



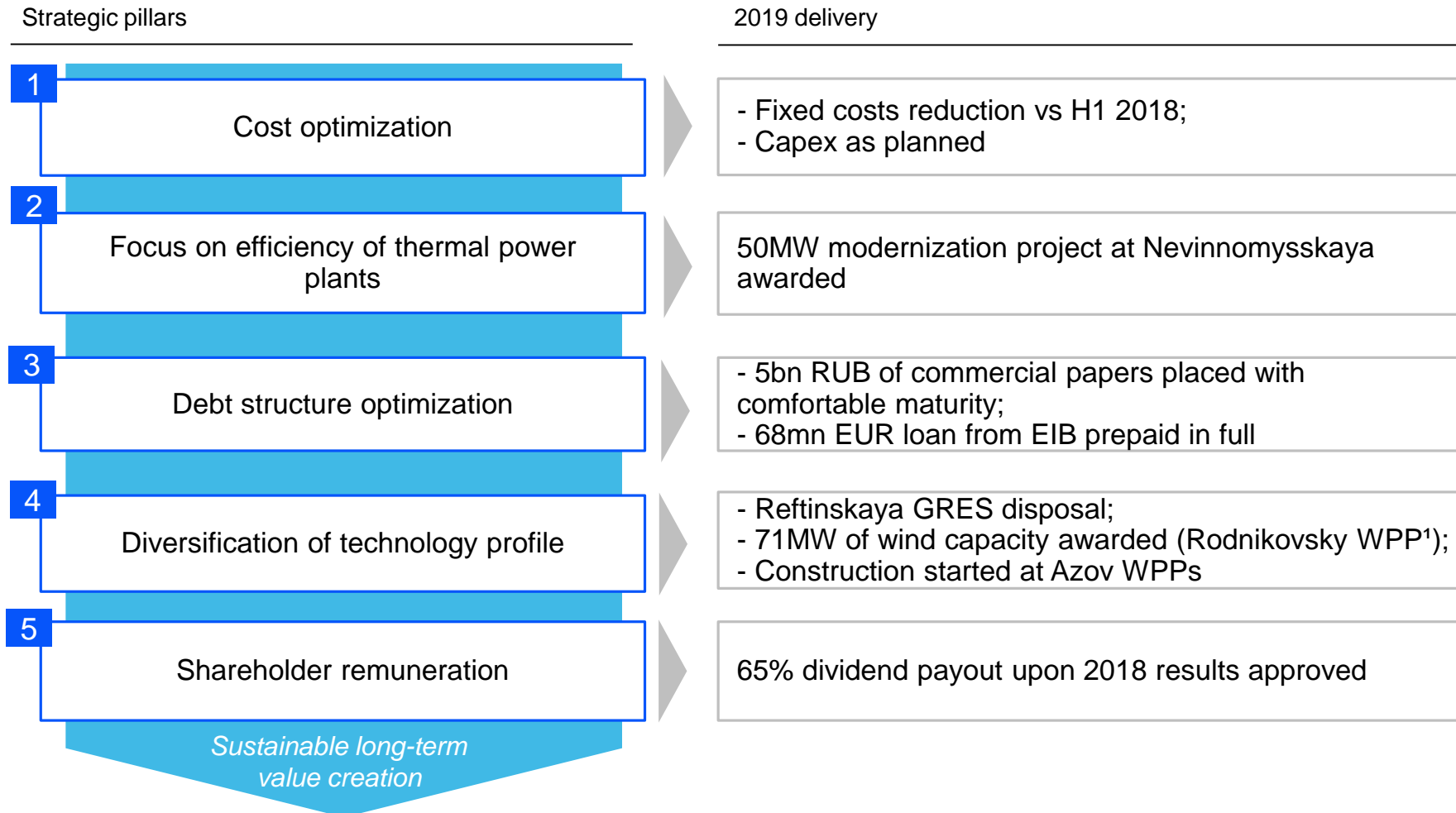
Enel Russia

Update on strategic projects

July 31, 2019

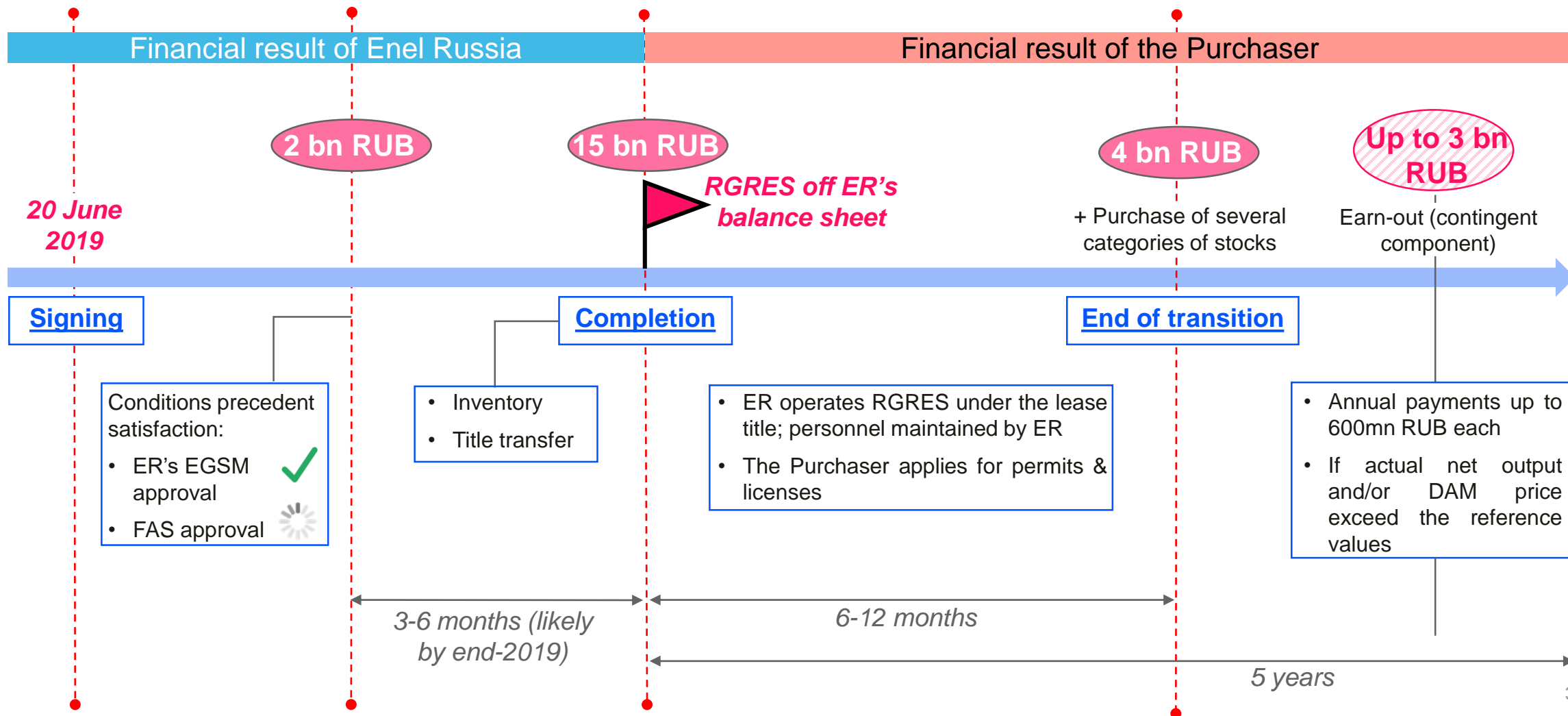


Progress on strategic pillars in 2019



¹ Wind power plant

Reftinskaya GRES disposal: key milestones and indicative timeline



Earn-out mechanism details



$$\text{Annual payment} = \text{DAM price upside} + \text{Net output upside}$$

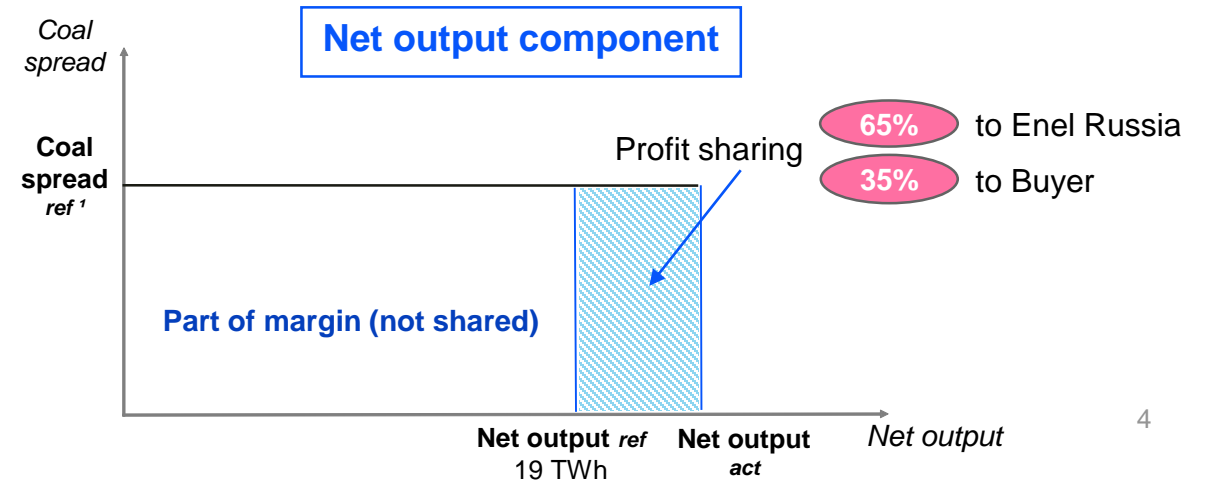
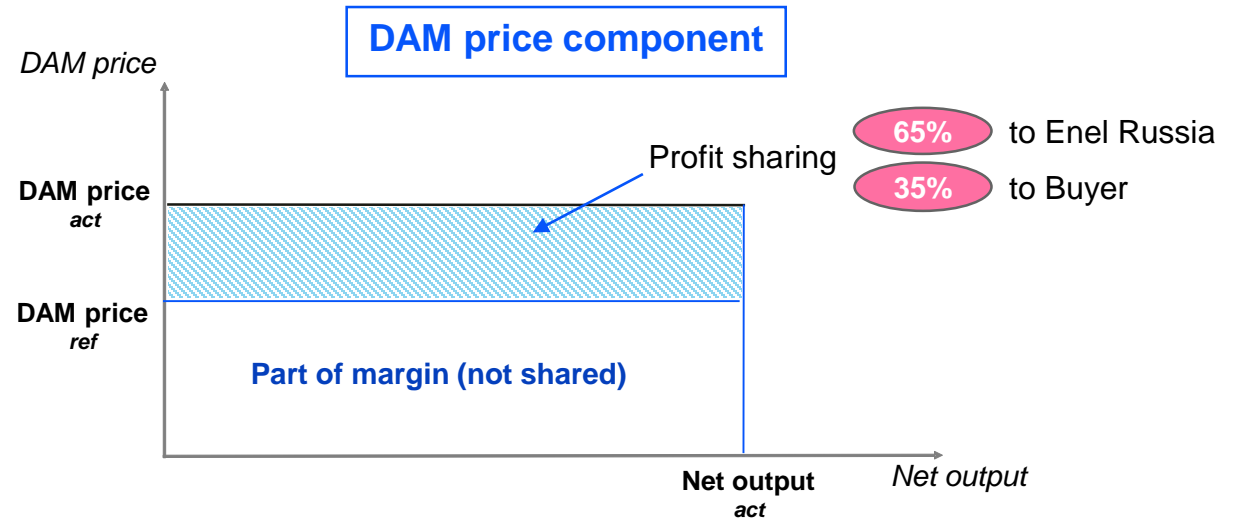
Up to 600mn RUB

Key principles

Fair balancing of market-related risks and upsides between the Seller and the Buyer

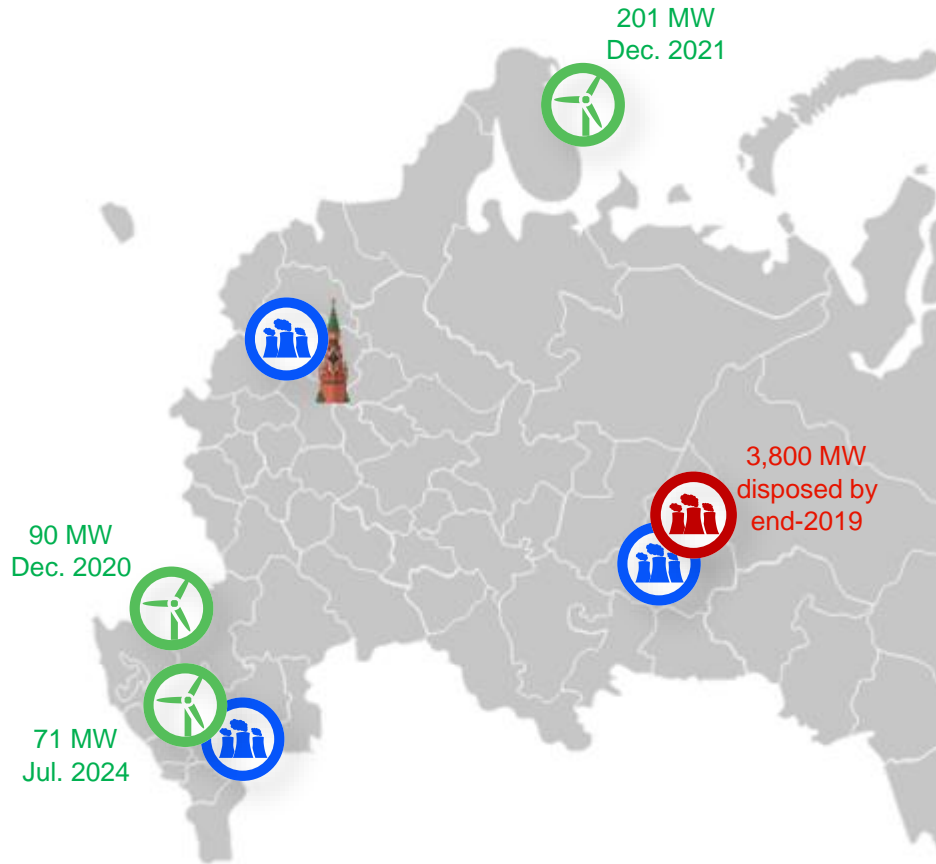
Reference DAM prices for the majority of years are generally in line with gas price indexation rates (official forecast)

Reference net output set slightly above the historic average

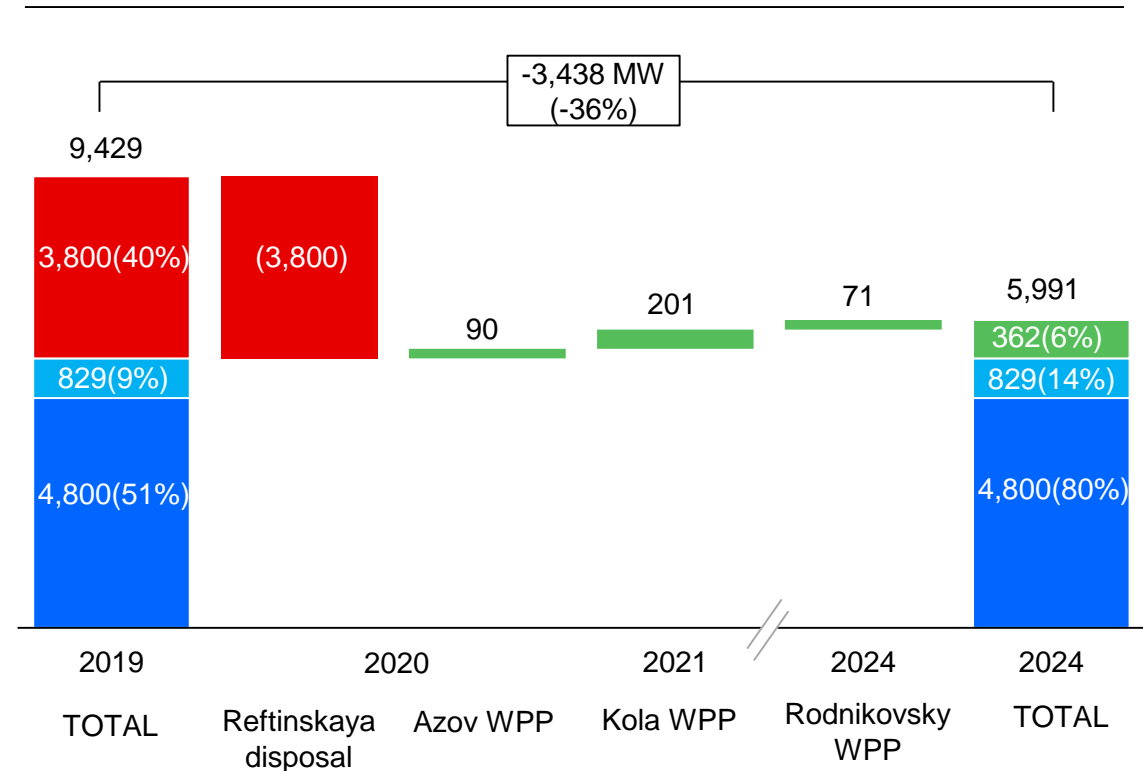


¹ Calculated using DAM price act and Fuel cost as per contract

Qualitative change in our generation capacity



Installed capacity evolution (MW)



Conventional gas
 Combined cycle gas turbines (CCGT)

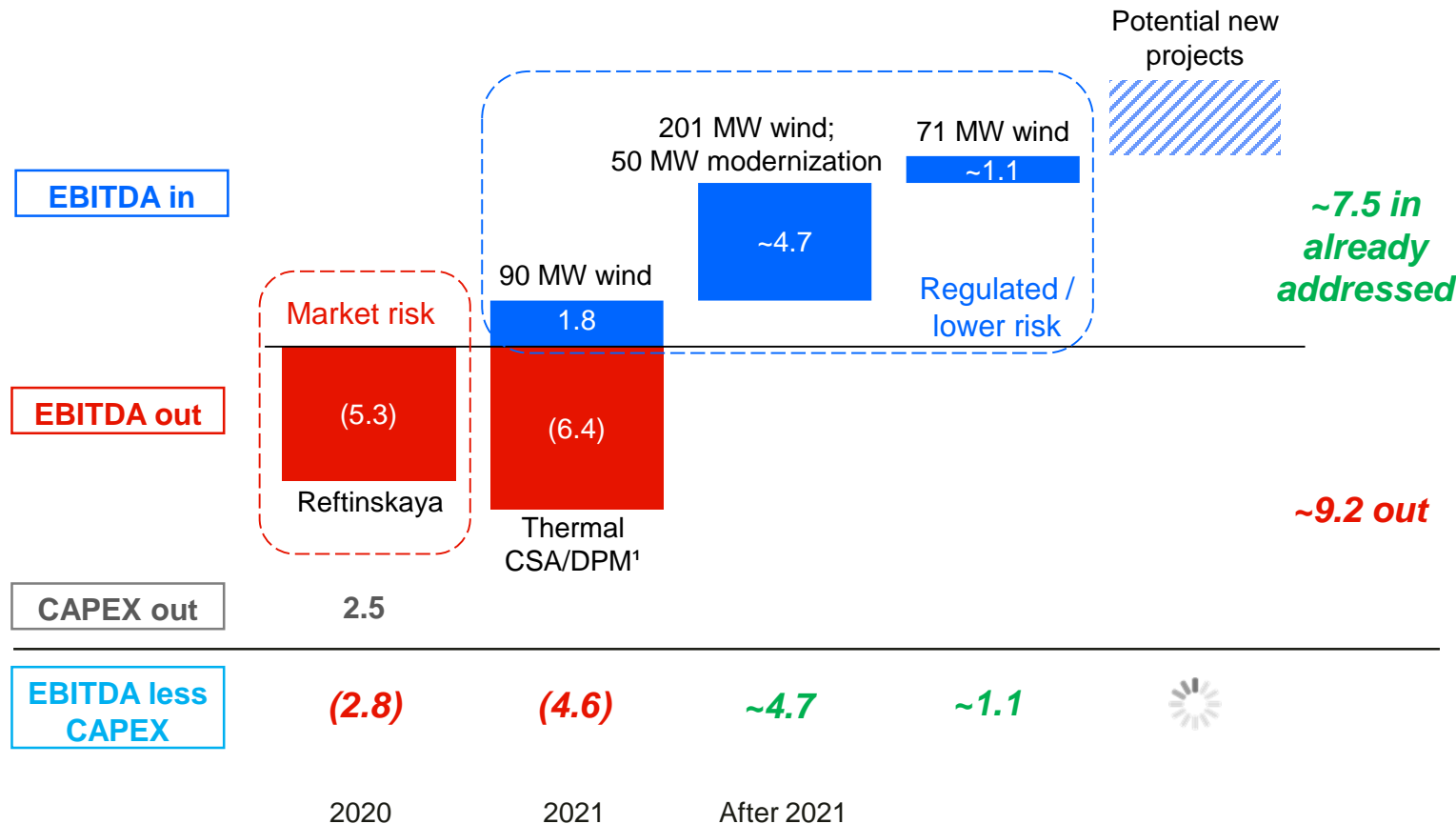
Coal

Renewable (wind)

Greater sustainability of post-sale cash flow amid lower risk profile



Estimated change in financials (RUB bn)



Focus on long-term value creation via new projects rather than on capex-demanding Reftinskaya

Reftinskaya exit, end of thermal DPMs and growth capex create temporary pressure on leverage

Use of proceeds: priority is given to new investments and debt repayment; other options to be considered

Updated dividend policy to be presented with Strategic plan 2020-2022

¹ Capacity supply agreement / Договор о предоставлении мощности

Improvement of the company's ESG profile

Our commitment to SDGs



Climate Change & Decarbonization

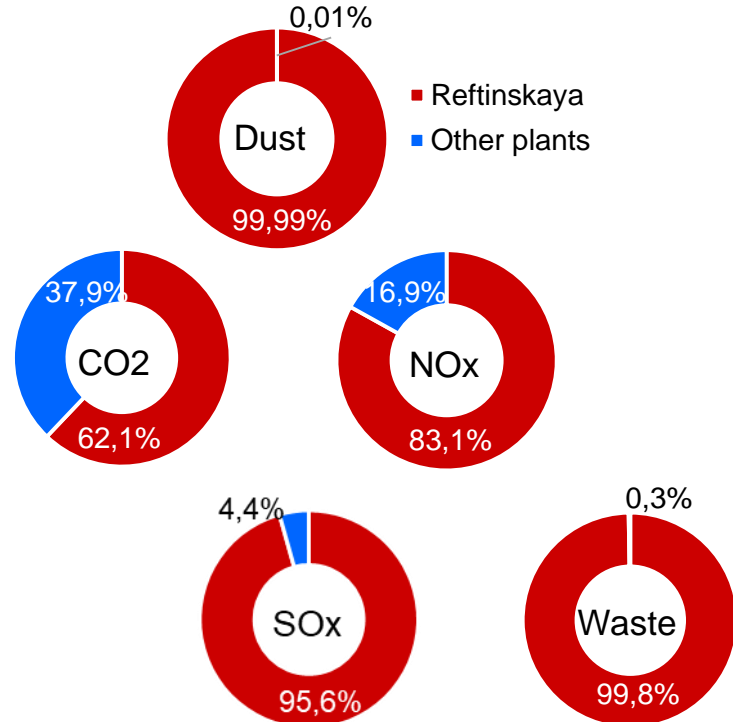


Decarbonized electricity generation (MW)

	2021	2024
Decarbonized electricity generation (MW)	291	362



AS IS



Transparency & Accountability



Compliance with RF Corporate Governance code (2017: 76%, 2018: 89%)

	2019	2020
Compliance with RF Corporate Governance code (2017: 76%, 2018: 89%)	94%	>90%



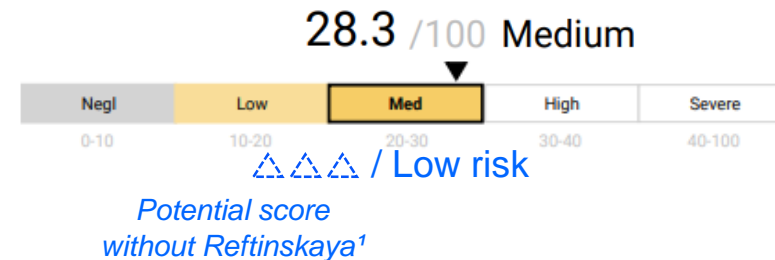
Gradual alignment of Annual report to GRI standards

	2019	2020
Gradual alignment of Annual report to GRI standards	from 2018	from 2018



ESG risk by Sustainalytics

“Carbon – Own operations” is the most material issue for current rating



¹ Company's estimations

Other new projects: June 2019



	Modernization program for thermal generation	Renewables
Overview	<ul style="list-style-type: none"> 50 MW at Nevinnomysskaya GRES Refurbishment of the boiler, as a part of project that also includes turbine replacement 	71 MW wind project in Stavropol region (Rodnikovsky WPP)
Commissioning date	1Q 2022	July 2024
Capex bid	13,023 RUB/kW	64,687 RUB/kW
Project capex	0.65 RUB bn compensated through DPM-like mechanism, remaining 1.3 RUB bn part of asset management capex	90 EUR mn
Mechanism of return	<p>Guaranteed return under Capacity supply agreement (CSA/DPM)</p> <p>Base return: 14% at 8.5% OFZ</p> <p>Duration: 16 years</p>	<p>Guaranteed return under Capacity supply agreement (CSA/DPM)</p> <p>Base return: 12% at 8.5% OFZ</p> <p>Duration: 15 years</p>
Additional value created due to:	<ul style="list-style-type: none"> Extended scope of project thanks to DPM (vs limited replacements) Large heat supplier for industrial consumers Efficient heat rate due to heat production Partial decrease of future capex 	<ul style="list-style-type: none"> Project lifetime > DPM contract duration Planned load factor > base level of 27% Synergy with Nevinnomysskaya located nearby Skills and experience / “learning curve” Financing (long-term, repayment profile, etc.)