

# Mission statement

Reliable and high-quality supply of electric energy to the needs of the economy and the social sector at an economically reasonable price, due to the efficient management of distribution grids.

The main types of services provided by PJSC IDGC of Siberia are services for the transmission of electrical energy and technological connection of consumers to electric grids.

The grids of PJSC IDGC of Siberia serve consumers in the Siberian Federal Territory. These are the Republic of Altay, Republic of Buryatia, Republic of Khakassia, Altay Region, Zabaikalye Region, Krasnoyarsk Region, Kemerovo Region and Omsk Region. The territory of the Company presence exceeds 1.85 mln square kilometers. Every day, the Company provides energy to more than 11 mln people.

The company provides for operations of the industry of the Siberian Federal Territory represented by the largest enterprises of ferrous and nonferrous metallurgy, heavy and precision engineering, mining and transport industries.

# Factors of investment attractiveness

## **Key position in the regions with high economic growth potential**

The company operates in an area of about 13 mln people (9% of the population of Russia). The economy of the regions where the Company operates is characterized by a diversified structure, competitiveness of production, and high capacity of the consumer market. The regions of the Siberian Federal Territory account for about 10% of the GRP of the regions of the Russian Federation.

## **Income maximization**

In 2017-2018, the main efforts were aimed at concluding cooperation agreements with the regions. Compensation of shortfall in income in the long term will amount to 13.4 bln rub.

## High proceeds growth potential in Siberian Federal Territory – 60%

- 53% of local grid operators regulating long-term tariffs in terms of reliability of the services provided have a significant deterioration in the reliability indicators of Psaidi and Psaifi compared to PJSC IDGC of Siberia
- 41% of outages of objects of PJSC IDGC of Siberia due to the fault of the consumer – damage in the grids of local power operators
- For 3 years, out of 267 local grid operators that received the tariff, 176 are currently operating, of which 12 are in the bankruptcy stage

## Leading positions in the power industry digital transformation program

As part of the Digital Transformation 2030 program Krasnoyarsk will be the first city in Russia with two digital substations.

Realized projects of IDGC of Siberia:

- Youth digital substation (346 mln rub.),
- M.P. Smorgunova digital substation (340 mln rub. of investments)
- Digital grid control center (240 mln rub. of investments)

## Sustainable reduction of energy loss

- Electricity losses in 2018 compared with 2012 decreased by 3 percentage points. The annual effect of reducing electricity losses in 2018, brought to 2012 figure, is 3.6 bln rub.

## Expansion due to the power grid assets consolidation program

- On the territory of Republic of Buryatia: a lease was concluded on the entire electric grid property of Ulan-Ude Energo JSC
- On the territory of the Omsk region: PJSC IDGC of Siberia became the 100% owner of the electric grid object Substation "Frunzenskaya" – Substation "Pribrezhnaya" 110 kW cable lines
- On the territory of the Zabaikalye Region: the purchase of 110/10 kW Substation "Promyshlennaya" from LLC Impulse 2003 (35 MVA, 204 cu)
- On the territory of the Krasnoyarsk Region: lease of municipal property of the North-Yenisei district

In total, in 2018, there were 101 acquisitions of ESA, including:

- 76 ENA property acquisition transactions
- 25 transactions of taking ESA for rent, gratuitous use
- In 2018, there were 97 agreements for electric power system lease, free use, and 1 trust management agreement, which were concluded earlier

## Connection of hard-to-reach territories

A pilot project has been implemented to supply electricity to the territories isolated from the UES in Menza village (Zabaikalye Region) based on renewable energy sources.

In the Siberian Federal Territory there are more than 200 isolated areas where such projects are possible.