



ANNUAL
REPORT 2020



Vitaly Markelov

Chairman of Board of Directors of TGC-1

Dear Shareholders,

The key strategic goal of Gazprom in the electric power industry is a stable growth of financial and economic indicators while ensuring the reliability of energy supply to consumers. Its achievement is largely due to the implementation of modernization programmes and the construction of new power capacities.

For the period up to 2025, a large-scale programme of repairs of hydroelectric units, hydraulic structures and hydromechanical equipment TGC-1 has been adopted.

TGC-1 is rightfully considered one of the leaders of strategic development in the regions of activity. The company is renewing its power capacities for the development of the Arctic. At the Verkhne-Tulomskaya HPP, the largest in the North-West — 268 MW, a large-scale renovation of hydroelectric units is carried out with an increase in capacity. In 2020, updated hydroelectric unit No. 4 was commissioned, and work on hydroelectric unit No. 1 is being completed.

The company is actively developing the small hydropower sector. By the end of 2024, TGC-1 will build a small HPP on the Paz River in Murmansk Oblast. Each year, it will supply 66 mln kWh of electric power from a renewable source to the Unified Energy System of Russia.

The heat business continues to develop steadily. In 2020, key agreements were reached with local authorities in Murmansk Oblast and St. Petersburg, defining the rules of tariff regulation and the procedure for investing in the renewal of heating grids.

Systematic work is underway to update cogeneration facilities. In St. Petersburg, the modernization of the second stage of the Avtovskaya CHPP continues with an increase in the installed capacity of turbine units. In December 2020, a permit was obtained from the Government of St. Petersburg for the construction of a new hot water boiler on the territory of Power Plant No. 2 of the Centralnaya CHPP. As a result, the highest requirements for generation profitability will be met, and the reliability of energy supply to consumers in the northernmost metropolis of Europe will be increased.

Investments in the renewal of durable equipment are aimed at maintaining financial results after passing the peak of receipt of payments under the programme of capacity supply agreements. Moreover, particular attention is given to the need to respect nature and to methods to protect the environment.

Gazprom sets the company current tasks for the new time. Taking into account the need to control climate change, TGC-1 entered a promising market for the supply of «green» energy, concluded free

purchase and sale agreements with large industrial consumers. This tendency will make a significant contribution to reducing the carbon footprint of industrial enterprises' products and increase the profit of the HPP generation segment.

The unique structure of TGC-1's generating assets — about 40% of the installed capacity is accounted for by hydropower generation sector — allows us to respond flexibly to market conditions, neutralize the impact of negative circumstances, and benefit from weather factors. In the high-water year of 2020, the Company's HPPs generated 13,248.8 mln kWh of electricity, which is 13.5% higher than in 2019. At the end of the year, the company demonstrated stable financial results and a high level of return on investment while maintaining a low debt burden.

The investment potential of TGC-1 is confirmed by all major rating agencies — Fitch Ratings, S&P Global Ratings maintained their ratings and «stable» outlook, ACRA raised its rating to AA+(RU).

I hope that the joint work of the Board of Directors and management, with the support of shareholders, will continue to contribute to the Company's success in implementing the Strategy of PJSC Gazprom in the electric power industry and contribute to increasing shareholder value.

Chairman of Board of Directors of TGC-1
Vitaly Markelov

A stylized, handwritten signature in white ink, consisting of a large, flowing 'V' followed by a horizontal line.



Vadim Vederchik

Managing Director of TGC-1

Dear Shareholders,

In 2020, TGC-1, like the whole country, faced unusual circumstances and challenges. In this situation, it was especially necessary to manifest professionalism and dedication. The main result of this work is that we have provided a stable generation of heat and electric energy, passed a difficult flood period, fully implemented the programme of preparation for the winter and consistently worked out the peak load season.

The volume of electric energy production of TGC-1, including JSC Murmanskaya CHPP, exceeded 27.9 bln kWh in 2020. In the context of reduced demand for electricity in the power system of the North-West, the Company has taken measures to optimize production activities and redistribute the load in favor of HPPs. The volume of heat energy output from the collectors of TGC-1, including JSC Murmanskaya CHPP, amounted to 23,046.9 thousand Gcal.

One of the priorities in 2020 was to increase the collection of consumer payments for heat energy. In the conditions of restrictions caused by the epidemiological situation, the Company has placed a bet on the development of information services, the popularization of online payments and the prevention of debt accumulation. As a result, the level of collection approached 100%, and earnings additional to the plan for revenue for heat energy exceeded RUB 1.2 bln.

In the segment of the electrical power business, the Company's management pays great attention to managing the modes of power plants to reduce non-marginal forced generation at CHPPs, and to excluding the purchase of power during rush hour for the generators allocated for export. In addition, the consolidated service of combined heat and power plant equipment in Gazprom Energoholding Group allows reducing significantly the cost of maintenance and repairs in the next few years.

In 2020, the system services sales sector expanded significantly. Power Unit No. 2 of the Pravoberezhnaya CHPP has passed a competitive selection and participates in ensuring the system reliability of the Unified Energy System of Russia in terms of rated primary frequency control. This will allow receiving additional revenue starting from 2021.

The personnel of TGC-1 in the conditions of coronavirus restrictions showed the highest responsibility, confirmed confidently its professionalism and readiness to ensure the operation of power facilities in conditions of any complexity. The personnel was provided with the necessary protective equipment, and measures were taken promptly to organize vaccination.

The existing infrastructure made it possible to establish remote work for the maximum number of employees in the shortest possible time, and gave a new impetus to the development and demand for digital

innovations of TGC-1. Many information systems have been transferred from the pilot state to commercial operation. The successful experience of their implementation was appreciated by other energy companies of St. Petersburg, which began to replicate inventions of TGC-1.

The most important area of work remains the preparation of personnel for work in the flood period. In the conditions of extremely high water content, the specialists of TGC-1, in particular, the Serebryanskiye HPPs Cascade in Murmansk Oblast, demonstrated high professionalism, clear coordination with related organizations and authorities, and ensured uninterrupted power supply to consumers.

The company implements a programme of repairs and upgrades systematically. Commissioning of the updated capacity in 2020 amounted to 75 MW. 20 overhauls and medium repairs of turbo and hydro generators, 12 repairs of power and hot water boilers were completed.

In strict accordance with the schedule, complex work on the restoration of the service lane began at the Verkhne-Svirskaya HPP. The first phase included underwater work to restore the load carrying capacity of its supporting structures. From Q2 2021, large-scale work to dismantle and replace the old spans of the service lane will begin. This is an extremely necessary work, for which the Company has been preparing for several years. The set of measures will restore the load carrying capacity of the structures of the key hydroelectric complex of the Ladoga water basin.

The past year 2020 has clearly demonstrated that neither the normal life of society, nor the stability of the energy system, nor the development of regions is possible without the experience and professionalism of power engineers and their responsibility. I am sure that the joint efforts of the personnel, management and shareholders, made to implement our priority tasks, will continue to maintain leadership in the energy sector of the North-West.

**Managing Director of TGC-1
Vadim Vederchik**



Saint Petersburg, electric power plant on Obvodny Canal by Electric Lighting Company, 1886

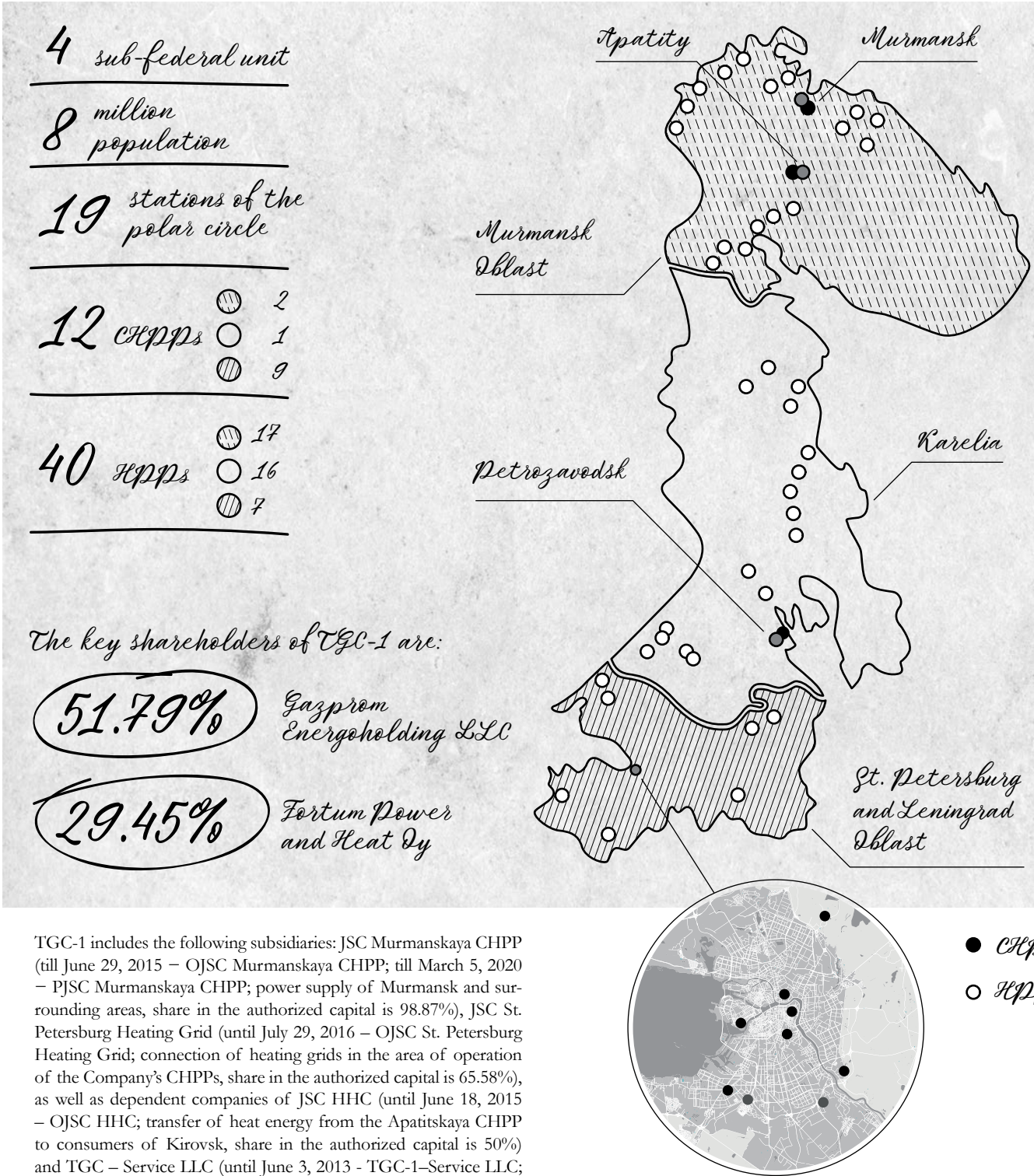
Company Overview

Public Joint Stock Company “Territorial Generating Company No.1” (hereinafter referred to as TGC-1, the Company, the Issuer) is the leading producer of electric and heat energy in the Northwestern Federal District of Russia.

TGC-1 was established on March 25, 2005 in the course of reforming the electric power industry of Russia. On August 1, 2016, in order to bring the company name in compliance with the regulations of the Civil Code of the Russian Federation, JSC TGC-1 was renamed as PJSC TGC-1. Today, the Company unites generating enterprises from the Baltic Sea to the Barents Sea. The Company’s generating assets comprise 52 power plants of various types in four

constituent entities of the Russian Federation: St. Petersburg, the Republic of Karelia, Leningrad Oblast and Murmansk Oblast.

Generated electricity is delivered to the domestic wholesale electricity and capacity market as well as exported to Finland and Norway. TGC-1 is a strategic supplier of heat energy in St. Petersburg, Petrozavodsk, Murmansk, the cities of Apatity and Kirovsk in Murmansk Oblast.



TGC-1 includes the following subsidiaries: JSC Murmanskaya CHPP (till June 29, 2015 – OJSC Murmanskaya CHPP; till March 5, 2020 – PJSC Murmanskaya CHPP; power supply of Murmansk and surrounding areas, share in the authorized capital is 98.87%), JSC St. Petersburg Heating Grid (until July 29, 2016 – OJSC St. Petersburg Heating Grid; connection of heating grids in the area of operation of the Company’s CHPPs, share in the authorized capital is 65.58%), as well as dependent companies of JSC HHC (until June 18, 2015 – OJSC HHC; transfer of heat energy from the Apatitskaya CHPP to consumers of Kirovsk, share in the authorized capital is 50%) and TGC – Service LLC (until June 3, 2013 - TGC-1–Service LLC; specialized repair provider, share in the authorized capital is 26%).

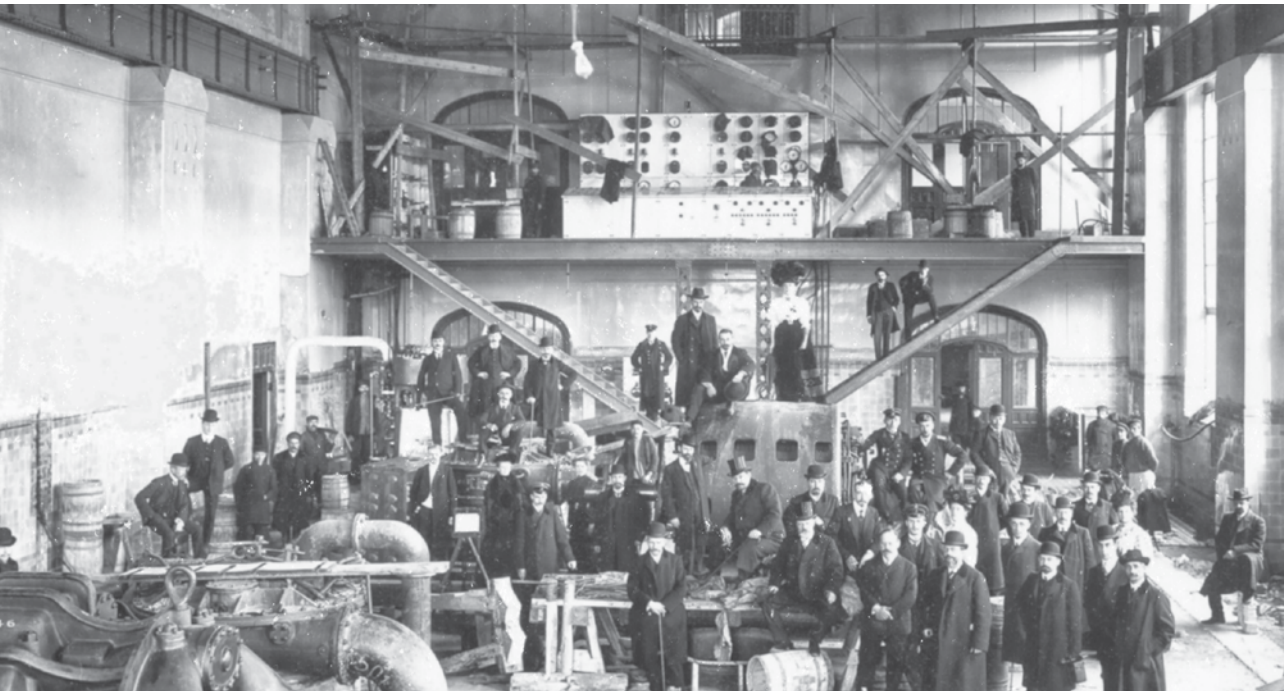
TGC-1 is a part of the Gazprom Group. Controlling stakes in Gazprom Group’s generating companies are consolidated on the balance sheet of PJSC Gazprom’s subsidiary - Gazprom Energoholding LLC, which ensures effective management in accordance with uniform corporate standards.

Shares of TGC-1 are traded on Moscow Exchange and included in Level 1 of the quotation list.

Fortum Power and Heat Oy, the second largest shareholder, is Scandinavian leading energy concern with the highest standards of busi-

ness conduct. It makes a valuable contribution to the enhancement of the Company’s management efficiency.

Thus, focusing on international business standards, implementing environmentally responsible capacity management and implementing an innovative social policy, TGC-1 strives to take a leading position in the energy market, to be a reliable partner for investors, to take care of the interests of shareholders and to meet the highest requirements of customers.



Tram power station

COMPANY EVENTS IN 2020

January

February

March

April

- ACRA confirmed the credit rating of TGC-1 at the level of AA (RU), with a Stable outlook.
- The Nizhne-Svirskaya HPP of TGC-1 confirmed the status of a cultural heritage site.
- With the support of TGC-1, a skating rink was opened in Petrozavodsk.
- The new equipment arrived at the Verkhne-Tulomskaya HPP of TGC-1.
- The interactive annual report of TGC-1 became the winner of the Digital Communications Awards.
- TGC-1 launched updated digital client services - online payment, a multifunctional personal account, online measurement transmission, including through a chatbot in social networks and an electronic document management system with clients.
- The modernization of the hydroelectric unit of the Verkhne-Tulomskaya HPP of TGC-1 was completed.
- The power engineers of TGC-1 and JSC Murmanskaya CHPP became the winners of the international competition.

May

June

July

August

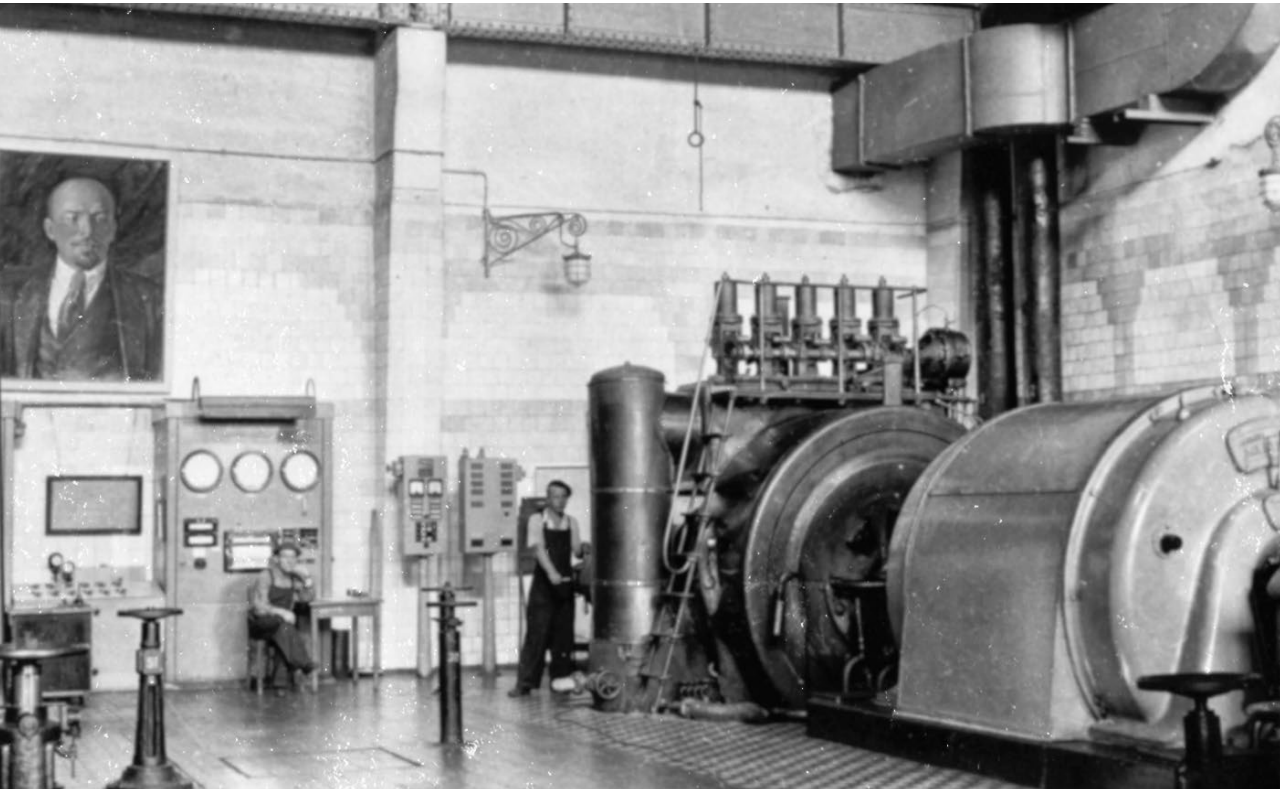
September

October

November

December

- TGC-1 launched an information project about the energy sector of the North-West during the Great Patriotic War.
- The head of Gazprom Energoholding LLC, Denis Fedorov, and the Governor of Murmansk Oblast, Andrey Chibis, checked the operation of the Serebryanskiye HPPs during the flood.
- The annual General Meeting of Shareholders of TGC-1 was held.
- TGC-1 started the reconstruction of the Avtovskaya CHPP, the largest in the south-west of St. Petersburg.
- TGC-1 was first in the industry rating of social efficiency among energy companies.
- The Government of Murmansk Oblast, TGC-1 and JSC Murmanskaya CHPP signed an agreement on improving the reliability of heat supply.
- Fitch Ratings rating agency confirmed the ratings of TGC-1 at the level of BBB, with a Stable outlook.
- Work on the restoration of the service lane began at the Verkhne-Svirskaya HPP of TGC-1.
- The PR projects of TGC-1 became the winners of KonTEKst.
- TGC-1 passed the certification of the energy management system.
- S&P Global Ratings rating agency confirmed the rating of TGC-1 at the level of BBB-, with a Stable outlook.
- The interactive annual report of TGC-1 was awarded an international award.
- It is 15 years since the beginning of the operating activity of TGC-1.
- Information projects of TGC-1 received the highest awards at MediaTEK-2020, the All-Russian competition of the Ministry of Energy of the Russian Federation.
- Young specialists of TGC-1 and JSC Murmanskaya CHPP became the winners of the competition of innovators of Gazprom Energoholding Group.
- The project of TGC-1 for the construction of a small HPP in Murmansk Oblast was selected at the competition for the conclusion of the RES CDA.
- A decree of the Government of St. Petersburg on the construction of a new hot water boiler by TGC-1 on the territory of Power Plant No. 2 of the Centralnaya CHPP was signed.
- Integrated digital solutions of TGC-1, which increase the reliability of equipment operation, were adopted for implementation in other energy companies of St. Petersburg.
- TGC-1 signed the first free contract for the supply of «green» energy generated at the HPP.
- ACRA upgraded the credit rating of TGC-1 to the level of AA+ (RU), with a Stable outlook.



Vasileostrovskaya HPP of V. Slutskaya

PRODUCTION

Key operating performance indicators of TGC-1*

	2019	2020	Δ (%)
Installed electric capacity, MW	6,918	6,925	0.1
Installed heat capacity, Gcal/h	13,485	13,481	0.0
Electricity generation, mln kWh	28,275	27,912	-1.3
Electricity useful output, mln kWh	30,975	30,299	-2.2
Heat output, thousand Gcal	24,174	23,047	-4.7
Heat useful output, thousand Gcal	24,476	23,386	-4.5

* The data are given taking into account the indicators of JSC Murmanskaya CHPP.

The basis of the production capacities of TGC-1 comprises 52 power plants, including: 40 hydro power plants (HPP), and 12 combined heat and power plants (CHPP), including JSC Murmanskaya CHPP, a

subsidiary. Most HPPs located consequently downstream of the water course and interconnected by the common water regime are unified into cascades.

The installed electric capacity increased by 6.9 MW in 2020.

The change in the installed electric capacity is due to:

- re-marking of hydroelectric units at Niva HPP-1;
- increase in the installed capacity of hydraulic unit No. 4 at the Verkhne-Tulomskaya HPP after modernization.

The installed heat capacity decreased by 4.3 Gcal/h in 2020.

The change in the installed heat capacity is due to:

- decommissioning of the boiler of station No. 3 of PP-1 of the Centralnaya CHPP;
- re-marking of PVK-2 at the Severnaya CHPP;
- restoration of boiler houses of the Karelsky Branch.

The main reason for the increase in the available capacity of the Company's power plants is the high water content at the Karelsky Branch HPP and the increase in the installed capacity of the

Verkhne-Tulomskaya HPP after the modernization of hydraulic unit No. 4.

At the end of 2020, an installed capacity of the Company's power plants, including JSC Murmanskaya CHPP:

6,924.5 MW
of electrical capacity

13,480.53 Gcal/h
of heat capacity

Electricity output of TGC-1, million kWh

	2019	2020	Δ (%)
Nevsky Branch	17,976.29	16,781.57	-6.6
Karelsky Branch	3,697.85	4,061.43	9.8
Kolsky Branch	6,583.81	7,052.15	7.1
Total for TGC-1	28,257.95	27,895.14	-1.3
JSC Murmanskaya CHPP	17.14	16.62	-3.0
Total for TGC-1 including JSC Murmanskaya CHPP	28,275.09	27,911.77	-1.3
Total for CHPPs	16,601.43	14,662.97	-11.7
Total for HPPs	11,673.66	13,248.80	13.5

At the end of 2020, the volume of electricity generation by TGC-1, including JSC Murmanskaya CHPP, amounted to 27,911.8 mln kWh, demonstrating a slight decrease of 1.3% compared to the same indicator in 2019.

Comparable electricity generation at the heat power plants of TGC-1 decreased by 11.7%. The decrease in the CHPP generation volume compared to the previous year was influenced by a decrease in demand for electricity in the wholesale market, caused

by restrictions in the work of enterprises and organizations and a reduction in export supplies to Finland and the Baltic States, as well as a significantly warmer heating period in the regions of presence of TGC-1. At the same time, the main principles of the company are to maximize high-efficiency generation and minimize non-marginal generation. A significant increase in electricity generation at HPPs by 13.5% compared to 2019 should be noted, which was facilitated by the increased water content of the rivers of the Karelsky and Kolsky Branches.

Heat Output, thousand Gcal

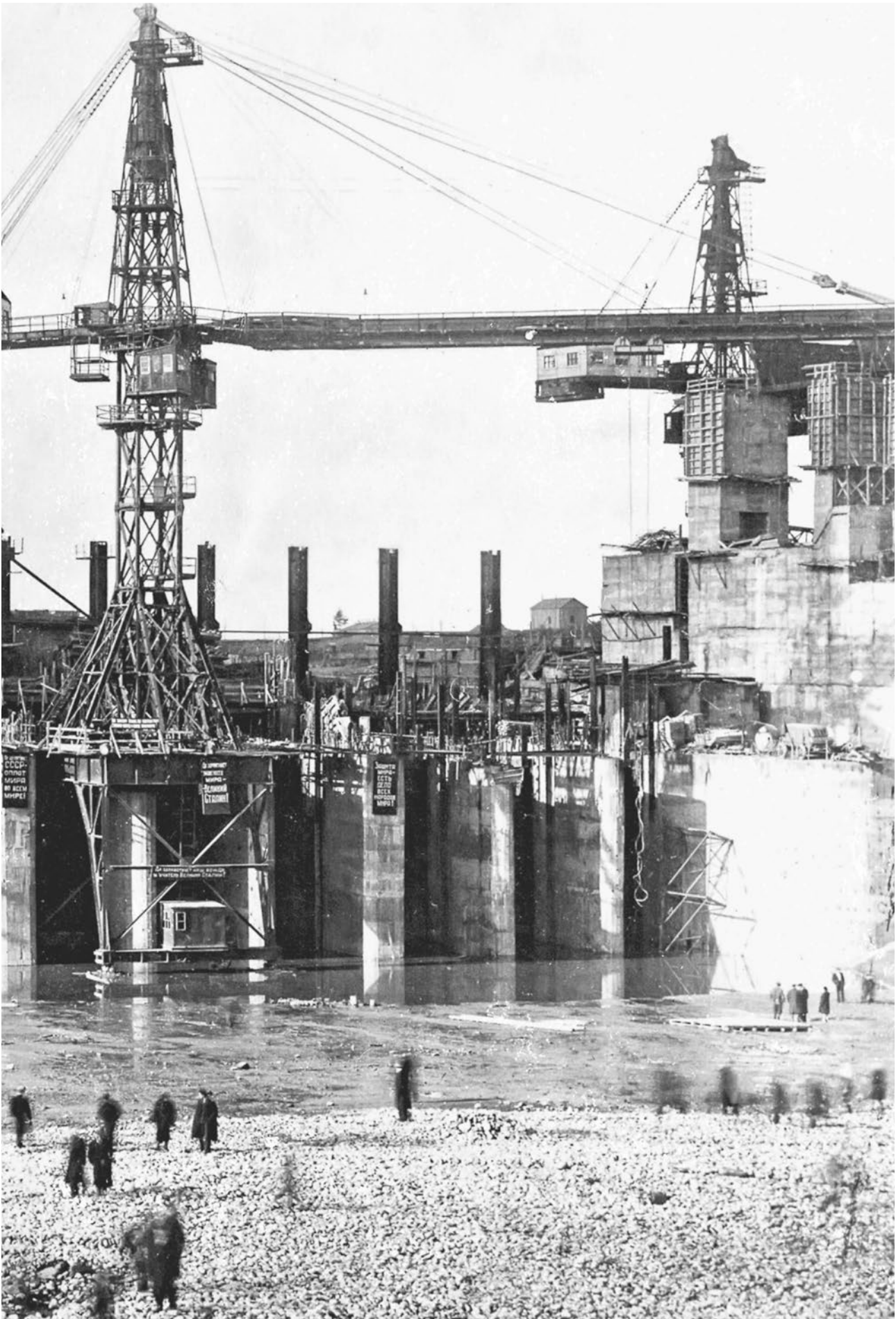
	2019	2020	Δ (%)
Nevsky Branch	18,873.50	18,040.17	-4.4
Karelsky Branch	1,691.35	1,628.00	-3.7
Kolsky Branch	1,488.25	1,367.64	-8.1
Total for TGC-1	22,053.11	21,035.80	-4.6
JSC Murmanskaya CHPP	2,120.50	2,011.07	-5.2
Total for TGC-1 including JSC Murmanskaya CHPP	24,173.61	23,046.87	-4.7

The volume of heat energy output from the collectors of TGC-1, including JSC Murmanskaya CHPP, amounted to 23,046.9 thousand

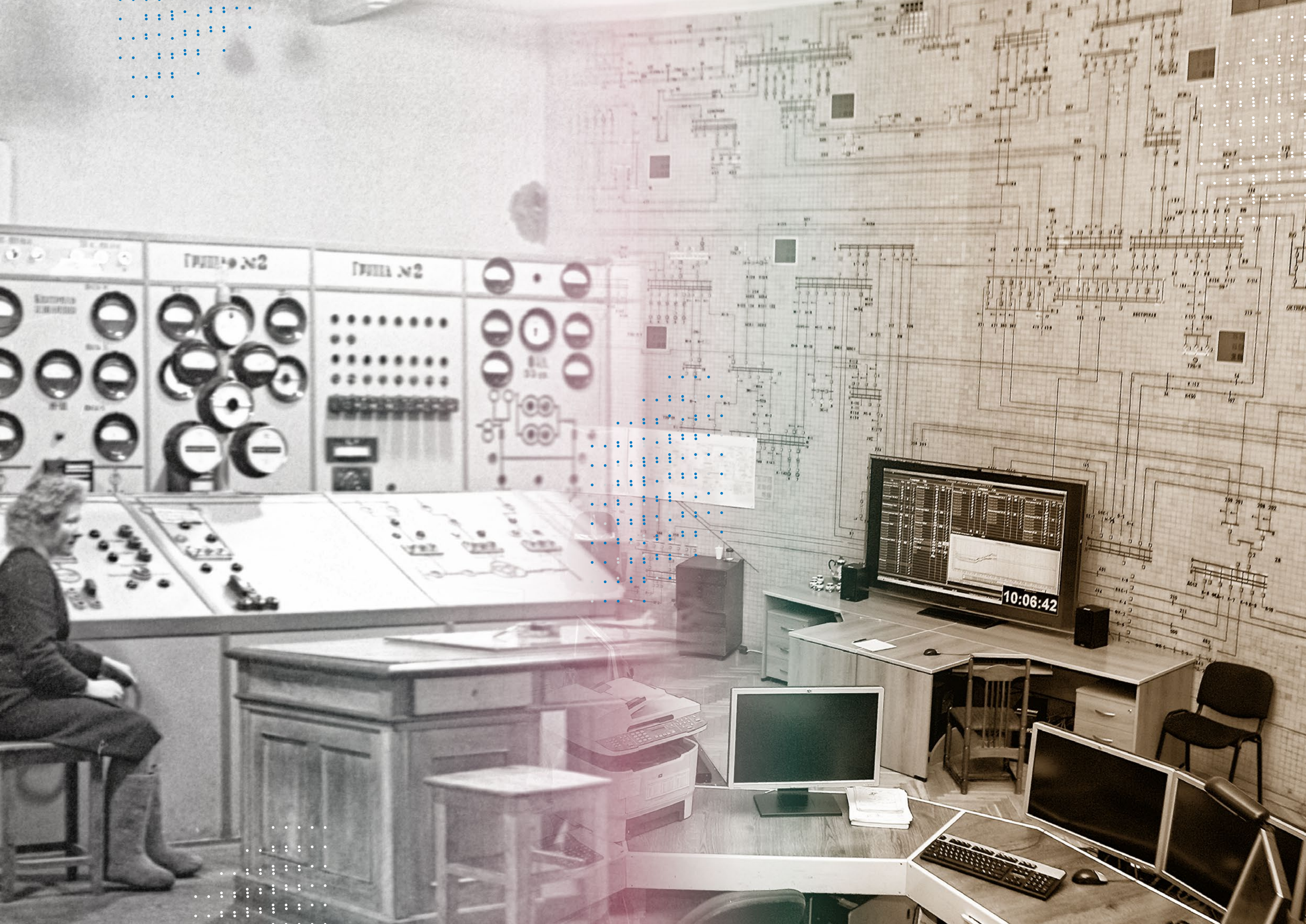
Gcal, demonstrating a decrease by 4.7% compared to the indicator of 2019 due to high outdoor temperatures in the heating season of 2020.



Construction of the Nizhne-Svirskaya HPP, 30-ies



Construction of the Verkhne-Svirskaya HPP, 50-ies





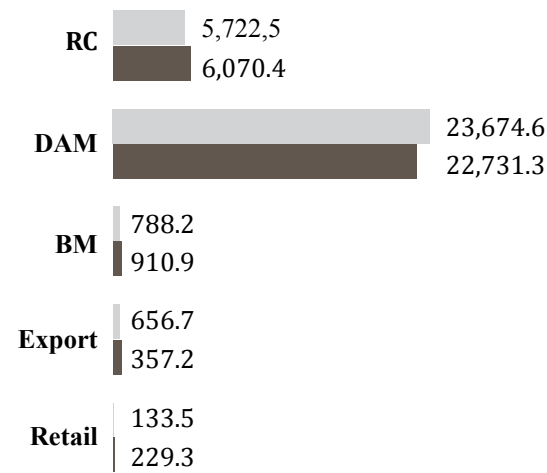
Lovskaya HPP

SALES ACTIVITIES

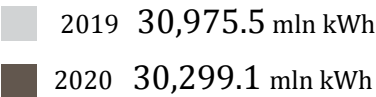
The target of the Company’s sales function is to obtain maximum marginal proceeds from the operation of power plants on the electricity and capacity markets, and when selling heat energy. In 2020, the volume of electricity sales of TGC-1 amounted to 30,299.1 mln kWh. JSC Murmanskaya CHPP is not a participant in the wholesale electricity and capacity market, the entire volume of electricity generated in 2019-2020 was used for its own needs.

The largest volume of electricity of the Company is sold in the Day-Ahead Market (DAM). In 2020, the DAM accounted for 75.0% of total sales and 83.5% of total revenue from electricity sales. Under the regulated contracts (RC), the amount of sales was 20.0%, and the share in revenue of electricity was 10.2%. In 2020, export sales of electricity brought significant proceeds – the amount of sales and the revenue of electricity amounted to 1.2% and 2.5%, respectively.

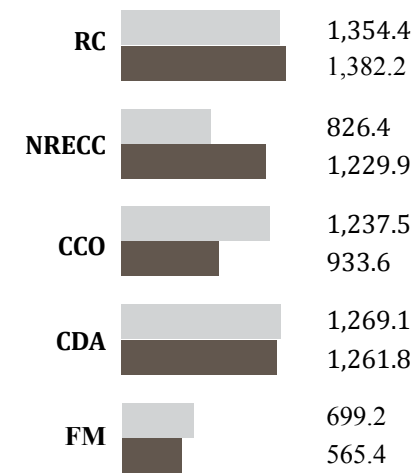
Electricity Sales by Market Sectors, mln kWh



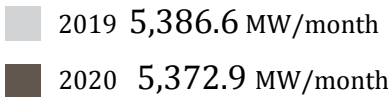
Total electricity sales:



Capacity Sales Structure by Market Sectors, MW (monthly average)



Total capacity sales:



Dynamics of Revenue from Electricity Sales in 2019-2020 by Market Sectors and Branches, RUB mln

	2019	2020	Δ (%)
RC	2,756.5	2,930.6	6.3
DAM	28,205.4	23,946.9	-15.1
BM	775.1	797.0	2.8
Export	1,744.5	727.5	-58.3
Retail	139.5	266.7	91.2
TOTAL	33,621.0	28,668.7	-14.7

Dynamics of Revenue from Capacity Sales in 2019-2020 by Market Sectors and Branches of the Company, RUB mln

	2019	2020	Δ (%)
RC	1,934.5	2,049.4	5.9
NRECC	1,258.1	1,875.3	49.1
CCO	1,813.4	1,404.5	-22.5
CDA	14,277.3	13,503.1	-5.4
FM	903.8	718.9	-20.5
TOTAL	20,187.1	19,551.0	-3.2

The Company’s capacity sales volume was registered at the level of 5,372.9 MW/month, which was 0.3% higher than in 2019. In 2020, the capacity sales after competitive capacity outtake (CCO) comprised 17.4% of the sales, the capacity sales under RC comprised 25.7%, the capacity sales under CDA comprised 23.5%, capacity sold in forced mode (FM) comprised 10.5%, the share of the non-regulated contracts (NRECC) comprised 22.9%. In this way, the major share of revenue from sales of capacity was formed by sales under CDA, amounting to 69.0%, the contribution into the revenue structure from CCO sales amounted to 7.2%, the share of RC

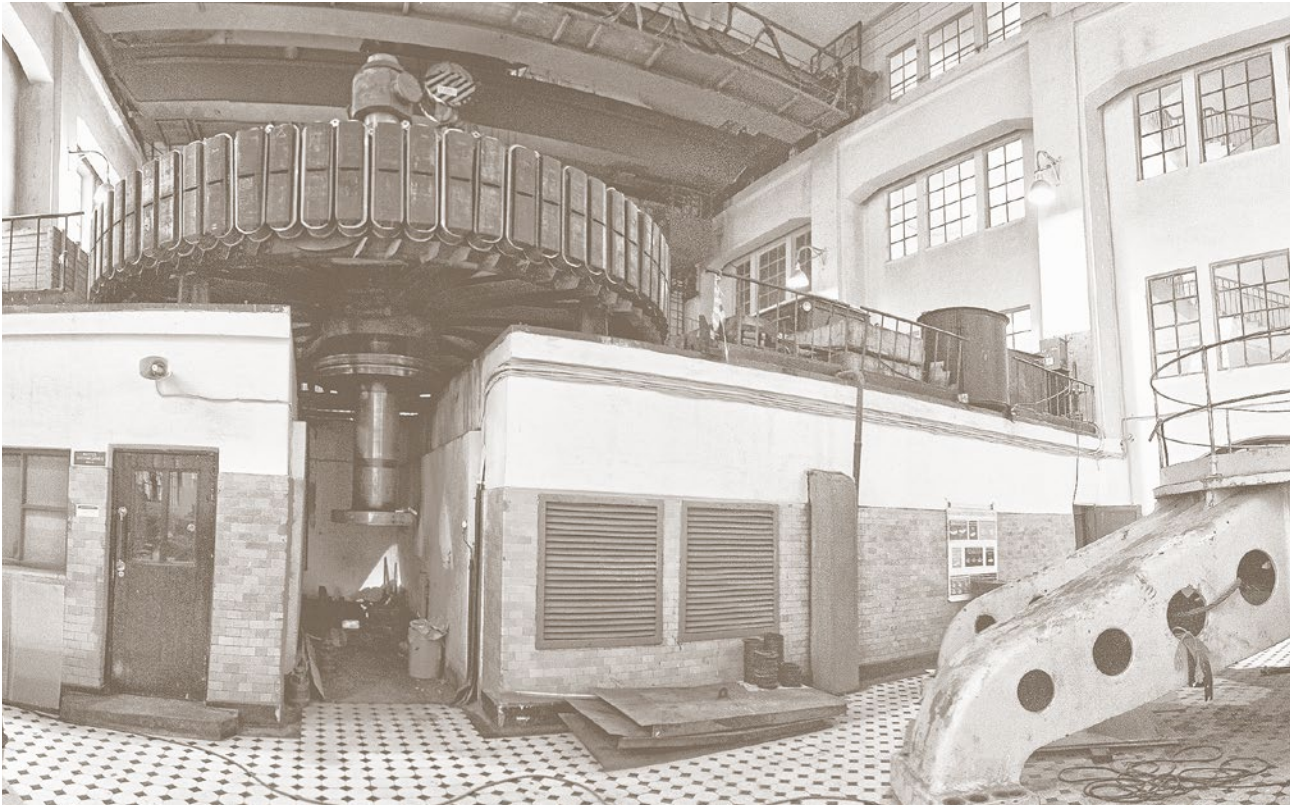
amounted to 10.5%, sales in FM were 3.7%, the share of non-regulated contracts was 9.6%.

The useful heat output of TGC-1 for 12 months of 2020 amounted to 21,424 thousand Gcal, which is 4.6% lower than in 2019. The deviation of the actual indicators for useful output from the planned ones is due to the abnormally warm outdoor air temperature established in the territory of the municipalities of TGC-1 in 2020. So, the average actual value of the outdoor air temperature is higher than the planned one by about 1.5°C.

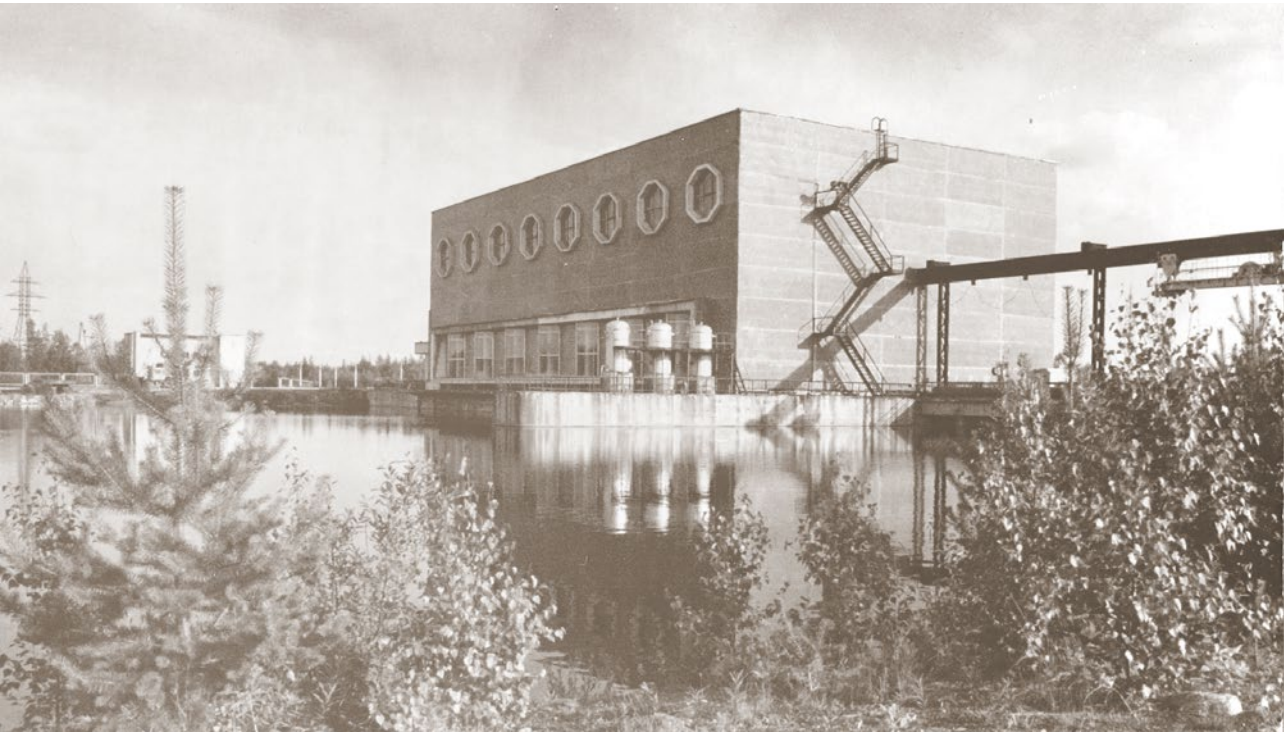
Proceeds from Heat Sales and Provision of Services for Maintaining Reserve Heat Capacity, RUB thousand excluding VAT

	2019	2020	Δ (%)
Nevsky Branch (including services for maintaining reserve heat capacity and subsidies for compensation of lost earnings)*	29,915,642	29,093,021	-2.75
Kolsky Branch (including subsidies for compensation of lost earnings)	3,054,085	2,908,582	-4.76
Karelsky Branch	3,346,618	3,340,665	-0.18
TGC-1	36,316,345	35,342,267	-2.68
JSC Murmanskaya CHPP (including subsidies for compensation of lost earnings)	7,888,597	5,645,004	-28.44
TGC-1 including JSC Murmanskaya CHPP	44,204,943	40,987,271	-7.28

* Contracts for reserve heat capacity maintenance services at the Nevsky Branch of TGC-1 were signed with the consumers who do not consume heat but have not disconnected their heat consumption facilities from the heat supply grid in order to p reserve the possibility to restart heat consumption when needed. Revenue for capacity reservation services for the Nevsky Branch in 2019 amounted to RUB 24,585 thousand excluding VAT, for 2020 - RUB 25,578 thousand excluding VAT.



Volkhovskaya HPP. Replacement of impellers



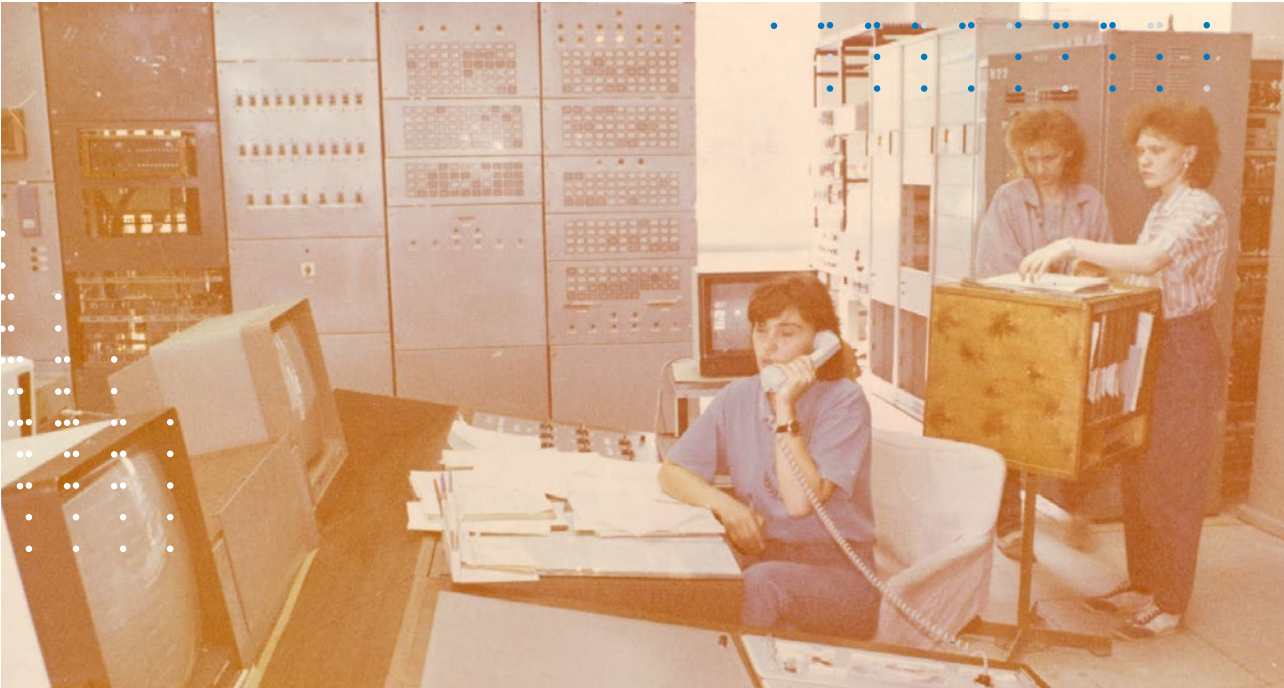
Yushkozerskaya HPP

FUEL SUPPLY

In 2020, power plants and leased boiler houses of TGC-1, including JSC Murmanskaya CHPP, consumed 5,139.6 mln m³ of gas, 252.2 thousand tons of fuel oil, 444.2 thousand tons of coal, and 15.5 thousand sq. m³ of firewood to output electricity and heat. Gas share in fuel balance amounted to 90.04%, fuel oil – 5.20%, coal – 4.70%, and fuel wood – 0.06%.

Fuel Balance Structure in 2020, %

	gas	fuel oil	coal	firewood
Nevsky Branch	99.98	0.02	-	-
Karelsky Branch	97.84	0.01	1.29	0.87
Kolsky Branch	-	0.28	99.72	-
Total for TGC-1	94.94	0.03	4.96	0.07
JSC Murmanskaya CHPP	-	100	-	-
TGC-1, including JSC Murmanskaya CHPP	90.04	5.20	4.70	0.06



Control Panel of the Poduzhenskaya HPP, 80-ies

INVESTMENT ACTIVITIES

The main areas of development of TGC-1 in the framework of investment activities are:

- implementation of priority investment projects;
- modernization of outdated generating capacities and the use of more advanced equipment with a high level of reliability, consistent with the accepted international standards;
- maintaining of the balance of the connected load and the installed capacity of CHPPs after decommissioning of equipment that has exhausted its resource;
- expanding of the areas of activity of TGC-1 through connecting new residential areas and switching consumers of other inefficient heat sources;
- implementation of the projects with minimal environmental impact, improving the environmental safety of energy facilities;
- implementation of the programme of energy saving and energy efficiency;
- building IT infrastructure and introducing new technologies;
- performance of the requirements of supervisory authorities.

Within the framework of the competitive capacity outage for modernization program (CCOMP) with the start of power supply in 2022-2024, turbine units No. 6 and No. 7 of the Avtovskaya CHPP are being modernized with an increase in installed capacity.

The measures are being implemented as part of a priority project for the complex reconstruction of the power plant, which also includes the construction of a circulating system of technical water supply, reconstruction of 35 kV and 110 kV outdoor switchgears, modernization of auxiliary equipment and general station systems, transition to a “closed” heat supply scheme for consumers.

Based on the results of the selection CCOMP with the start of power supply in 2025, TGC-1 is carrying out technical re-equipment of the Severnaya CHPP with the modernization of boiler equipment of power unit No. 4 with a capacity of 100 MW to ensure reliable and high-quality electricity and heat supply to consumers, taking into account future loads.

In order to increase the efficiency of heat production, the reconstruction of the PP-2 of the Central CHPP is being carried out with the construction of a new hot water boiler, technical

re-equipment of fuel oil facilities and the decommissioning of equipment that has exhausted its resource.

In addition to heat generation, TGC-1 is working on restoration and retrofitting of main equipment at HPPs in the Republic of Karelia, Leningrad Oblast, and Murmansk Oblast, and commissioning of up-to-date process control systems, telemechanics and communication systems.

Currently, a project to replace four hydroelectric units at the Verkhne-Tulomskaya HPP of the Tuloma and Serebryanskiye HPPs Cascade with an increase in their capacity is underway.

After reconstruction, the total capacity of the station will reach 300 MW.

In 2020, the competitive selection of investment projects was held within the framework of the first programme to support the construction of generating facilities operating on the basis of renewable energy sources (RES CDA). According to the results of the competition, a project of TGC-1 for the construction of a small hydroelectric power plant with a capacity of 16.5 MW in Murmansk Oblast was selected with the start of power supply 2024.

Thus, the main planned changes in capacity are:

PP-2 of the Centralnaya CHPP:
decommissioning of equipment of the old part

-23 MW
-756 Gcal/h

commissioning of a hot water boiler
+730 Gcal/h
completion in 2024

The Verkhne-Tulomskaya HPP:
modernization of four hydroelectric units with an increase in capacity
+32 MW
completion in 2024

The Avtovskaya CHPP:
decommissioning of equipment of the old part

-104 MW
-417 Gcal/h

modernization of turbines at plants No. 6, 7 with an increase in capacity
+39.4 MW
+32 Gcal/h
completion in 2024

The small HPP on the Paz River:
new construction
+16.5 MW
completion in 2024



Vygostrovskaya HPP

CORPORATE GOVERNANCE

The authorized capital of TGC-1 totals RUB 38,543,414,165.71 and is divided into 3,854,341,416,571 +3/7 ordinary registered shares with the same nominal value of RUB 0.01. Preferred shares were not placed by the Company.

The Company is entitled to place 674,494,100 ordinary registered shares (declared shares) in addition to previously placed ones.

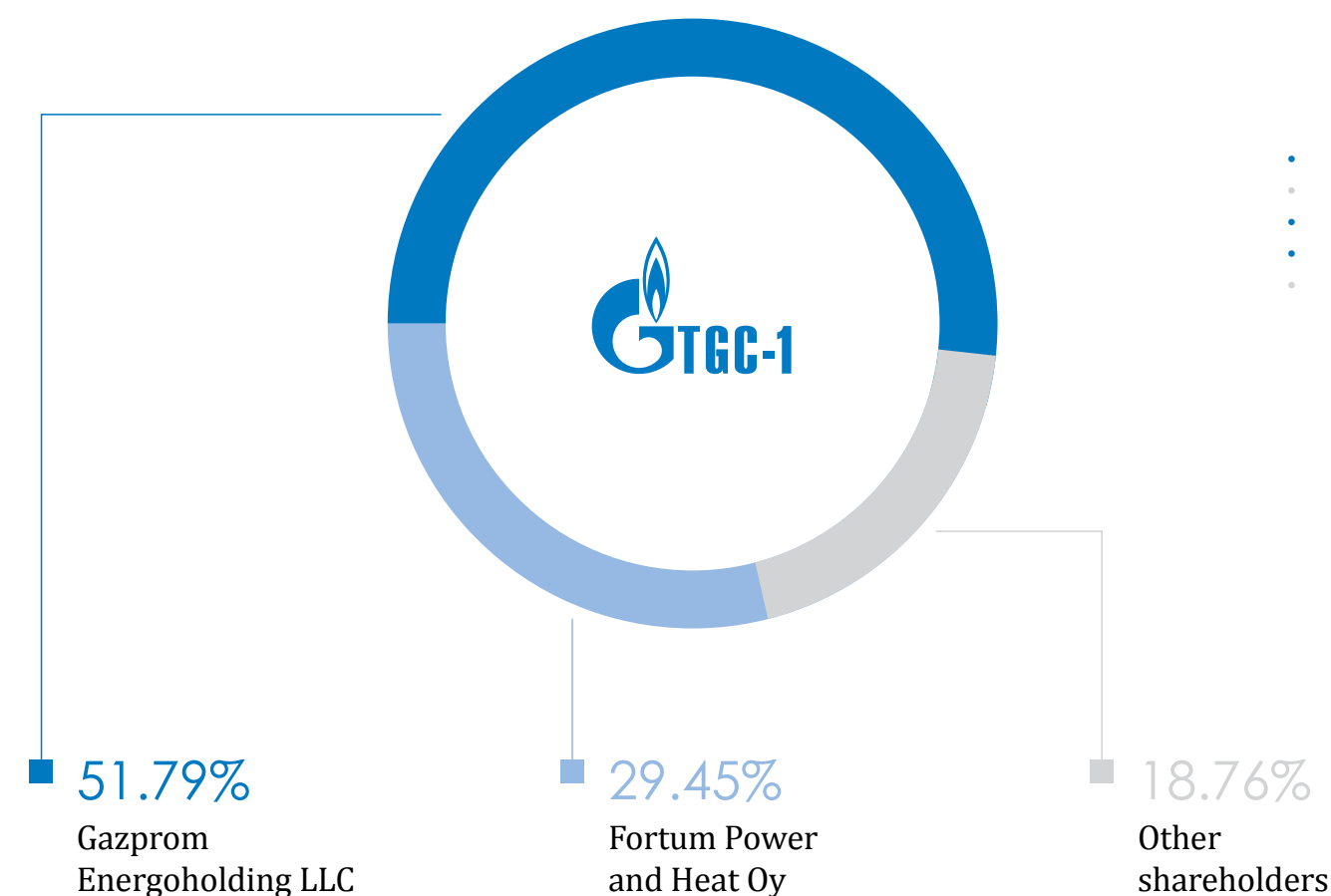
Since March 26, 2007, shares of TGC-1 are traded on the Moscow Stock Exchange (exchange ticker - TGKA), the main trading floor of the Russian stock market and included on the First Level of the quotation list. Trading of securities is executed on the stock market of the Moscow Exchange in the main trading mode: T+shares and DR.

In 2020, trading volumes of shares of TGC-1 on the Moscow Exchange in the main trading mode totaled RUB 24.9 bln, which was 3 times more than in the respective period of 2019. The daily median volume of transactions for each calendar

quarter of 2020 exceeds the required amount to be maintained on the First Level of the quotation list. The year 2020 confirmed the high demand for investment products with maximum protection of the invested capital. Like all generating companies, TGC-1 is considered as a low-risk investment of recouped investment funds. Stable dividend payments are an absolute positive factor.

According to the decision made by the Annual General Meeting of Shareholders of TGC-1 as of 22.06.2020, the amount of dividends to be paid per the Company's ordinary share following the results of 2019 amounted to RUB 0.001036523 in cash. 07.07.2020 is the date on which the persons entitled to receive dividends were determined.

Structure of TGC-1's shareholders as of 31.12.2020



According to the results of 2019, declared dividends of TGC-1 totaled RUB 3,995,113.61 thousand or 50% of the net profit under IFRS.

As of December 31, 2020, the stake of GDRs in the authorized capital of TGC-1 was 0.0290%, while the number of GDRs in accordance with Rule 144A was 16,100, and the number of GDRs in accordance with Regulation S was 207,435. As of December 31, 2020, the value of one depositary receipt amounted to USD 0.75.

Bonds of TGC-1 of series 03 (4-03-03388-D) and series 04 (4-04-03388-D) are traded on the Moscow Stock Exchange and included in the third level quotation list. In the reporting year, the coupon payments on TGC 1's bonds were made in full and exactly in accordance with the payment schedule.





Control office of the Centralnaya CHPP. Nowadays

MANAGEMENT AND CONTROL BODIES

Shareholders Meeting is the supreme management body of the Company. The competence of the General Meeting of Shareholders is defined by Article 15 of the Articles of Association of TGC-1 and Article 48 of Federal Law No. 208-FZ as of 26.12.1995 «On Joint-Stock Companies».

The Board of Directors is the management body of the Company which is responsible for the overall management of the Company's activities, with the exception of resolving issues referred to the competence of the General Meeting of Shareholders of the Company. The competence of the Board of Directors is defined in Clause 20.1 of Article 20 of the Company's Articles of Association and Article 65 of Federal Law No. 208-FZ as of 26.12.1995 «On Joint-Stock Companies».

The Management Board is a collegial executive body of the Company. By the decision of the Board of Directors of TGC-1 as of 17.09.2019 (Minutes No. 9 as of 18.09.2019), the powers of the current members of the Management Board were terminated on 29.09.2019. The new composition of the Board is currently not formed.

In accordance with Clause 27.5 of the Articles of Association of TGC-1, if the Company's Management Board is not formed, the provisions of the Articles of Association on the Management Board do not apply. The Regulation on the Management Board of TGC-1 was terminated by the decision of the Annual General Meeting of Share-

holders on 22.06.2020 (Minutes No. 1 as of 25.06.2020).

The General Director is the Company's sole executive body entitled to resolve issues related to current operations in accordance with Article 26 of the Articles of Association of TGC-1. In accordance with Paragraph 19 of Clause 15.1 of Article 15 of the Articles of Association and Clause 1 of Article 69 of the Federal Law "On Joint-Stock Companies", the powers of the sole executive body can be transferred under a contract to a managing organization.

By the decision of the extraordinary General Meeting of Shareholders of TGC-1 as of 27.09.2019, the powers of the General Director of TGC-1 from 30.09.2019 were transferred to the managing organization - Gazprom Energoholding Limited Liability Company (OGRN 1037739465004, located at: 16 Dobrolyubova Prospect, building 2, lit. A, room 11, St. Petersburg, Russian Federation, 197198).

Gazprom Energoholding Limited Liability Company, 100% (one hundred percent) of the authorized capital of which is owned by PJSC Gazprom, is a company combining electric and heat energy assets of Gazprom Group.

Website of Gazprom Energoholding LLC: energoholding.gazprom.ru

Managing Director: Vadim Vederchik

The Board of Directors elected by the Annual General Meeting of Shareholders as of 22.06.2020

Full name	Position*
Chairman of the Board of Directors	
Vitaly Markelov	Deputy Chairman of the Management Board of PJSC Gazprom (Non-Executive Director)
Members of the Board of Directors	
Parviz Abdushukurov	Vice President, Deputy General Director for Operations – Chief Engineer of PJSC Fortum (Non-Executive Director)
Dmitry Borovikov	Vice President for Strategy, Production Portfolio Management and Trading, PJSC Fortum (Independent Director)
Alexander Ivannikov	Head of Department of PJSC Gazprom (Non-Executive Director)
Pavel Shatsky	First Deputy General Director of Gazprom Energoholding LLC (Non-Executive Director)
Andrey Khorev	Deputy General Director of Ruskhimalliance LLC (Independent Director)
Vadim Vederchik	Managing Director of TGC-1 (Executive Director)
Gennady Sukhov	Member of the Management Board, Head of Department of PJSC Gazprom (Non-Executive Director)
Denis Fedorov	General Director of Gazprom Energoholding LLC, Head of Directorate of PJSC Gazprom (Executive Director)
Mario Mazidowski	Vice-President for Finance of PJSC Fortum (Independent Director)
Alexander Chuvaev	Executive Vice President, member of the Management Board of Fortum Corporation, General Director of PJSC Fortum (Non-Executive Director)

* Positions are specified as of the election date.



Pervomayskaya CHPP

RAS FINANCIAL RESULTS

In 2020, the Company's revenue was formed due to sales of heat, electricity and capacity in the wholesale and retail markets, export supplies, as well as through the sale of other products, works and services, and amounted to RUB 84,158 mln, which exceeded the same indicator of 2019 by RUB 6,678 mln.

Key financial indicators of TGC-1, RAS * (RUB mln)

	2019	2020	Δ (%)
Revenue	90,837	84,158	-7.4
Production cost	(78,988)	(74,190)	-6.1
Gross profit	11,849	9,968	-15.9
Profit before taxation	11,605	8,362	-27.9
EBITDA**	19,476	15,678	-19.5
Net profit	9,449	6,763	-28.4
Total assets	131,424	137,473	4.6
Earnings per share, RUB	0.00241	0.00176	-27.0

* RAS statements of TGC-1 do not consolidate financial results of subsidiaries. Due to the change as of 01.01.2020 of Accounting Standards 18/02 «Accounting for corporate income tax calculations», the results are given in comparable terms.

** EBITDA = profit before tax – interest receivable + interest payable – revenue from participation in other companies + depreciation.

Revenue Structure in 2019-2020

	2019		2020		Δ (%)
	RUB mln	share, %	RUB mln	share, %	
Electricity and capacity, incl.	53,808	59.2	48,220	57.3	89.6
electricity and capacity in the WECM regulated sector	4,691	5.2	4,980	5.9	106.2
electricity and capacity in the WECM competitive sector	47,233	52.0	42,246	50.2	89.4
electricity exported	1,745	1.9	727	0.9	41.7
electricity and capacity in the retail market	139	0.2	267	0.3	192.1
Heat	36,316	40.0	35,342	42.0	97.3
Other products, works, services	713	0.8	596	0.7	83.6
Total revenue	90,837	100.0	84,158	100.0	92.6

Based on the results of 2020, revenue from sales of electricity and capacity decreased by 10.4% compared to 2019 and amounted to RUB 48,220 mln compared to RUB 53,808 mln in the previous year.

In 2020, revenue from the sale of heat decreased by 2.7% compared to 2019 and amounted to RUB 35,342 mln compared to RUB 36,316 mln in the previous year. The decrease in revenue from the sale of heat is due to a decrease in the volume of sales of heat by 4.6% compared to 2019 due to higher outdoor temperatures in the heating period.

Cost of production and sales of products, works and services in 2020 amounted to RUB 74,190 mln, including

RUB 73,957 mln from core operations and RUB 233 mln from non-core operations.

The main share of the production cost is the cost of electricity (RUB 36,182 mln) and heat (RUB 37,775 mln) generation.

In 2020, profit from sales decreased by RUB 1,881 mln and totaled RUB 9,968 mln. Profit before taxation amounted to RUB 8,362 mln. The Company's net profit in 2020 decreased by RUB 2,686 mln compared to 2019 and amounted to RUB 6,763 mln.

Dynamics of Profit of TGC-1 in 2019-2020, RUB mln

	2019	2020	Δ (%)
Revenue	90,837	84,158	92.6
Operating profit	11,849	9,968	84.1
Net profit	9,449	6,763	71.5

EBITDA decreased by 19.5% and amounted to RUB 15,677.7 mln.



Pravoberezhnaya CHPP

IFRS FINANCIAL RESULTS

The Group consists of TGC-1 and its subsidiaries: JSC Murmanskaya CHPP and JSC St. Petersburg Heating Grid, as well as St. Petersburg Heating Grid LLC, which is a 100% subsidiary of JSC St. Petersburg Heating Grid (hereinafter referred to as the Group).

Key Performance Indicators of TGC-1 and its Subsidiaries, RUB mln

	2019	2020	Δ (%)
Revenue	97,256	88,889	-8.6
Operating expenses	(85,599)	(76,913)	-10.1
Operating profit	12,149	10,824	-10.9
EBITDA*	22,500	21,935	-2.5
Profit before taxation	10,339	10,235	-1.0
Profit	7,990	8,253	3.3
Total assets	182,504	190,787	4.5

* EBITDA = operating profit + depreciation

According to the results of 2020, the consolidated revenue of the companies included in TGC-1 Group decreased by 8.6% compared to the same indicator in 2019 and amounted to RUB 88,889 mln. The decrease in revenue from the sale of electricity and heat was

influenced by abnormally high temperatures during the heating period of 2020, a decrease in electricity consumption due to the restrictive measures introduced in the work of enterprises and organizations.

Revenue structure, RUB mln

	2019	2020	Δ (%)
Electricity and capacity	53,808	48,220	-10.4
Heat	41,864	39,001	-6.8
Other revenue	1,584	1,668	5.3
Total revenue	97,256	88,889	-8.6

The Group's comparable operating expenses decreased by 10.1% to RUB 76,913 mln, mainly due to a reduction in fuel and purchased electricity and capacity costs against the background of lower production volumes. The Group's operating profit decreased to RUB 10,824

mln and EBITDA was RUB 21,935 mln. Profit for the period amounted to RUB 8,253 mln, having increased by 3.3%. The dynamics of this indicator was influenced, among other things, by a decrease in financial expenses.



PP-1 of the Centralnaya CHPP

ABRIDGED FINANCIAL STATEMENTS OF TGC-1 FOR 2020 UNDER THE RUS- SIAN ACCOUNTING STANDARDS (RAS)

BALANCE SHEET as at 31 December 2020, RUB thous.

	31 December 2019	31 December 2020
ASSETS		
I. FIXED ASSETS		
Intangible assets	78,893	68,162
Results of research and development	83,922	64,429
Fixed assets	78,506,238	79,311,259
Long-term financial investments	17,739,739	17,739,739
Deferred tax assets	313,932	408,724
Other non-current assets	3,422,953	4,787,955
Total Section I	100,145,677	102,380,268
II. CURRENT ASSETS		
Inventories	3,348,427	3,502,930
Value added tax on goods purchased	91,837	110,644
Accounts receivable	16,565,184	16,383,943
Short-term financial investments (excluding cash equivalents)	10,918,972	14,729,665
Cash and cash equivalents	29,157	2,565
Other current assets	324,995	362,939
Total Section II	31,278,572	35,092,686
TOTAL SECTION I AND II	131,424,249	137,472,954
LIABILITIES		
III. EQUITY AND RESERVES		
Authorized capital	38,543,414	38,543,414
Own shares buy-back	-	-
Revaluation of non-current assets	9,587,544	9,561,883
Additional capital (without revaluation)	23,285,600	23,285,600
Reserve capital	1,927,171	1,927,171
Retained earnings (loss)	29,963,158	32,757,011
Total Section III	103,306,887	106,075,079

	31 December 2019	31 December 2020
LIABILITIES		
IV. NON-CURRENT LIABILITIES		
Borrowings and bank loans	4,000,000	9,500,000
Deferred tax liabilities	4,448,579	4,255,932
Other non-current liabilities	203,191	450,735
Total Section IV	8,651,770	14,206,667
V. CURRENT LIABILITIES		
Borrowings and bank loans	8,911,594	3,400,650
Accounts payable	10,275,754	13,477,314
Estimated liabilities	278,244	313,244
Total Section V	19,465,592	17,191,208
TOTAL SECTION III, IV, V	131,424,249	137,472,954

Statement of financial performance for 2020, RUB thous.

P&L Statement, RUB thousand	2019	2020
Proceeds and expenses of ordinary activities		
Revenue	90,836,923	84,158,198
Production cost	(78,988,281)	(74,190,248)
Gross profit	11,848,642	9,967,950
Profit (loss) from sales	11,848,642	9,967,950
Other proceeds and expenses		
Interest receivable	413,984	378,176
Interests Payable	(530,307)	(322,100)
Other proceeds	2,836,390	1,974,520
Other costs	(2,963,812)	(3,636,470)
Profit (loss) before taxation	11,604,897	8,362,076
Income tax, incl.	(2,154,025)	(1,597,002)
current income tax	(2,292,192)	(1,904,409)
deferred income tax	111,494	287,439
income tax of past years	26,673	19,968
Other	(1,631)	(1,769)
Net profit	9,449,241	6,763,305

ABRIDGED FINANCIAL STATEMENTS OF TGC-1 FOR 2020 UNDER THE RUSSIAN ACCOUNTING STANDARDS (RAS)

Statement of financial performance for 2020, RUB thous.

	2019	2020
REFERENCE		
Result of revaluation of non-current assets not included to the net profit (loss) for the reporting year	—	—
Results of other transactions not included to the net profit (loss) for the reporting year	—	—
Cumulative financial result for the year	9,449,241	6,763,305
REFERENCE		
Basic earnings (loss) per share, RUB	0.00241	0.00176
Diluted earnings (loss) per share	—	—



Pervomayskaya CHPP

ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS OF TGC-1 FOR 2020 UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Consolidated statement of financial position as at 31 December 2020, RUB million

	31 December 2019	31 December 2020
ASSETS		
Non-current assets		
Property, plant and equipment	148,607	151,135
Investment property	164	139
Intangible assets	3,108	3,859
Investments in associates	421	436
Other non-current assets	1,445	1,391
Deferred income tax assets	316	140
Total non-current assets	154,061	157,100
Current assets		
Inventories	3,613	3,728
Trade receivables and other prepayments	13,715	14,057
Current income tax prepayments	156	49
Cash and cash equivalents	881	1,036
Financial assets	10,010	14,817
	28,375	33,687
Non-current assets held for sale	68	—
Total current assets	28,443	33,687
TOTAL ASSETS	182,504	190,787

Consolidated statement of financial position
as at 31 December 2020, RUB million

	31 December 2019	31 December 2020
EQUITY AND LIABILITIES		
Equity		
Share capital	38,543	38,543
Share premium	22,914	22,914
Accumulated earnings and other reserves	61,295	66,803
Equity attributable to the Company's shareholders	122,752	128,260
Non-controlling interest	8,921	10,698
Total equity and reserves	131,673	138,958
Non-current liabilities		
Long-term borrowings	4,000	9,500
Post-employment benefits obligations	1,159	1,166
Trade and other payables	290	444
Lease liabilities	7,264	5,245
Deferred tax liabilities	10,328	10,228
Total non-current liabilities	23,041	26,583
Current liabilities		
Short-term borrowings	13,258	7,747
Trade and other payables	11,248	12,897
Current income tax payable	32	747
Other taxes payable	986	1,557
Rent liabilities	2,266	2,298
Total current liabilities	27,790	25,246
Total liabilities	50,831	51,829
TOTAL EQUITY AND LIABILITIES	182,504	190,787

Consolidated statement of profit or loss and other comprehensive income for
2020, RUB thousand

	Year ended 31 December 2019	Year ended 31 December 2020
Revenue	97,256	88,889
Operating expenses	(85,599)	(76,913)
Impairment (loss) / gain on financial assets	492	(1,152)
Operating profit	12,149	10,824
Finance income	539	570
Finance costs	(2,360)	(1,174)
Share of profits of associates	11	15
Profit before income tax	10,339	10,235
Income tax expense	(2,349)	(1,982)
Profit for the period	7,990	8,253
Other comprehensive income / (expense): Items that will not be reclassified to profit or loss:		
Remeasurements of post-employment benefits obligations	(175)	27
Other comprehensive income / (expense) for the period	(175)	27
Total comprehensive income for the period	7,815	8,280
Profit / (loss) for the period is attributable to:	7,990	8,253
Owners of the TGC-1	8,928	8,062
Non-controlling interests	(938)	191
Total comprehensive income / (expense) is attributable to:	7,815	8,280
Owners of the TGC-1	8,759	8,086
Non-controlling interests	(944)	194
Earnings per ordinary share for profit attributable to owners of the TGC-1, basic (in Russian Roubles)	0.0023	0.0021

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