actual parameters for 2021 (RUB 795.8 million).

The self-cost (including administrative costs) for 2022 was

53,153.7 RUB mn

which is RUB 3,099.2 million higher than the actual 2021 figure (RUB 50,054.5 million)

The increase is due to higher expenses for services of distribution grid companies, purchased electricity for loss compensation, electricity transmission services of FGC UES, PJSC (as a UNPG management organisation), higher expenses for maintenance and repair materials and higher personnel costs.

Pre-tax profit was

7,180.4 RUB mn

an increase of RUB 4,481.7 million over the 2021 parameters

The financial result (profit) of the Company for 2022 was

5,244.5 RUB mn

which is higher than in 2021

The main factors that influenced the financial result:

⊕ Increase in revenue by RUB 6,069.2 million

⊖ Increase in the self-cost including administrative expenses by RUB 3,099.2 million (7%) compared to 2021 parameters

⊕ Improvement in the balance of other income and expenses from profits by RUB 1,511.8 million compared to the 2021 parameters

⊖ Increase in income tax by RUB 949.0 million compared to the 2021 parameters

THE MAIN FINANCIAL AND ECONOMIC INDICATORS OF THE COMPANY FOR 2020–2022

Sl. No.	Indicator	2020	2021	2022	Δ 2022/2021 (%)
Indicators from the Company's RAS accounting (financial) statements¹ (RUB mn)					
1	Revenue from sales of products (services), including:	49,370	57,670	63,739	11
1.1	→ from electricity transmission	48,102	54,526	61,453	13
1.2	→ from grid connection	731	2,348	1,282	-45
1.3	→ from electricity sales	0	0	0	0
1.4	→ from other activities	536	796	1,004	26
2	Cost of products (services)	-46,800	-49,903	-52,991	6
3	Gross profit	2,569	7,767	10,748	38
4	Administrative expenses	-175	-152	-163	7
5	Selling and marketing expenses	0	0	0	0
6	Profit (loss) from sales	2,394	7,615	10,585	39
7	Interest receivable	29	28	109	289
8	Interest payable	-1,593	-1,553	-2,663	71
9	Income from shareholdings	0.7	20	0	-100
10	Other revenues, total	1,563	1,414	3,558	152
11	Other expenses, total	-3,778	-4,826	-4,409	-9
12	Profit (loss) before tax	-1,384	2,699	7,180	166
13	Income tax and other charges	-117	-987	-1,936	96
14	Financial result	-1,501	1,712	5,244	206
15	EBITDA²	4,756	8,879	16,141	82
Indicators calculated on the basis of the Company's IFRS consolidated financial statements					
16	Net debt/EBITDA (units)	4.25	2.25	1.28	-0.97
17	Current liquidity ratio (units)	0.61	0.55	0.57	0.02
18	Financial leverage (units)	1.31	1.17	1.16	-0.01
19	Share of non-current borrowings (%)	77.13	76.19	77.57	1.38
20	Net cash flow (RUB mn)	320	4,131.0	4,112.0	-19

BONDED LOANS

The Programme for Exchange Bonds series 002P of Kubanenergo, PJSC was approved by the resolution of the Company's Board of Directors on 20 September 2016 (Minutes No.251/2016); ID number 4-00063-A-002P-02E was assigned to the programme on 24 October 2016.

The programme provides for the placement of exchange-traded bonds with a total nominal

value of up to RUB 25 billion and a term of up to 30 years. There was no placement of the bonds under this Programme in the reporting year.

The list of securities admitted to trading on Moscow Exchange, PJSC includes documentary interest-bearing non-convertible bearer-payable exchange-traded bonds with mandatory centralised custody of Series 001P-01 placed in 2015 under the Exchange-Traded Bond

Programme with identification number 4-00063-A-001P-02E dated 26 August 2015, in the amount of RUB 3.6 billion. On 31 January 2020, in accordance with the decision of the Board of Directors (Minutes No. 371/2019 dated 30 December 2019), the Company repurchased those bonds in full before maturity.

¹ The following data were used to calculate the indicators:

- for 2020 — Profit and Loss Statement for January – December 2021 ("in 2020" column)
- for 2021 — Profit and Loss Statement for January – December 2022 ("in 2021" column)
- for 2022 — Profit and Loss Statement for January – December 2022 ("in 2022" column).

² EBITDA indicator was calculated as follows: EBITDA = Profits before tax – Interest payable + Depreciation.