

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 25 February some negative external background formed on the Russian market. On Monday global stock markets experienced the strongest sale since 2016 – the consolidated MSCI All Country World Index fell 3% on fears that the effects of the Covid-19 coronavirus epidemic on the global economy would be more dramatic than previously thought. Over the weekend, the number of infected outside mainland China jumped 75%, mainly due to South Korea and Italy. Seoul raised its biohazard to the highest level after the number of cases in the country quadrupled in two days. In turn, Italy, where the number of infections exceeded 200, rose to the third place in the world in terms of the number of people infected with the Wuhan virus after China and South Korea. In this regard, the markets were pressured by the statement of the WHO head that the outbreak of the new coronavirus is not yet a pandemic, but “has the potential” to become one. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific declined by a percent, while the S&P500 futures added a percent. Some support for investors in the Asian session was provided by the expectation that the peak of the epidemic in the region is likely to have passed – the number of new infections continues to decline in China, the South Korean president said that the upward trend in the number of cases should reverse this week. April Brent futures were trading around \$56.8 per barrel, \$1.2 below our close on Friday, 21 February. Brent quotes consolidated after an almost 4% collapse on Monday as part of a general flight of investors from risky assets.

On Tuesday, the Russian market played back the sale on the global financial markets on Monday – in the first half of the day, losses of the MOEX Russia Index averaged about 2%. In the second half of the trading session, sellers intensified after the intensification of pessimistic sentiment on the western markets. American indices started the day in a more than half-percent minus, the rate of decline of the consolidated European Stoxx Europe 600 Index approached 1.5% on rising fears of the negative impact of the spread of Covid-19 on the global economy. In particular, according to analysts from Oxford Economics, in the event of a pandemic outbreak, the damage to the global economy could exceed \$1 trillion, and the pace of the global GDP growth would reduce by more than a half.

At the end of the trading session, the electric utilities sector index underperformed mainly due to shares of FGC UES, Inter RAO and RusHydro. During the day, shares of Rosseti and FGC UES showed high volatility on Kommersant's information that the government was discussing the transfer to the head of Rosseti of the functions of the sole executive body of FGC UES and the creation of a common treasury based on the holding's parent structure. In addition, according to the newspaper's sources, Pavel Livinskiy has already received the consent of the President of the Russian Federation to consolidate the FGC UES on the basis of Rosseti. “The transfer of operational control of FGC UES may be the first step towards the possible consolidation of Rosseti's subsidiaries, including FGC UES, which will be a positive development for Rosseti, as it can eliminate the 17% discount to SOTP and increase free-float,” said BCS experts.

## ELECTRIC POWER INDUSTRY NEWS

### Putin approved the consolidation of FGC UES on the basis of Rosseti, - the newspaper

The head of state-owned Rosseti, Pavel Livinskiy, can get full managerial control over FGC UES that is part of the holding (it manages the backbone electric grids). Sources of the newspaper Kommersant say that in January Livinskiy asked Vladimir Putin to consolidate FGC UES on the basis of Rosseti, the President put an “agree” visa on the letter. Over the next two to three months, it is planned to announce consolidation, says one of Kommersant's interlocutors.

Read full text: <http://www.bigpowernews.ru/news/document91995.phtml>

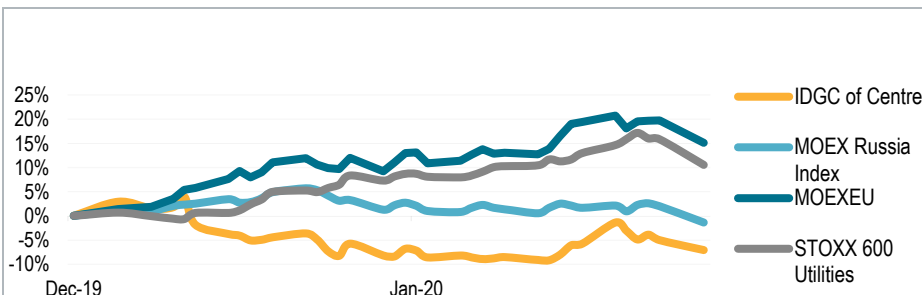
## COMPANY NEWS

### Kostromaenergo held an annual meeting with chiefs of Distribution Zones

Dmitry Prokhorov, Deputy General Director - Director of the branch “Rosseti Centre Kostromaenergo” held an extended meeting with deputy directors of the branch in directions, chiefs of Distribution Zones, deputy chiefs of Distribution Zones for development and sale of services, heads of departments and services. During the meeting, reports on the main areas of production activity for 2019 were heard and priority tasks were discussed.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/71504/>

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	3002,68	-3,33%	-1,42%
S&P 500	3200,04	-0,80%	-0,95%
FTSE 100	7027,95	-1,80%	-6,82%
Nikkei	22605,41	-3,34%	-4,44%
Sensex	40281,2	-0,20%	-2,36%
CSI300	4123,85	-0,22%	0,67%
Bovespa	113681,4	0,00%	-1,70%

Source: MOEX, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	64,3008	0,00%	3,67%
EURO/RUB	69,4191	0,00%	0,11%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	1645	2242
Trading volume, ₺ mln	14,9	47,2
Trading volume, mln pcs.	50,3	211,5
Average trading volume over the last 30 days, mln pcs.	70,3	166,2
% of the authorized capital	0,12%	0,19%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2944	12,43	193,29
IDGC of Centre & Volga Reg	0,2214	24,95	388,04

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-1,86%	10,62%
MOEXEU	-3,90%	15,20%
IDGC of Centre**	-2,19%	-7,13%
IDGC of Centre & Volga Region**	-2,60%	-7,36%

Source: MOEX, Company calculations (19:00 MSK)

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-3,96%	16,24%
FGC UES	-6,67%	13,14%
IDGC of Volga	-2,16%	-2,99%
MOESK	-2,72%	0,50%
IDGC of Northern Caucasus	-4,00%	2,33%
IDGC of North-West	-2,85%	5,05%
IDGC of Urals	-1,87%	1,58%
IDGC of Siberia	-2,75%	-19,74%
IDGC of South	-1,63%	-2,82%
Lenenergo, ordinary shares	-0,84%	0,99%
TRK, ordinary shares	-2,12%	7,21%
Kubanenergo	-7,18%	24,06%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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### Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC  
MRKC RM  
MRKC.MM