

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 26 February some negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 fell 3.0-3.1% on fears of an intensification of the Covid-19 epidemic and a corresponding deterioration in the prospects for the global economy. At the same time, the decrease in the DJIA on Monday-Tuesday amounted to almost 2,000 points, which is a record two-day drop in this indicator. Amid a sharp increase in the incidence of Covid-19 infections outside of China, investors were frightened by statements of representatives of American health services about the inevitability of an outbreak in the US and the possible onset of a global pandemic. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 1.2% after the fall of the US market. At the same time, the potential of Asian markets to reduce was somewhat limited by a statement by the assistant head of the WHO on the peak of the epidemic in China, and media information that the Hong Kong authorities had prepared a \$15.4 billion stimulus program to mitigate the negative effects of the Covid-19 epidemic on the country's economy and business. April Brent futures were trading around \$54.8 per barrel, \$0.7 below our closing level on 25 February. In addition to the global risk-off, oil prices were pressured by a message from the American Petroleum Institute about a weekly increase in US oil reserves.

In the first half of the trading session on Wednesday, active sales continued on world markets – losses of the MOEX Russia Index and the consolidated European Stoxx Europe 600 Index were close to 1.5% and 3%, respectively. The threat of the Covid-19 pandemic accelerated the flight of investors into defensive assets: since the beginning of the week, the global MSCI ACWI has lost about \$3 trillion of capitalization, the price of gold has risen to a 7-year high, the yield on 10- and 30-year US government bonds has updated historic lows. In the afternoon, the Russian and European markets turned around, the MOEX Russia Index was able to gain a foothold in the positive area, the Stoxx Europe 600 rose to zero, playing back more than a percent increase in major US indices at the start of trading. The growth of US stock indicators, according to analysts, was more of a correctional nature after two-day sales. Also, investors were supported by hopes for expansion of incentive measures by leading world Central Banks. In particular, according to Reuters, at present, the markets put in their forecasts by the end of the year two rate cuts by the Federal Reserve, and one by the ECB and the Bank of England.

According to the results of the trading session, changes of the electric utilities sector index corresponded to the MOEX Russia Index. High volatility remains in stocks of Rosseti and FGC UES – the amplitude of daily fluctuations was about 5% – on speculation about the possible consolidation of FGC UES on the basis of Rosseti. “The piece of news is positive for Rosseti and its minority shareholders, who would definitely benefit from such a deal if it takes place, and is less clear to minority shareholders of FGC UES, since it is unclear what valuation and exchange ratios can be applied,” Aton analysts believe.

## ELECTRIC POWER INDUSTRY NEWS

### ACRA affirms Rosseti's credit rating at AAA (RU) with a Stable outlook

Based on the results of the meeting held by the management of the company with the rating agency ACRA on 26 February 2020, the rating agency affirmed Rosseti's credit rating on a national scale at AAA (RU), with a Stable outlook.

Read full text: [http://www.rosseti.ru/press/news/?ELEMENT\\_ID=37050](http://www.rosseti.ru/press/news/?ELEMENT_ID=37050)

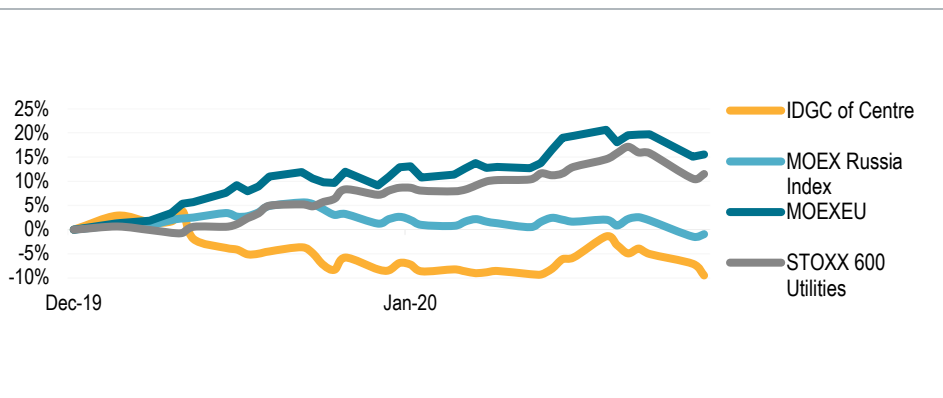
## COMPANY NEWS

### Rosseti Centre published its financial statements for 2019 under RAS, revenue grew up to 94,5 bln RUB

According to the prepared in accordance with the Russian Accounting Standards statements for 2019, Rosseti Centre's revenue was 94,5 bln RUB, including from electric energy transmission – 90,9 bln RUB, from grid connections – 1,5 bln RUB, from resale of electric energy and power – 0,5 bln RUB and other revenue – 1,6 bln RUB. Sales profit was 7,6 bln RUB. Earnings before interest, taxes, depreciation and amortization (EBITDA<sup>2</sup>) were 16,0 bln RUB, the EBITDA margin slightly decreased relative to the same period last year and reached the level of 17,0%. Net profit amounted to 0,2 bln RUB.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/71511/>

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	3017,42	0,49%	-0,93%
S&P 500	3175,05	1,50%	-1,72%
FTSE 100	7021,16	0,05%	-6,91%
Nikkei	22426,19	-0,79%	-5,20%
Sensex	39888,96	-0,97%	-3,31%
CSI300	4073,02	-1,23%	-0,58%
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	64,9213	0,96%	4,67%
EURO/RUB	70,4591	1,50%	1,61%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	4107	2556
Trading volume, ₺ mln	60,9	53,9
Trading volume, mln pcs.	215,0	249,3
Average trading volume over the last 30 days, mln pcs.	69,0	150,6
% of the authorized capital	0,51%	0,22%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2868	12,11	186,50
IDGC of Centre & Volga Reg	0,2195	24,74	381,03

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	1,34%	11,66%
MOEXEU	0,40%	15,66%
IDGC of Centre**	-2,58%	-9,53%
IDGC of Centre & Volga Region**	-0,86%	-8,16%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	1,32%	17,78%
FGC UES	0,44%	13,64%
IDGC of Volga	-1,10%	-4,06%
MOESK	3,34%	3,86%
IDGC of Northern Caucasus	-2,21%	0,07%
IDGC of North-West	-1,34%	3,65%
IDGC of Urals	-0,36%	1,21%
IDGC of Siberia	-1,21%	-20,71%
IDGC of South	-1,58%	-4,36%
Lenenergo, ordinary shares	-1,69%	-0,71%
TRK, ordinary shares	-4,56%	2,33%
Kubanenergo	-3,04%	20,28%

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