

**RECOMMENDATIONS OF THE BOARD OF DIRECTORS
of Public Joint Stock Company «EL5-Energo» (hereinafter also referred to as PJSC «EL5-Energo») in relation
to the Mandatory Offer by Public Joint Stock Company «Oil Company «LUKOIL» to acquire equity shares of
Public Joint Stock Company «EL5-Energo»**

On January 9, 2023, Public Joint Stock Company «EL5-Energo» received a Mandatory Offer to acquire the equity shares of Public Joint Stock Company «EL5-Energo» (hereinafter also – the «Mandatory Offer») sent by Public Joint Stock Company «Oil Company «LUKOIL» (hereinafter – PJSC «LUKOIL») in accordance with article 84.2 of the Federal Law № 208-FZ «On Joint Stock Companies» dated December 26, 1995 (hereinafter – the «Law»).

The class, category (type) and number of shares in relation to which the Mandatory Offer is made are ordinary shares of PJSC «EL5-Energo». The total number of shares in respect of which the Mandatory Offer is made is 15 411 419 899 (fifteen billion four hundred eleven million four hundred nineteen thousand eight hundred ninety-nine) shares (hereinafter – the «Shares»).

The Board of Directors of PJSC «EL5-Energo» (hereinafter – the «Board of Directors»), having considered the Mandatory Offer received in accordance with point 1 of article 84.3 of the Law, adopted the following recommendations:

1. The Mandatory Offer complies with the requirements of the Law and is received with the documents stipulated by the legislation of the Russian Federation attached. Bank Guarantee № 4723-22/BG-001 dated December 12, 2022, issued by Public Joint Stock Company «Bank Otkritie Financial Corporation» in the amount of 7 552 000 000 (seven billion five hundred fifty-two million) rubles 00 kopecks is attached to the Mandatory Offer.

2. The Mandatory Offer has passed the state control procedure for the acquisition of shares in a public company by the Bank of Russia in accordance with article 84.9 of the Law.

3. The price set in the Mandatory Offer for the acquisition of ordinary shares of PJSC «EL5-Energo» in the amount of 0,48 (zero point forty-eight hundredths) roubles per Share was determined by PJSC «LUKOIL» pursuant to the requirements of point 4 of article 84.2 of the Law and is equal to the minimum possible price pursuant to the requirements of this point.

4. The Board of Directors recommends that when deciding whether to accept the Mandatory Offer, shareholders take into account that the market value of Shares may change in the future as a result of factors many of which are beyond the control of PJSC «EL5-Energo», including: macroeconomic and geopolitical factors, demand for electricity and capacity, changes in prices (tariffs) for electricity and capacity, volume of electricity and capacity supplied, industry development prospects, legislative changes, and other.

5. It is not possible to assess the plans of PJSC «LUKOIL» in relation to PJSC «EL5-Energo», including in relation to its employees, due to the absence of reference to such plans in the Mandatory Offer.

6. Based on the above, the Board of Directors informs the shareholders of PJSC «EL5-Energo» of the opportunity to accept the Mandatory Offer within the stipulated period or to refuse to accept it. Term for acceptance of the Mandatory Offer is from January 10, 2023, to March 20, 2023 (inclusive).

7. The Board of Directors recommends that the shareholders PJSC «EL5-Energo» acquaint themselves with the requirements of chapter XI.1 of the Law, the contents of the Mandatory Offer, study the conditions of the Mandatory Offer, and take into account the information provided herein before making a decision.

8. If the shareholders accept the Mandatory Offer of PJSC «LUKOIL», the Board of Directors **recommends that:**

- shareholders registered in the shareholder register of PJSC «EL5-Energo» apply to the registrar of PJSC «EL5-Energo» (Joint Stock Company «Independent Registrar Company R.O.S.T.») and use the recommended form of Application for Sale of Securities;

- shareholders who are not registered in the shareholder register of PJSC «EL5-Energo», to apply to the nominee shareholder who records their rights to the Shares.

The Board of Directors of PJSC «EL5-Energo»