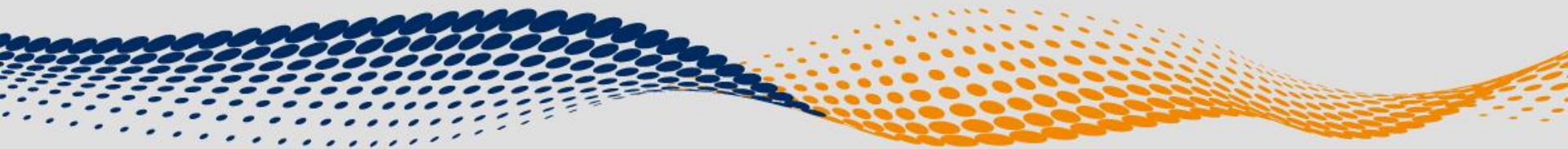




Inter RAO Group 1Q 2019 Consolidated Financial and Operating Results

16 May 2019



1

GENERATION IN THE RUSSIAN FEDERATION:

- Commissioning of 440 MW of new and modernized power generation capacity under the Capacity Delivery Agreements (CDA);
- Commissioning of 657 MW of Kaliningrad Generation, that are being leased;
- Decommissioning of 600 MW of old inefficient capacity at Kashirskaya GRES;
- Capacity payments under CDA grew due to increased payments that include delta CDA for a number of units
- Pricing environment on the day-ahead market (DAM): Electricity price spiked in the 1st pricing zone (by 14.5%) and an increase in the 2nd pricing zone (9.3% YoY).

2

SUPPLY IN THE RUSSIAN FEDERATION:

- Electricity prices for end-users have increased on average due to the growth of regulated (grid tariff) and non-regulated components (CDA for TPP, Renewables, NPP, as well as supply margin increase for the balancing of tariffs in the Far-Eastern Federal District);
- Regional expansion and client base increase in guaranteed supply companies and independent supply companies;
- Active development of the paid services (PS) segment.

3

TRADING:

- Electricity export increased to Finland by 41.5%, Lithuania export grew 2.1 times and import from Kazakhstan decreased by 84.6% YoY;
- The increase in the price of the Nord Pool electricity exchange in Lithuania and Finland;
- Weakening of the national currency against the currencies of major export power supply contracts: 16.3% YoY against USD, and 7.6% YoY against EUR, on an average.

4

FOREIGN ASSETS:

- The increase in the price paid for the available electrical capacity of Trakya Elektrik, zero load due to system operator schedule;
- Average tariff for electricity sales increased slower than the average tariff for electricity purchase of JSC Telasi;
- Decreased electricity demand from Moldova.



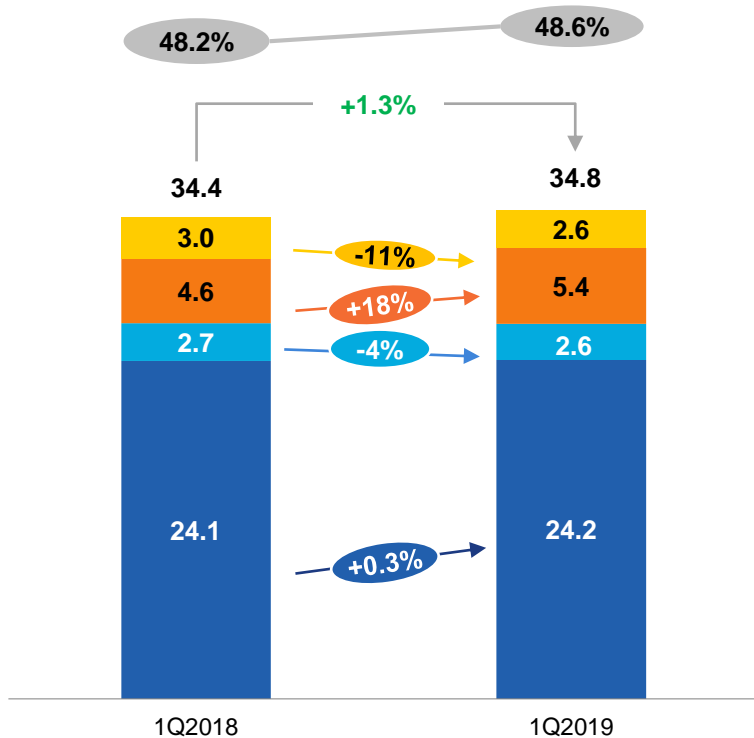
I. Operational Performance Results



Electricity and Heat Generation

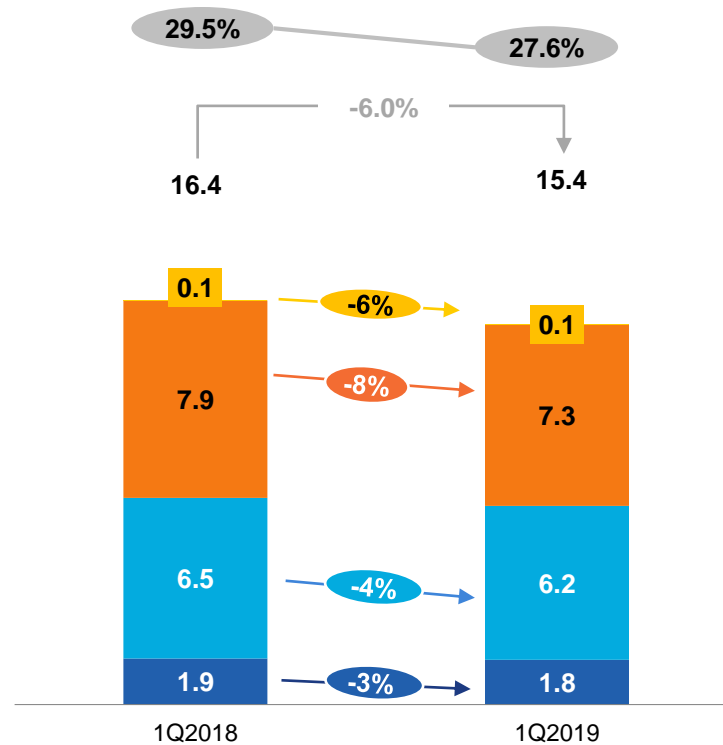
Electricity generation

TWh



Heat generation

Mln Gcal.



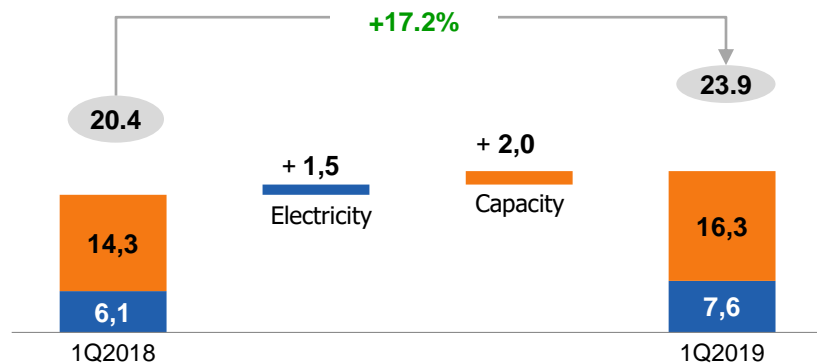
■ INTER RAO – Electricity Generation Group ■ TGK-11 Group ■ BGC Group ■ Foreign Generation — #% —> Electricity/heat production dynamics

Electricity generation increased due to commissioning and lease of new Kaliningrad Generation units and due to the load of newly commissioned CDA – Zatonskaya CHPP

Increased Operational Efficiency in Electricity and Heat Generation Segments

Increased Revenue Bridge for CDA Units of Electricity Generation Segment (1)

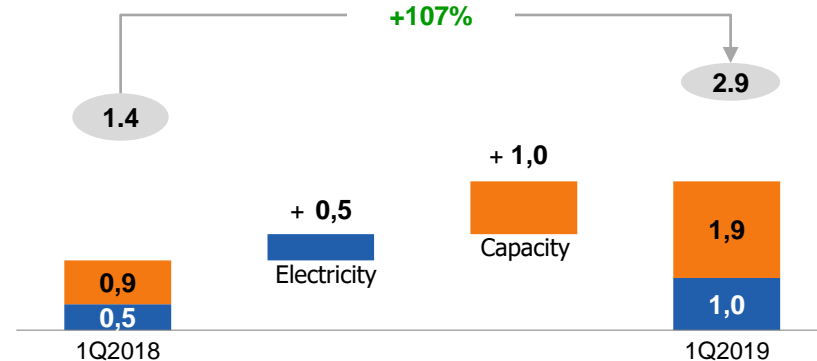
RUB bn



(1) Includes Inter RAO – Electricity Generation JSC and Nizhneartovskaya GRES, revenue net of purchased electricity and capacity

Increased Revenue Bridge for CDA Units of Heat Generation Segment (2)

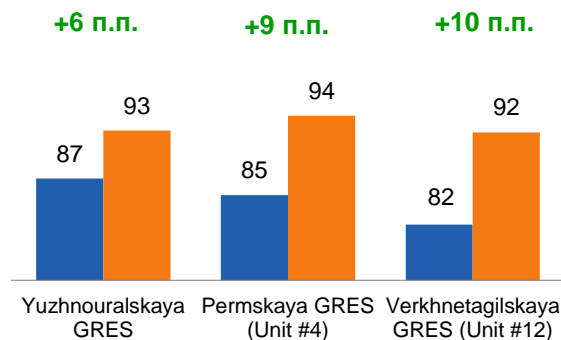
RUB bn



(2) Includes BGC, TGK-11 and Tomsk Generation, revenue net of purchased electricity and capacity

Efficient Load of New High-Margin Power Units (Load Factor)

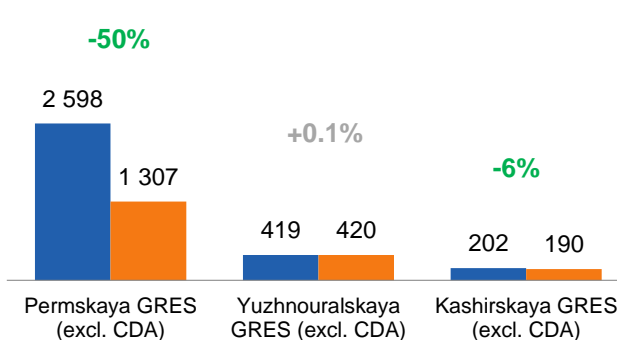
%



■ 1Q2018 ■ 1Q2019 % Change load factor

Load Optimization of Low-Margin Power Units

mln. kWh

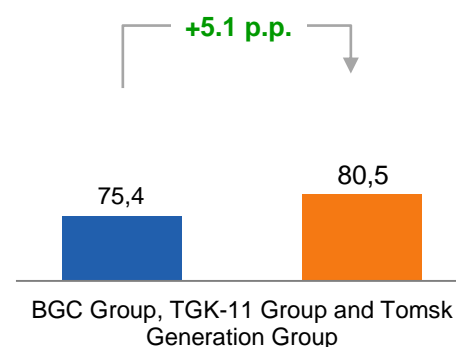


■ Production, 1Q2018 ■ Production, 1Q2019

% Production change YoY

Heat Payments Collection

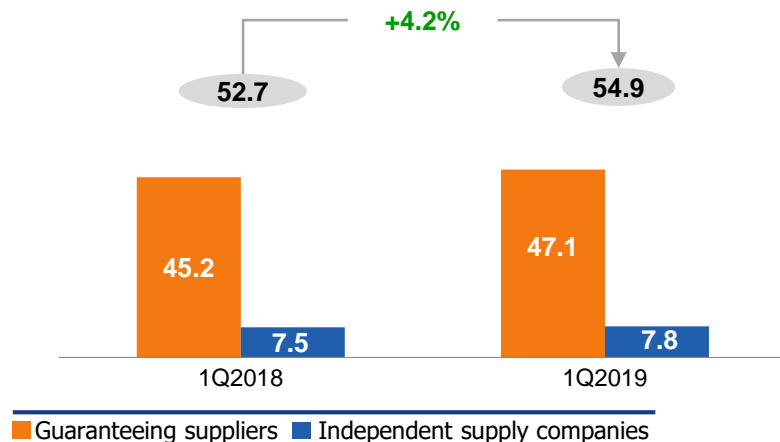
%



Increased Operational Efficiency in Supply Business

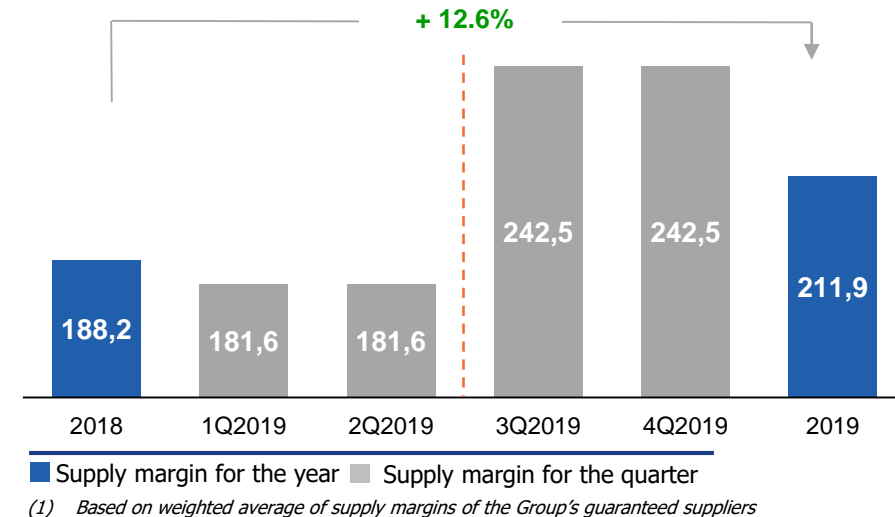
Electricity Supply to Customers

TWh



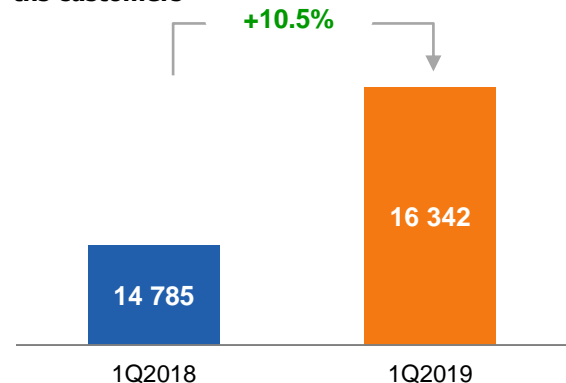
Supply Margin of Guaranteed Suppliers Dynamics⁽¹⁾

RUB/MWh



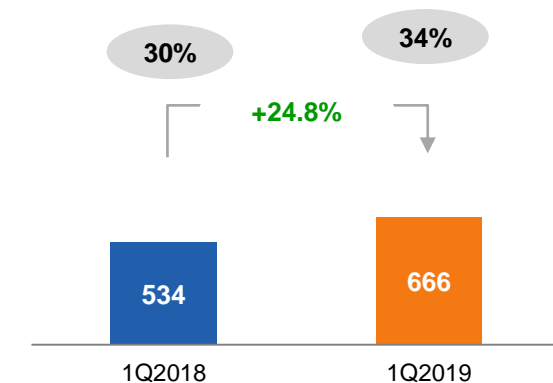
Customer Base

ths customers



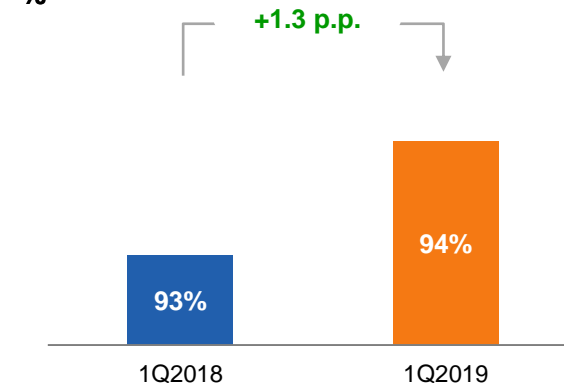
Marginal profit from PS dynamics

RUB mln



Payments Collection of Guaranteed Suppliers

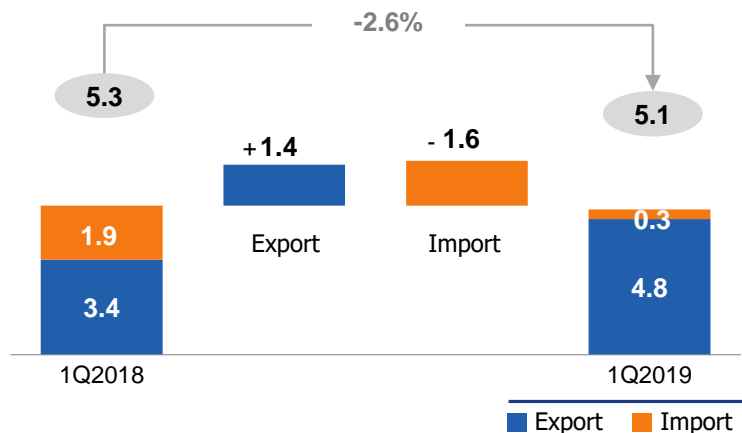
%



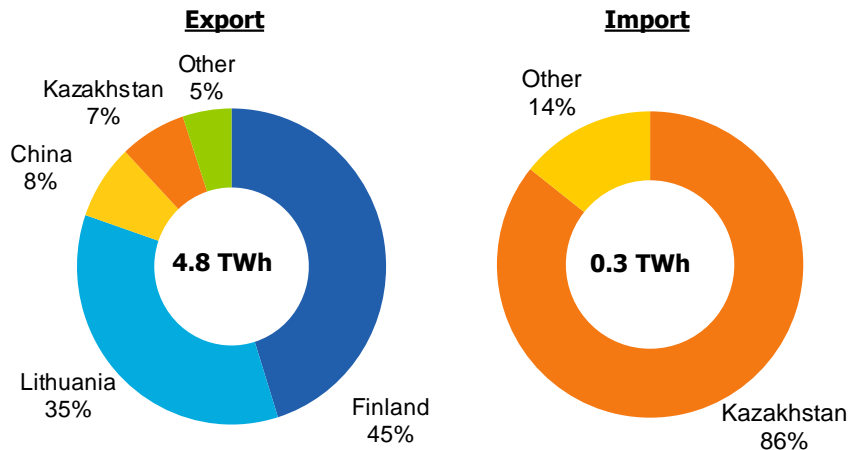
Efficiency in Trading Business

Export / Import Volumes

TWh



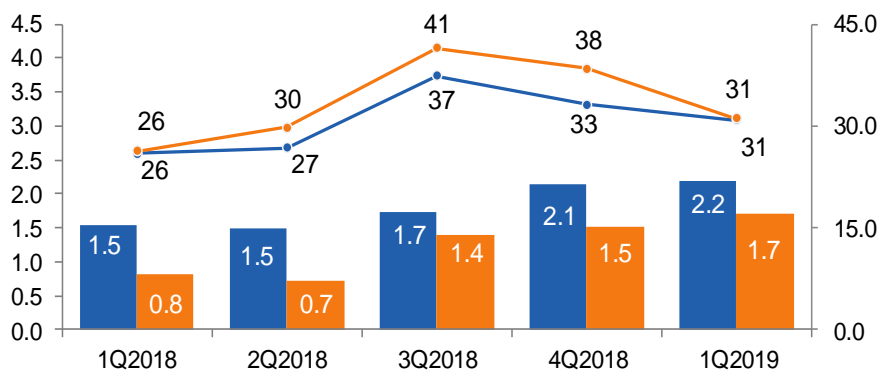
Export / Import Structure for 1Q 2019



Electricity Export Dynamics and Price Spread

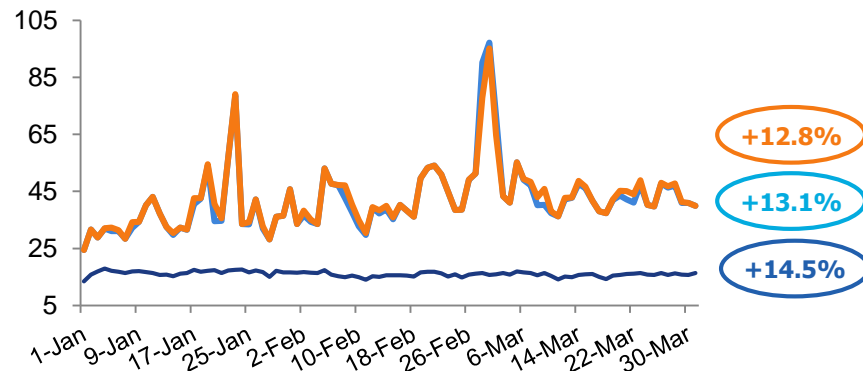
TWh

€/MWh



Evolution of Electricity Spot Prices

€/MWh*4



—●— Electricity price spread in Russia (Europe and Ural) and Finland (right axis)
—●— Electricity price spread in Russia (Europe and Ural) and Lithuania (right axis)
■ Electricity export to Finland (volume) ■ Electricity export to Lithuania (volume)

■ Russia (Europe & Ural) ■ Finland (Nord Pool) ■ Lithuania (Nord Pool)
#% Price change YoY, nominated in EUR



II. IFRS Financial Results



Key Financials

<i>RUB bn</i>	1Q2019	1Q2018	Change
Revenue	281.4	247.5	13.7%
Operating expenses	246.5	223.2	10.4%
Operating profit	38.4	27.0	42.2%
EBITDA	47.6	34.8	36.9%
<i>EBITDA margin</i>	16.9%	14.1%	20.4%
Net profit	31.2	22.6	37.8%
Capex	7.9	3.6	2.2 times

<i>RUB bn</i>	31.03.2019	31.12.2018	Change
Total assets	754.4	728.6	3.5%
Total equity	516.7	485.5	6.4%
Loans and borrowings	7.3	9.7	-24.6%
Lease liabilities⁽¹⁾	53.9	50.1	7.7%
Net debt⁽²⁾	-179.0	-166.7	-

Please note:

-all relative percentage changes are shown in accordance with calculations in mln. RUB

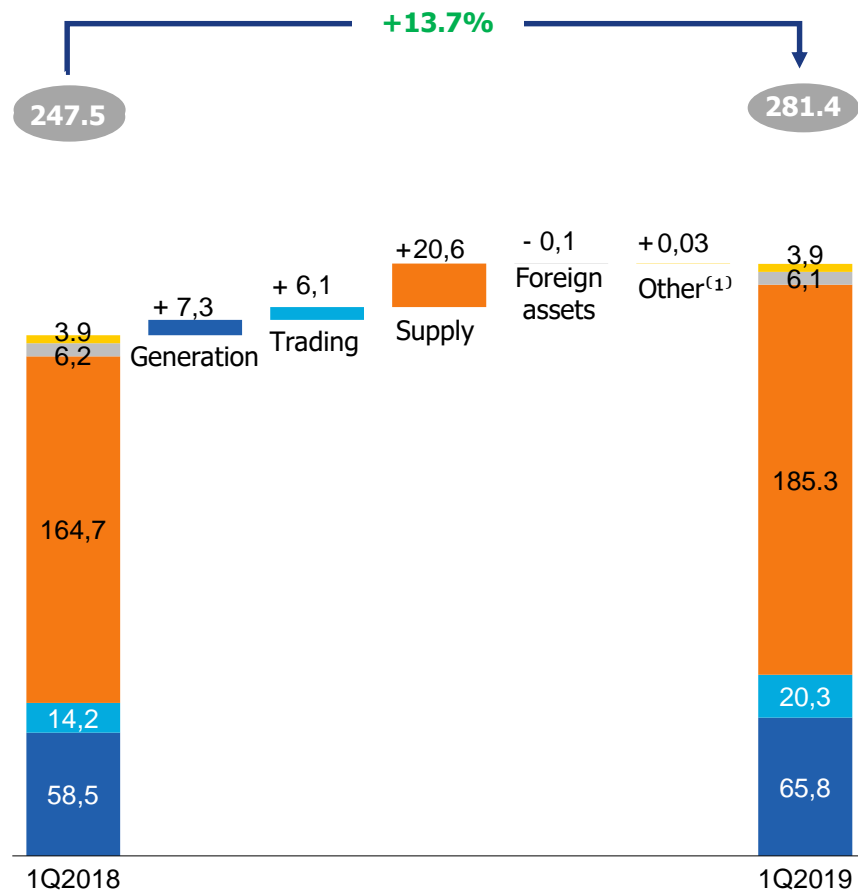
(1) Including share in lease liabilities of joint ventures RUB 0.4 bn. as of 31.03.2019 (as of 31.12.2018 – RUB 0.4 bn)

(2) Includes cash deposits (3-12 months) in amount of RUB 134.7 bn as of 31.03.2019 (as of 31.12.2018 – RUB 72.8 bn) and lease liabilities (including share in lease liabilities of joint ventures) in amount of RUB 53.9 bn as of 31.03.2019 (as of 31.12.2018 - RUB 50.1 bn)

Evolution of key financials

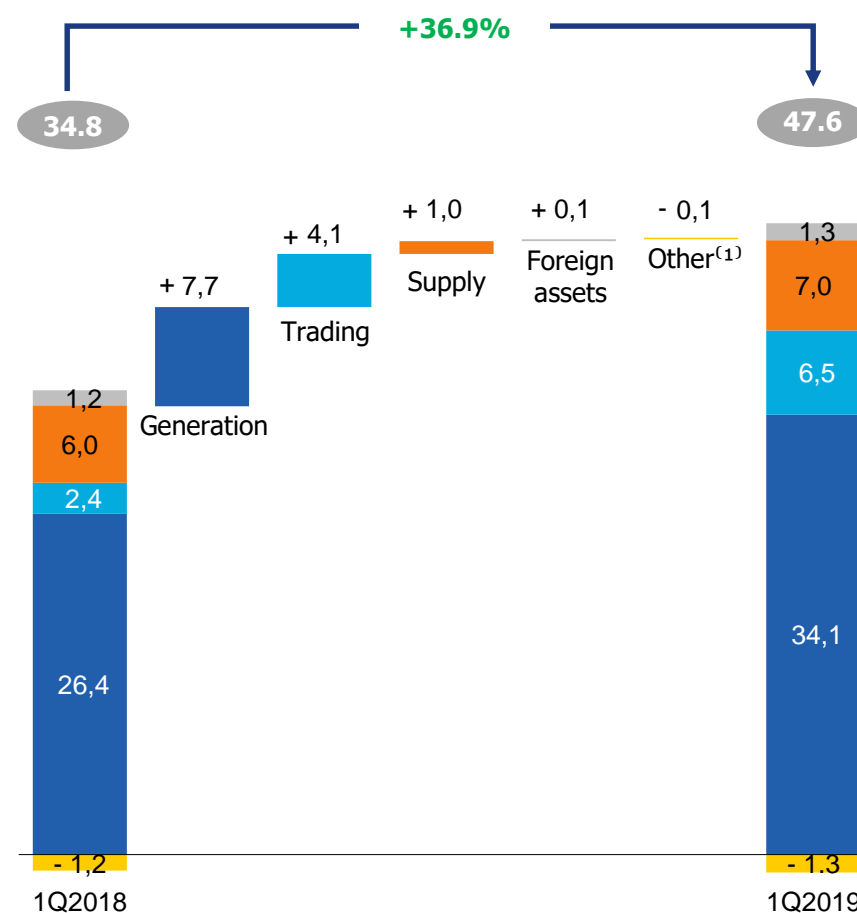
Revenue bridge

RUB bn



EBITDA bridge

RUB bn

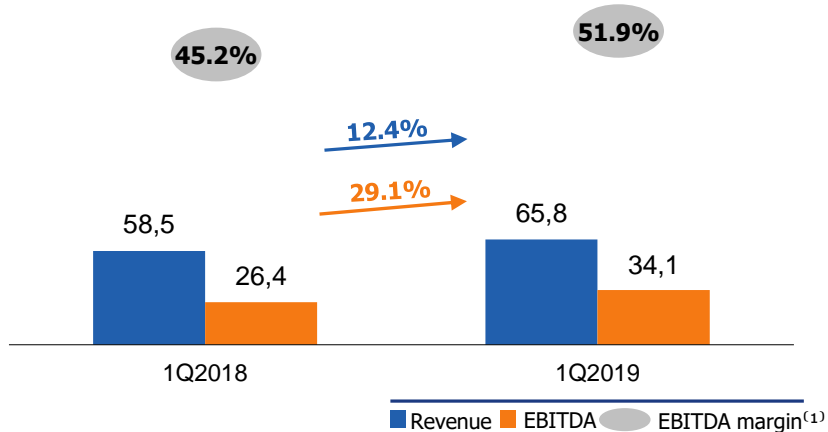


Please note:
 Generation includes financial results from the Electricity Generation and Heat Generation segments
 (1) «Includes the segments Engineering and Corporate Centre

Key Segments: Generation and Supply

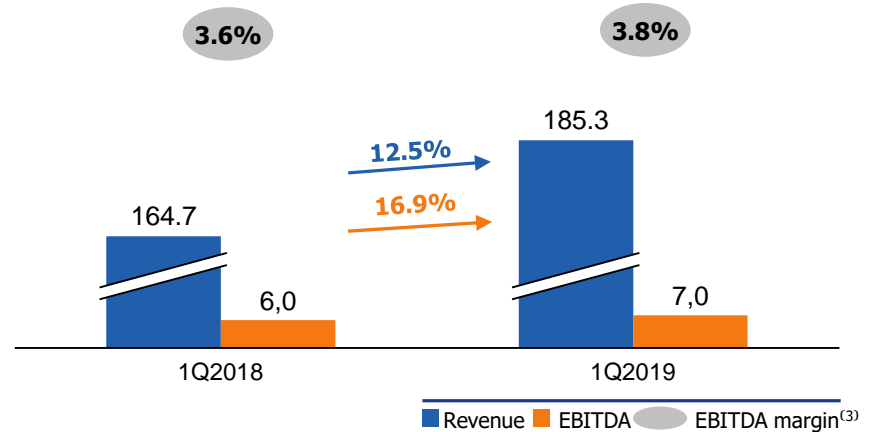
Generation: Revenue and EBITDA

RUB bn



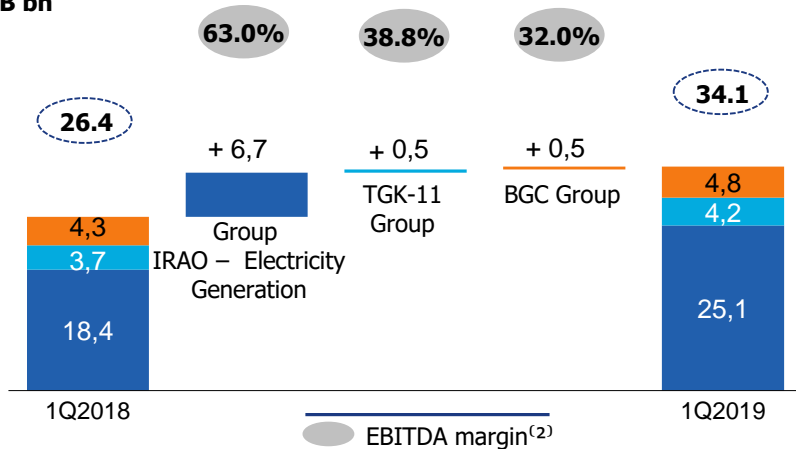
Supply: Revenue and EBITDA

RUB bn



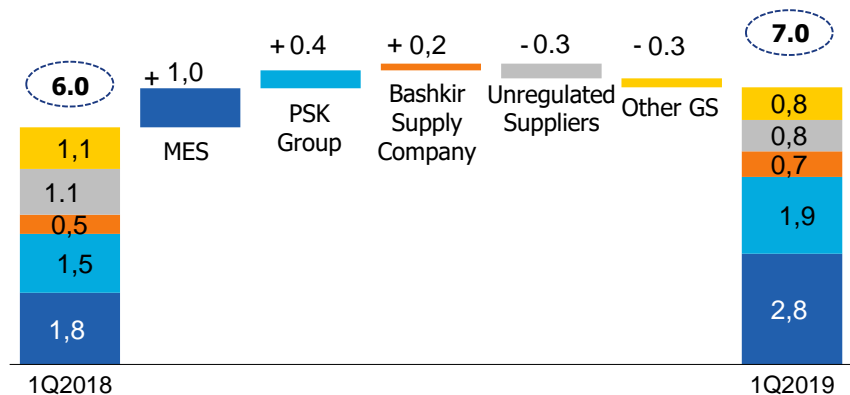
Generation: EBITDA contribution by company

RUB bn



Supply: EBITDA contribution by company

RUB bn



(1) EBITDA margin calculation excludes inter-segment revenue (RUB 15.6 bn in 1Q 2018 and RUB 18.5 bn in 1Q 2019)

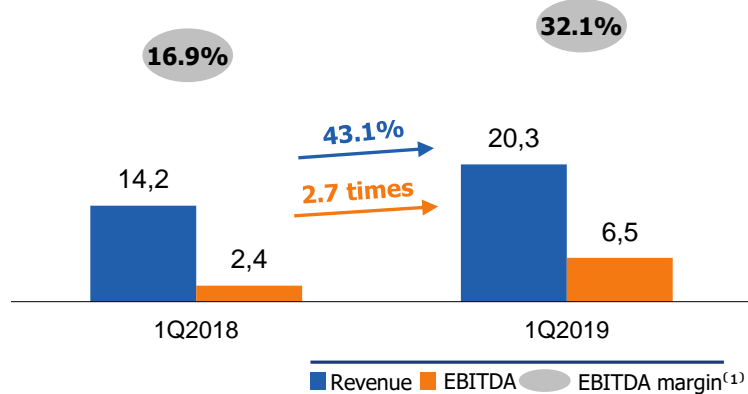
(2) EBITDA margin calculation excludes inter-segment revenue for 1Q 2019 (Inter RAO – Electricity Generation – RUB 13.7 bn, TGK-11 Group – RUB 1.3 bn, BGC Group – RUB 3.7 bn)

(3) EBITDA margin calculation excludes inter-segment revenue (RUB 0.5 bn in 1Q 2018 and RUB 0.6 bn in 1Q 2019)

Key Segments: Trading and Foreign Assets

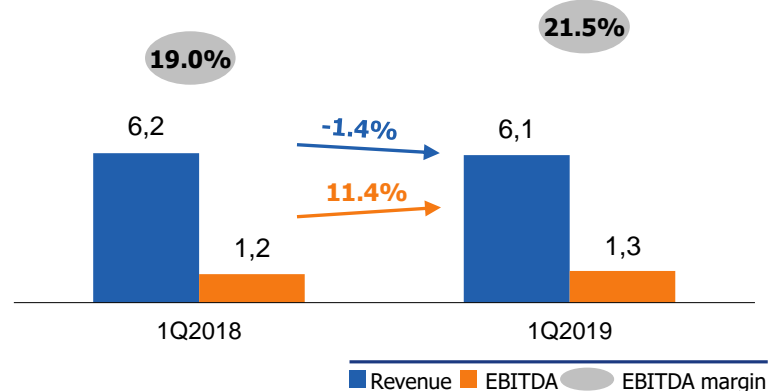
Trading: Revenue and EBITDA

RUB bn



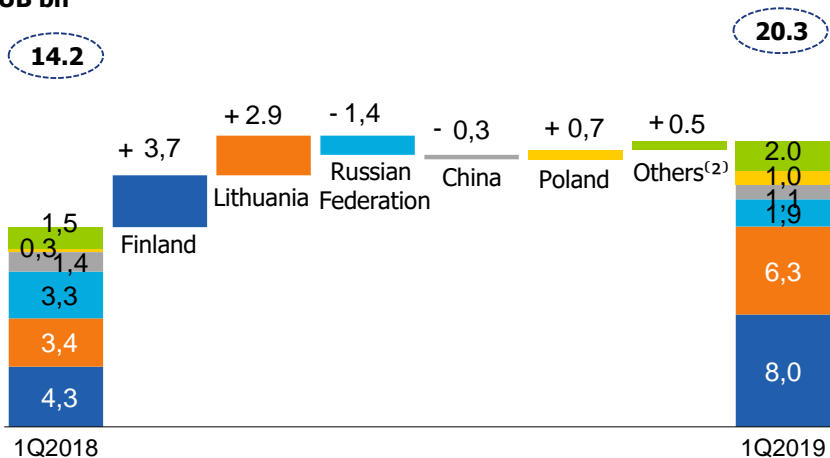
Foreign Assets: Revenue and EBITDA

RUB bn



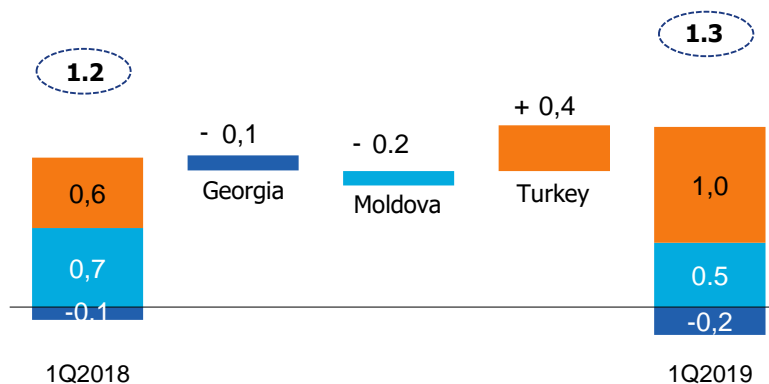
Trading: Revenue contribution by country

RUB bn



Foreign Assets: EBITDA contribution by country

RUB bn

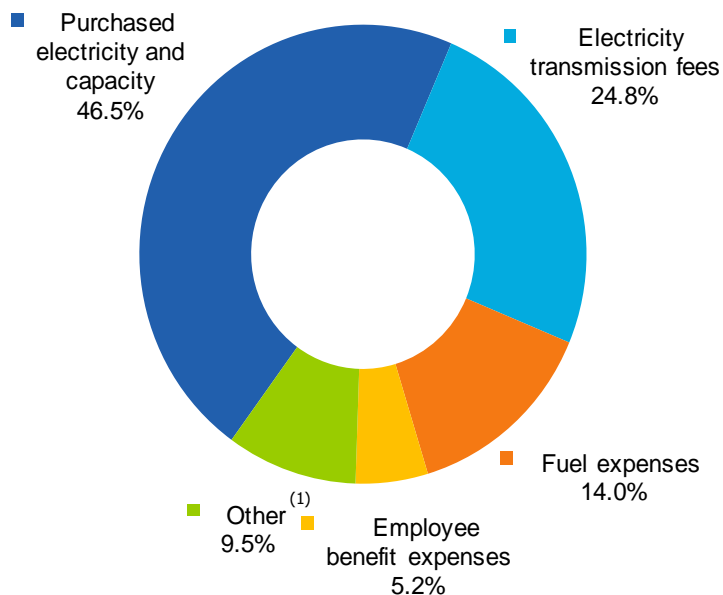


(1) EBITDA margin calculation excludes inter-segment revenue (RUB 0.6 bn in 1Q 2018 and RUB 0.4 bn in 1Q 2019)

(2) Belorussia, Georgia, Azerbaijan, Mongolia, Norway, Latvia, Estonia and Kazakhstan and other

Consolidated Operating Expenses

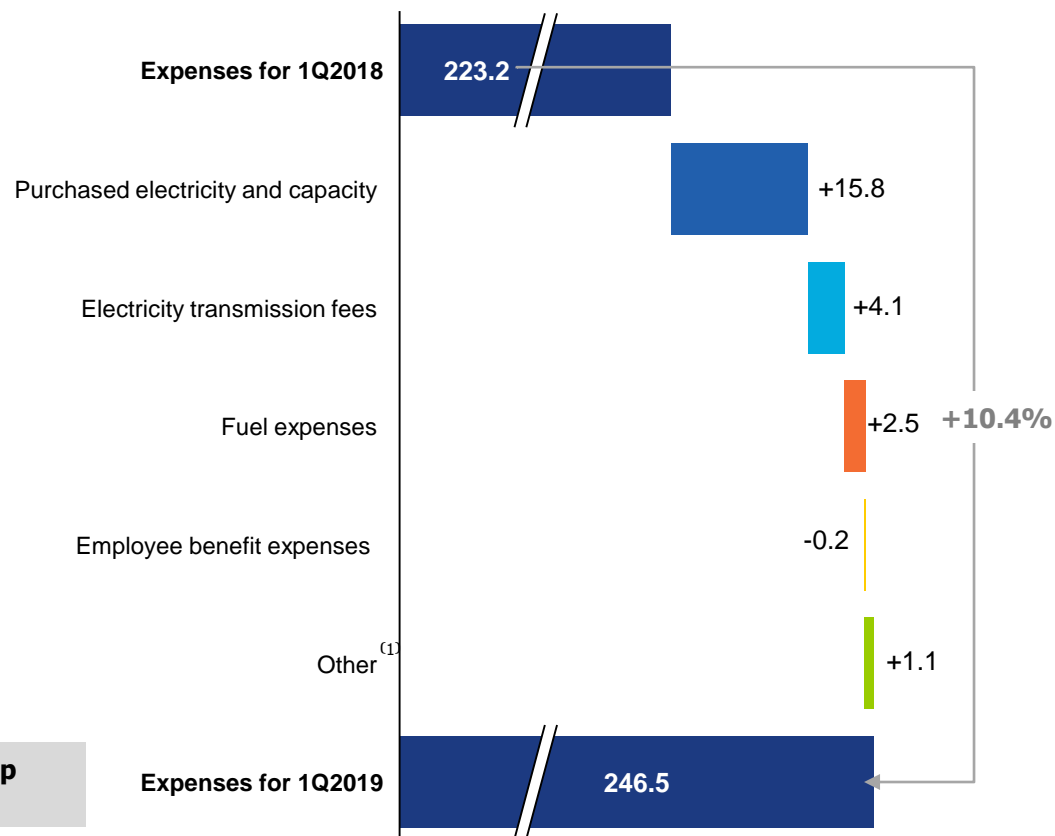
OPEX breakdown



Consolidated operating expenses of Inter RAO Group for the 1Q 2019 amounted to RUB 246.5 bn

OPEX dynamics

RUB bn



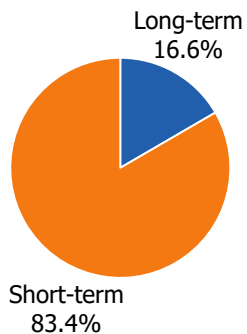
Consolidated revenue growth of Inter RAO Group for 1Q 2019 (+13.7% YoY) exceeds the growth of consolidated operating expenses (+10.4% YoY)

⁽¹⁾ Other expenses include depreciation and amortization, provision for impairment of accounts receivables, construction contracts expenses and other operating expenses

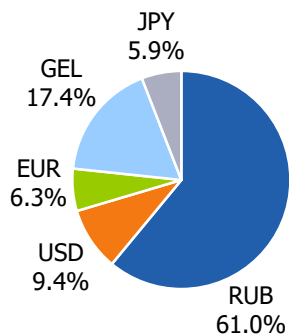
Debt and Liquidity Analysis

Loans and borrowings composition⁽¹⁾

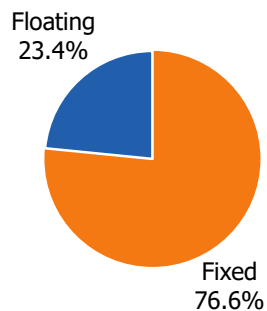
By maturity



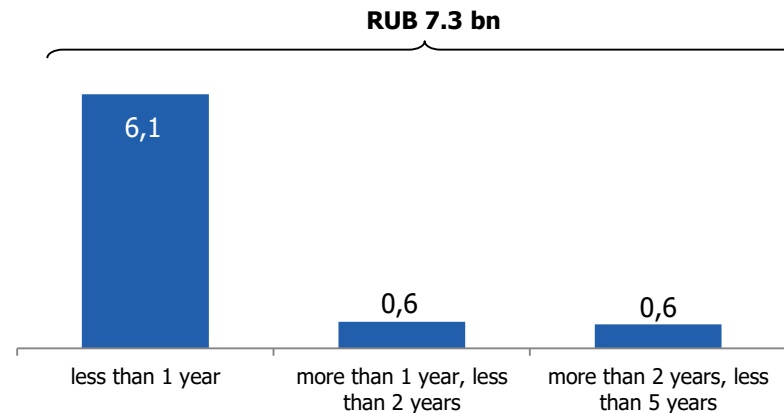
By currency



By percentage rate

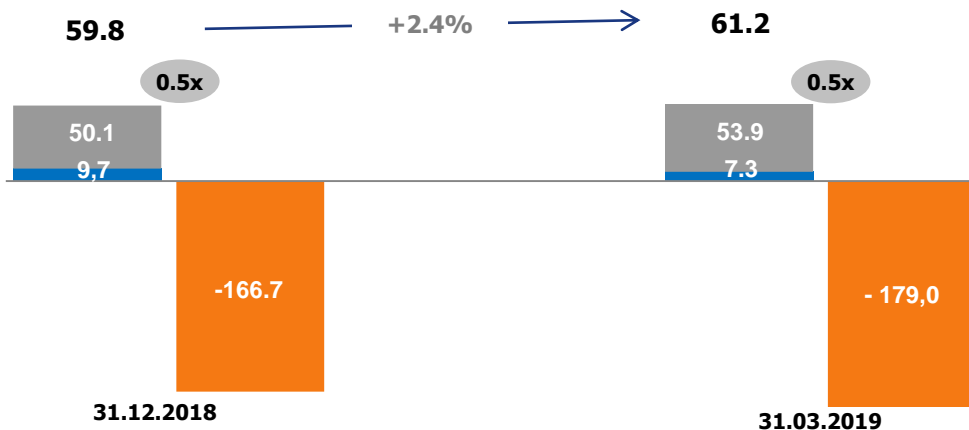


Loans and borrowings maturity profile⁽¹⁾



Total debt statistics⁽²⁾

RUB bn



■ Loans and borrowings
 ■ Lease liabilities
 ■ Group's net debt (includes lease liabilities)
 0.5x Debt/EBITDA (includes lease liabilities)

(1) Excluding lease liabilities and share in debt of joint ventures

(2) Includes debt and lease liabilities in joint ventures as of 31.03.2019 in amount of RUB 0.4 bn (lease liabilities of joint ventures as of 31.12.2018 – RUB 0.4 bn) and cash deposits (3-12 months)



**INTER
RAOUES**

energy without borders



Q&A session

