

28.04.2018**RUSNANO's Investment Portfolio Value Grew by RUB 7.7 billion in 2017 as per IFRS**

RUSNANO Group has published the financial results of its activity for 2017, in compliance with International Financial Reporting Standards (IFRS)

In 2017, the net profit from RUSNANO's financial assets, recorded at their fair value, grew by 43% as compared to a similar index for 2016 and amounted to 8 billion roubles. The growth was conditioned, foremost, by the 7.7 billion rouble increase in the fair value of the investment portfolio. The biggest increase of fair value was generated by the projects of the historic portfolio of Havel LLC, PET-Technology LLC, PJSC TMK and Biomark Capital Fund, as well as by the new funds.

According to the financial reporting data, RUSNANO's net loss in 2017 amounted to 5.3 billion roubles. RUSNANO's long-term business plan envisaged estimated loss as per the ISFR of over 5 billion roubles in 2017. The main factor that kept the company from displaying net profit against significant increase of portfolio value was the high level of its expenses for servicing its external debt, due to financing structure specifics, not typical of the private equity and venture investments sphere (the classic model of direct and venture investment fund implies investments from capital but not from borrowed funds).

Within the reporting period the company allocated 59.7 billion roubles for debt servicing, of these 46.5 billion roubles were allocated for repayment of the principal debt amount, which is 2.8 times more than a similar figure for 2016. Debts in the amount of 6.9 billion roubles were repaid ahead of schedule. RUSNANO's debt load has decreased by 11.1 billion roubles. Interest and coupon payments decreased by 17% as compared to 2016, amounting up to 13.1 billion roubles.

In general, for the entire period of its activity, RUSNANO allocated 76.9 billion roubles for debt servicing as interest and coupon payments and more than 87.7 billion roubles to repay the principal debt amount.

The revenues from the 2017 investments portfolio amounted to 16.2 billion roubles and exceeded the projects financing volume for a similar period by 5.5 billion roubles, continuing the trend of net revenues growth. For 2017, RUSNANO effected the successful exit from a number of portfolio companies including Chelpipe, NIR and NPC Springs LLC.

The average yield (IRR) of the 2017 exits calculated at the value of the portfolio at the time of asset transfer under the management of RUSNANO MC LLC was about 11.4%. The average IRR of all the exits calculated according to the same scheme was about 18.1%. The total volume of the funds attracted from third party investors into the new investment funds with RUSNANO's participation amounted to 48 billion roubles.

Based on the results of 2017, the fair value of the portfolio, taking into account the exits and revenues from the projects, exceeded the accumulated investment



portfolio financing volume for the second year in succession. The positive difference amounted to 4.6 billion roubles.

Boris Podolsky, Executive Director of RUSNANO Management Company: “For the second consecutive year, RUSNANO is demonstrating increasing investment portfolio value with growing volume of revenues generated by exits. The results of 2017 confirm in a consistent manner that one of the major tasks set for the company within the Presidential initiative ‘Nanoindustry Development Strategy’ has been performed: a self-funding hi-tech industry has been launched. In the second phase of the investment cycle RUSNANO will be creating new funds and investing in the projects with no additional support from the State.”

The company's governing bodies maintain the forecast for payment of dividends by RUSNANO based on the results of 2017 in the amount of 50% of net profit according to RAS. The Executive Board of RUSNANO MC recommended to RUSNANO's Board of Directors to bring to the General Meeting of the Company's shareholders the issue of payment of the dividends in the amount of 537 billion roubles, based on the 2017 results.

***RUSNANO Joint-Stock Company** was founded in March 2011 through reorganization of state corporation Russian Corporation of Nanotechnologies. JSC RUSNANO contributes to implementation of the state policy on the development of the nanotechnology industry by investing directly and through investment funds of nanotechnology in financially effective high-technology projects providing the development of new production facilities in the Russian Federation. Its primary investment focus is in electronics, optoelectronics and telecommunications, healthcare and biotechnology, metallurgy and metalwork, energy, mechanical engineering and instrument making, construction and industrial materials, chemicals and petrochemicals. 100 percent of RUSNANO's shares are state owned. Thanks to RUSNANO's investments, there are currently 95 factories and R&D Centers opened in 37 regions in Russia.*

***Management of assets of RUSNANO JSC** is carried out by Limited Liability Company established in December 2013, RUSNANO Management Company. Anatoly Chubais is the Chairman of its Executive Board.*

*Work to establish nanotechnology infrastructure and carry out educational programs is fulfilled by RUSNANO's **Fund for Infrastructure and Educational Programs**, which was also established during the reorganization of the Russian Corporation of Nanotechnologies.*

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