

Russian electric power market

Electricity consumption in the Unified Energy System (UES) of Russia in 2023 increased by 1.4% to 1,121.6 billion kWh¹.

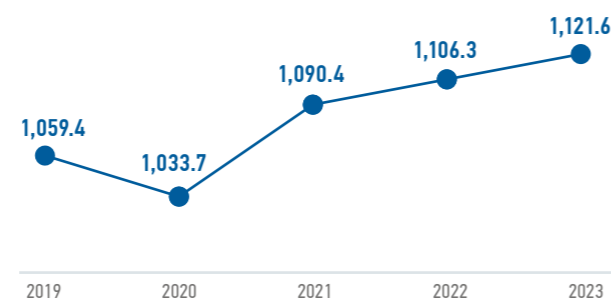
In accordance with the Scheme and Programme of Development of Electric Power Systems of Russia for 2024–2029, the electricity consumption in the UES of Russia is projected to increase by 2029 to 1,274.5 billion kWh, with increase in the maximum capacity consumption to 183,351 MW². Given the anticipated expansion in energy and capacity consumption, the implementation of the planned actions on the development of generating capacities and power grids will ensure the reliable operation of electric power systems.

The Russian economy has undergone structural adjustments and transformation as a result of recent global events. The overall energy consumption in Russia will depend on the behaviour of key sectors of the economy and other significant factors.

Transition from coal and wood heating to electric heating is considered by the state as one of the environmental improvement measures for regions with unfavourable environmental situation under the federal project called Clean Air.



Variation of electricity demand in the UES of Russia, bln kWh



Source: operational data of JSC SO UPS.

Possible drivers of growth in electricity demand by sector

Sector	Description
Agriculture	Demand will grow due to upgrade of ferrous metallurgy capacities.
Construction	Consumption will increase due to the growth in the number of illuminated and heated greenhouses in the vegetable growing sector, driven by the implementation of the Food Security Doctrine and increased exports of agricultural products.
Trade	The implementation of national projects and government programmes aimed at increasing the housing and the number of roads in Russia will lead to an increase in the production of energy-intensive building materials (including cement).
Transport	The most significant contribution to the growth of energy consumption in the trade sector will come from the development of e-commerce and the associated logistics and advertising infrastructure. Increased demand for data processing, storage and transmission will lead to an increase in the volume of data centre infrastructure commissioned.
Transport	Expansion of the electric vehicle and electric bus fleet will require the creation of a developed charging infrastructure and will increase the demand for electric power from electric transport.

Main areas of international activities

The Company actively cooperates with partners from 13 foreign countries within the framework of concluded agreements and/or regular business contacts.

13 COUNTRIES	Asia and the Middle East	China, Iran, Mongolia, China, Vietnam and Iran
	Near-abroad countries and CIS	Abkhazia, Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan and South Ossetia

In addition, the Company's proposals are taken into account in 15 protocols of Intergovernmental Commissions on trade and economic co-operation with foreign countries.

15 COUNTRIES	Asia	China, India, Mongolia, Thailand, Vietnam, India, Mongolia and Thailand
	Near-abroad countries and CIS	Armenia, Azerbaijan, Kirgizia, Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan
	Middle East and Africa	Iran, Ethiopia
	Latin America	Cuba

¹ Report on the functioning of the UES in Russia in 2023 (based on operational data), SO UPS.
² Order of the Minenergo of Russia No. 1095 dated 30 November 2023.



1.4%
growth in electricity consumption in the UES of Russia in 2023

Main areas of international co-operation

- Implementing instructions from the Government of the Russian Federation and the Ministry of Energy of the Russian Federation — promotion of national interests on the platforms of international organisations and associations
- Building strategic cooperation with foreign partners on the development of the electric power industry, exchanging experience and best practices, in particular in the field of innovative technologies and energy efficiency

- Promoting the Rosseti Group's own competences and developments in foreign markets, including through mechanisms of intergovernmental commissions of the Russian Federation with foreign countries and international organisations and associations
- Training and advanced training for foreign specialists under the training programmes of the Rosseti Group's training centres

For more details on the main areas of international activities, please see Appendix 1.

Competitive Landscape

Comparison of Rosseti with several Russian public companies in the electric power sector¹

The results of the benchmarking study of PJSC Rosseti and the most comparable Russian public companies in the electric power sector by type of activity and size for 2023 demonstrate

the Company's high financial and economic efficiency, as well as high investor interest in the Company's shares despite the limited free-float.

Company name/Indicator ²	PJSC Rosseti	PJSC RusHydro	PJSC InterRao	PJSC Unipro	PJSC EL5-Energo
Capitalisation, RUB bln	234.4 ³	316.5	412.5	126	23.7
Average daily trading volume on the Moscow Exchange, RUB mln	388.6	222.1	431.6	352.8	149.0
Revenue, RUB bln	1,378.7	510.3	1,360.0	118.6	60.8
EBITDA, RUB bln	528.2	131.5	182.4	44.3	12.1
EBITDA margin, %	38.3	25.8	13.4	37.3	19.9

¹ Comparison covers the most liquid companies in the MOEXEU industry index.

² IFRS-based indicators for 2023.

³ The capitalisation of PJSC Rosseti includes actual outstanding shares of the Company. The calculation is based on the closing price according to the data of the Moscow Exchange.