

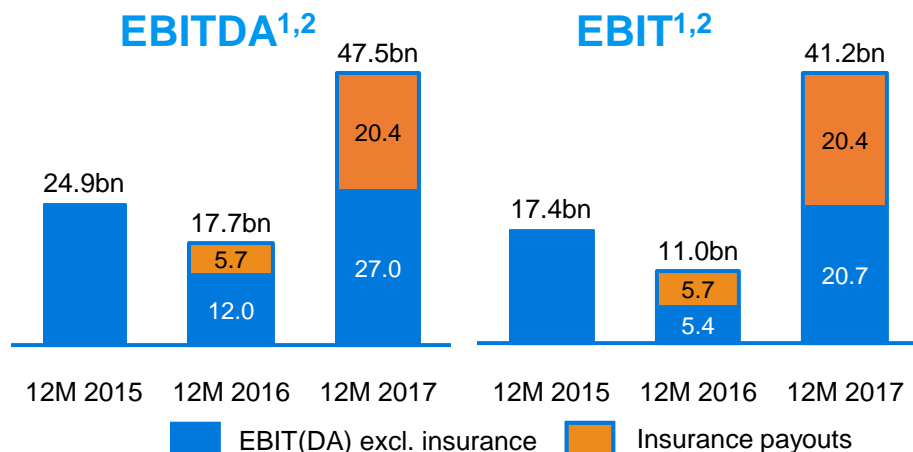


Unipro PJSC 2017 Full year results

07 March 2018

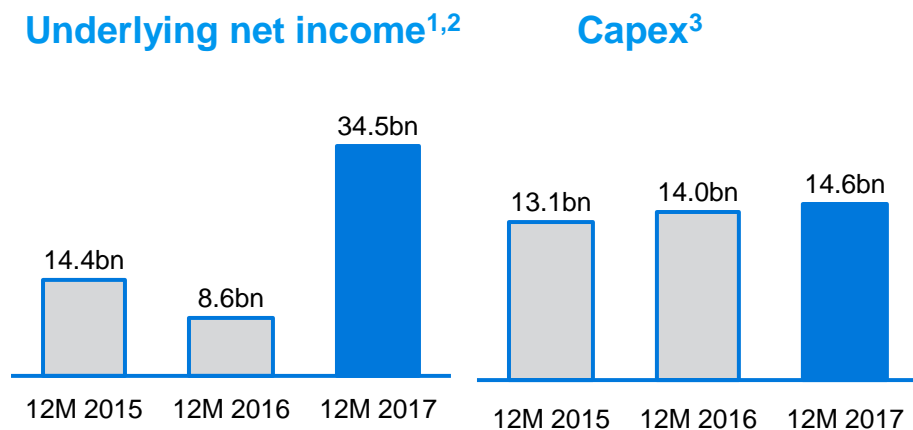


Increasing gross margin driving underlying earnings



Highlights

- EBITDA excluding insurance one off effect up by 8.6% since 2015
- 2017 EBITDA target achieved above midpoint of guidance
- Uplift of capacity payments supports the increase of underlying earnings level
- Visible reduction of fuel costs
- Further capex being spent at Berezovskaya along with the progress of the repair project

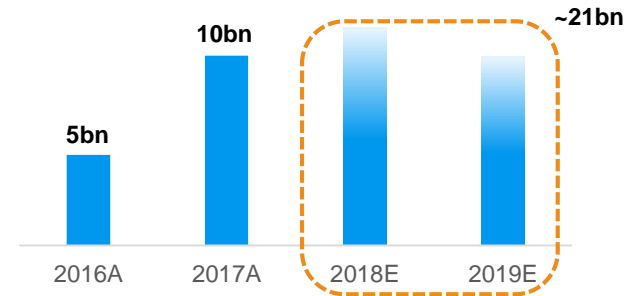


Berezovskaya: repair project in line with time and budget

Costs update:

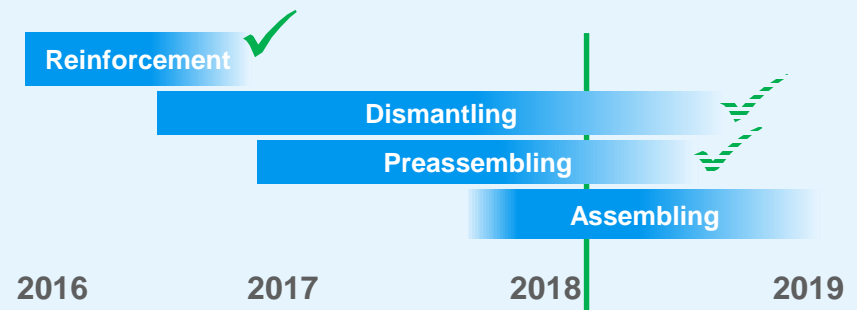
- Capital expenses:¹
 - ~15bn RUB capex spent so far
 - ~21bn RUB capex to be spent
- Project NPV largely positive

Capex (to be) spent on project, in RUB



Project progress:

- ~1,000 full time employees working on site
- Dismantling close to being finalized
- Parts for assembling mostly delivered
- Preassembling in advanced stage
- COD expected in Q3'2019



Capacity prices as key element of earnings growth

European Zone

- Day ahead market price -0.2% (incl. +1.6% in Q4) for price zone in total, +2.4% for Tyumen region
- Gas tariff indexation by +3.9% from 1st of July 2017
- Demand decrease by 1.4% mostly due to higher temperatures (+4°C)

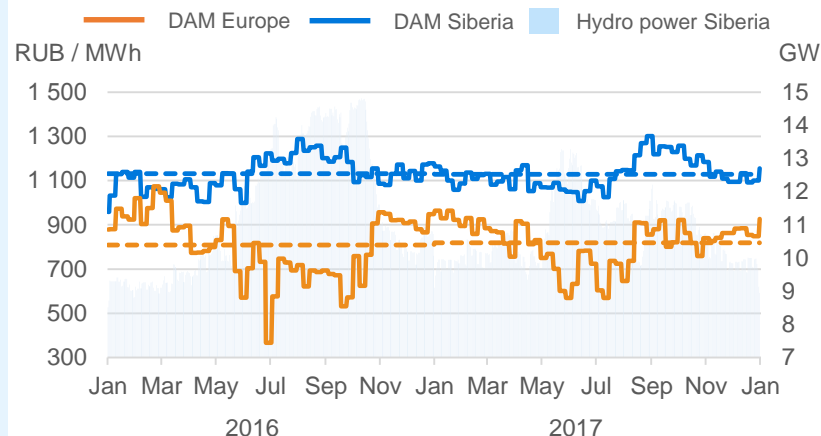
Siberian zone

- Day ahead market price +1.3% (incl. -2.0% in Q4)
- High level of hydropower generation in 2017
- Demand decrease by 1.9% mostly due to higher temperatures (+3°C)

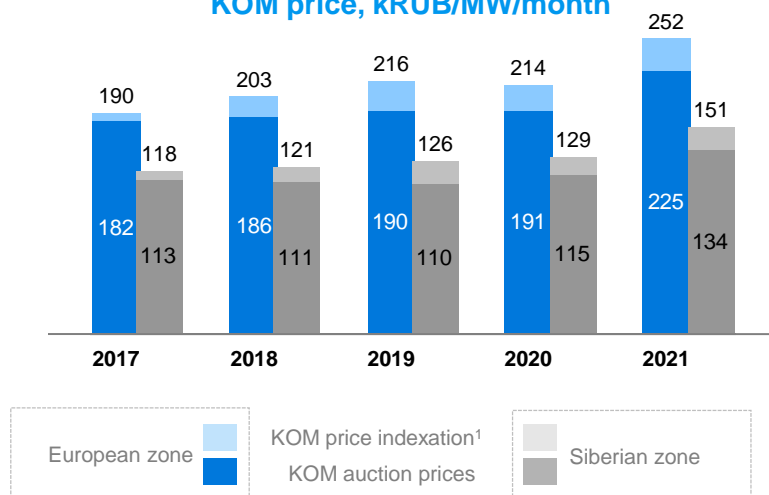
Regulation

- Uplift of CSA formula now effective for all relevant new build plants of Unipro (1.6 GW of Shaturskaya, Yaivinskaya and Surgutskaya)
- Sharp increase of KOM prices in recent auction in 2017: Increase of KOM price in 2021 vs 2020 is +17% in Europe and +18% in Siberia

DAM prices (weekly average, RUB/MWh)



KOM price, kRUB/MW/month



1. Prices for 2018-21 consider latest indexation which was made in January 2018

Modernization as attractive investment opportunity to ensure stable cash flow in future

Concept currently in discussion

- Modernization of 4 GW p.a. with COD from 2022 (first wave of modernization)
- Supply agreements for 15 years
- Prolongation of KOM horizon from 4 to 6 years

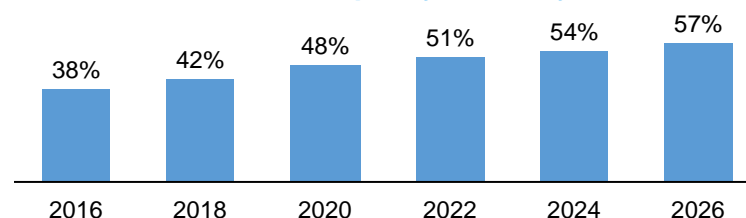
Unipro perspective

- Concept is consistent with Unipro strategy and with expected mid-term cash flow profile
- Potentially relevant for several units
- Decision to be taken once rules are confirmed

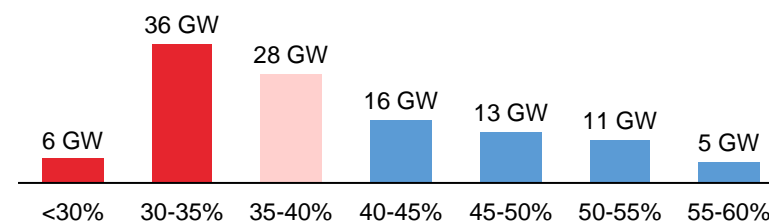
Expected next steps in 2018

- Q2: new regulation to be approved
- Q3: KOM considering new regulation¹
- Q4: selection of modernization projects¹

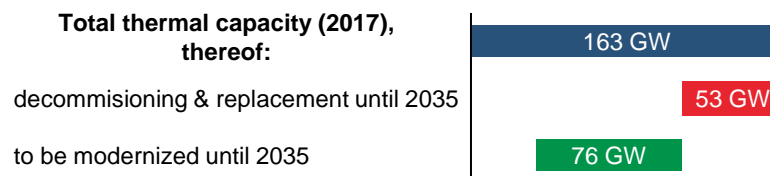
Share of thermal capacity over 40 years old²



Split of gas-fired generation by fuel efficiency, 1st price zone²



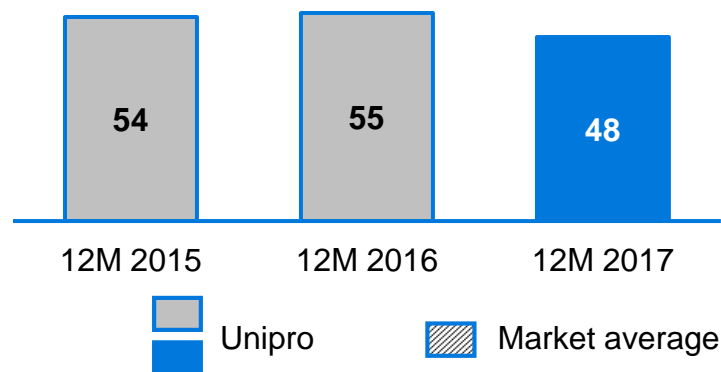
Modernization and decommissioning plans in Russia³



Power generation below last year levels but load factor above market average

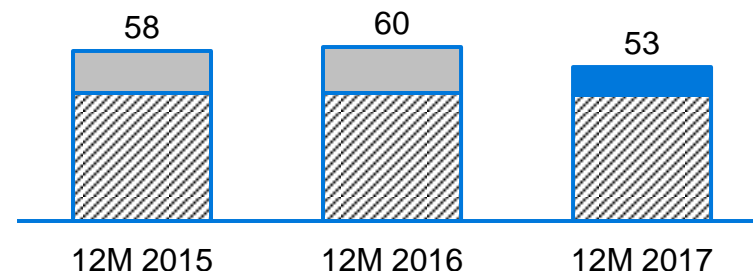
Electric power generation

TWh



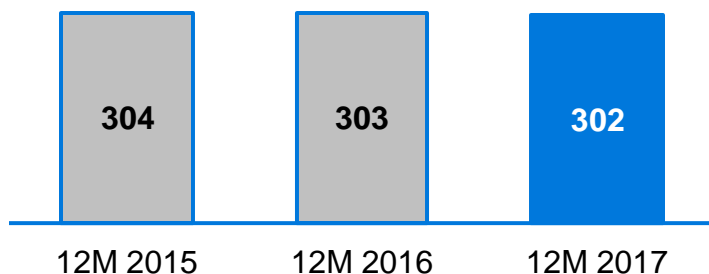
Load factor¹

%



Efficiency

Gfe/kWh – Fuel equivalent grams per 1 kWh

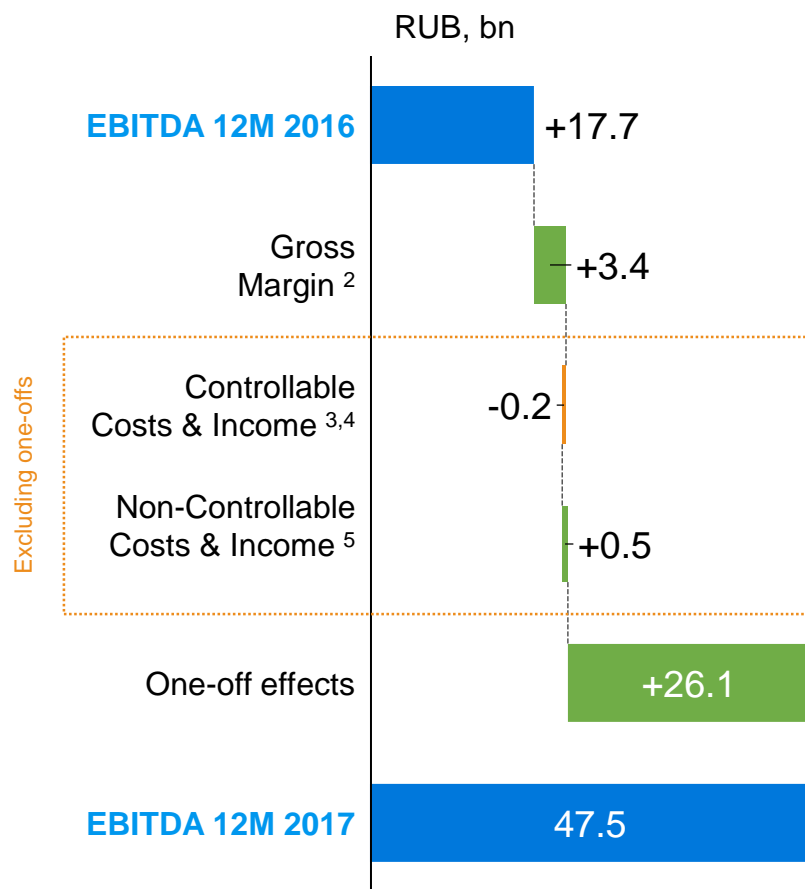


Background

- Load factor¹ stays above market level however is influenced by overcapacities
- General overhauls of Surgutskaya, Shaturinskaya and Yaivinskaya CCGTs caused generation decrease
- Lower generation by Berezovskaya¹ due to high water levels in Siberia in 1H 2017 and electricity imports from Kazakhstan

Robust earnings development thanks to CSA

EBITDA¹ drivers 12M 2017 vs. 12M 2016



Gross margin²: +9.4% to RUB 39.3bn

- Electricity: negative effects of lower generation volumes, partly compensated by positive price effects
- Capacity: uplift of CSA tariffs overcompensating the absence of capacity payments for Berezovskaya 3
- Fuel costs decreased by 11%

Cost base excluding one-offs^{3,4}

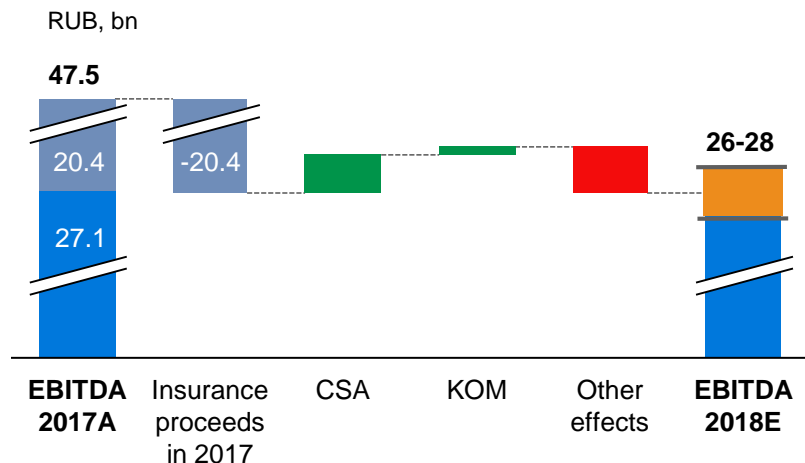
- Costs development below inflation

Significant one-off effects:

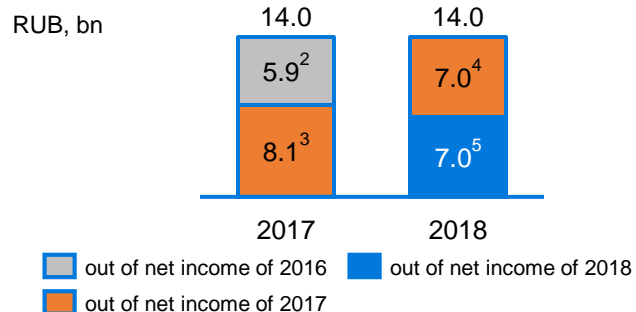
- Berezovskaya write off: RUB 10.6bn⁶ in 2016
- Insurance proceeds: RUB 5.7bn in 2016 and RUB 20.4bn in 2017
- Opex for Berezovskaya 3 repair⁷

Outlook 2018

EBITDA – main drivers 2018 vs 2017



Dividends by payout year¹



EBITDA outlook 2018

- Stable underlying results expected
- Further positive effects from capacity payments
- Continuous pressure on electricity earnings due to overcapacities
- **EBITDA 2018 expected in range of RUB 26-28bn**

Dividends

- RUB 7bn paid out in Dec'17/Jan'18 out of 2017 income
- Further RUB ~7bn payouts expected each in Jul'18 and Dec'18^{4,5}


1. Dividends shown by payout years, i.e. by years when the payment was made to the most of shareholders 2. RUB 5.9bn for Q4'16 (paid out in Jul'17) 3. Includes RUB 1.1bn for Q1'17 (paid out in Jul'17) and RUB 7.0bn for Q2-Q3'17 (paid out in Dec'17/Jan'18) 4. RUB 7.0bn for Q4'17 expected to be paid out in Jul'18, decision to be taken by shareholders meeting) 5. RUB 7.0bn expected to be paid out in Dec'18/Jan'19 from 2018 income, decision to be taken by shareholders meeting

Appendix

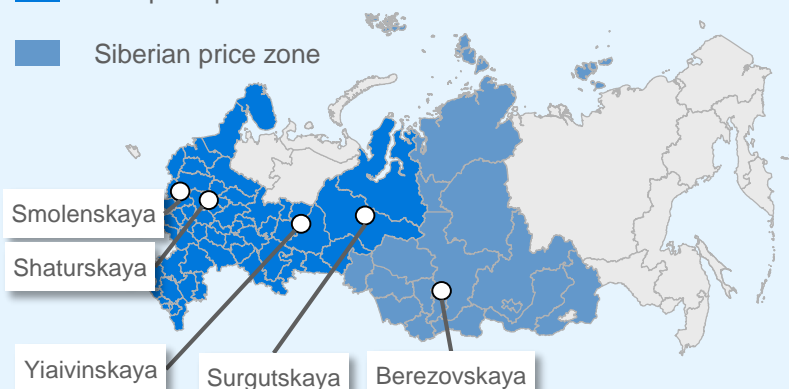


Unipro: Overview of Asset Portfolio

Russia 

 European price Zone

 Siberian price zone

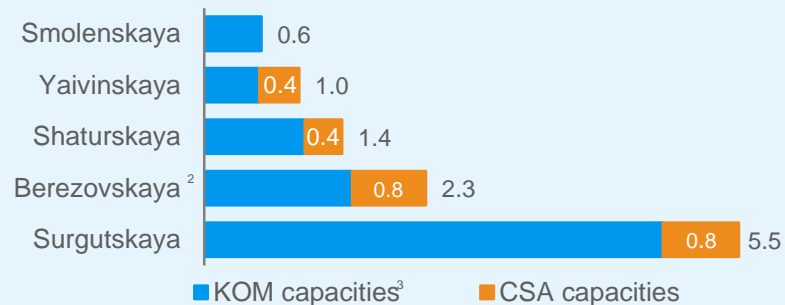


One of the largest private Russian generators

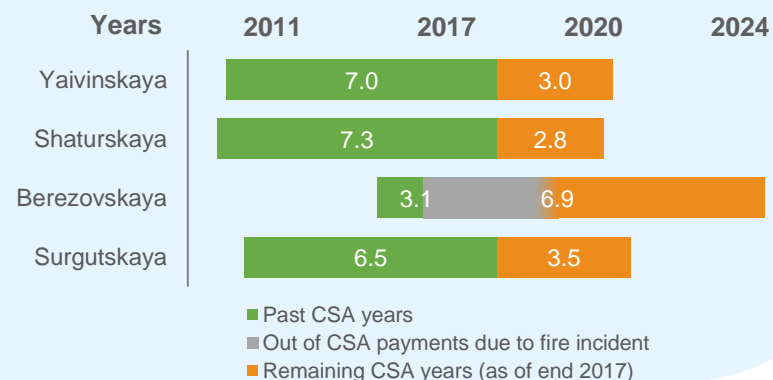
~5% of Russian electricity production⁴

~30% capacity increase since 2010

10.7 GW net capacity (GW)¹



Guaranteed return from CSA



Financials

Key P&L items, in RUBbn

RUBbn	12M 2016	12M 2017
Sales¹	77.0	75.4
Fuel costs	-37.9	-33.6
Other costs of sale	-3.1	-2.5
Gross Margin	36.0	39.3
Controllable costs	-6.6	8.7
<i>excluding one-offs²</i>	<i>-10.2</i>	<i>-10.4</i>
Non-controllable costs	-12.7	-1.6
<i>excluding one-offs</i>	<i>-2.1</i>	<i>-1.6</i>
Other operating income ^{3,4}	1.0	1.1
EBITDA	17.7	47.5
EBIT	11.0	41.2
Underlying net income	8.6	34.5
(Expected) dividends⁵	13.2⁶	15.1⁷

1. Excludes revenues which are not considered in gross margin calculation 2. Excluding insurance proceeds (RUB 5.7bn in 2016 and RUB 20.4bn in 2017) and opex for Berezovskaya repairs (RUB 1.3bn in 2017 vs. RUB 2.1bn in 2016) 3. Excluding Berezovskaya write off (RUB 10.6bn in 2016) 4. Includes sales which are not considered in gross margin calculation 5. Dividends are shown by reference years, i.e. by years when dividends were accrued 6. Includes RUB 7.3bn for Q1-Q3'16 (paid out in Dec'16/Jan'17) and RUB 5.9bn for Q4'16 (paid out in Jul'17) 7. Includes RUB 1.1bn for Q1'2017 (paid out in Jul'17), RUB 7.0bn for Q2-Q3'17 (paid out in Dec'17/Jan'18) and RUB 7.0bn expected to be paid for Q4'17, decision to be taken by shareholders meeting

Operating KPIs

Operating KPIs per power plant

	Gross MW installed ¹ , 2017		Load Factor	Load Factor	TWh produced ²	TWh produced ²
	Total	CSA	12M 2016	12M 2017	12M 2016	12M 2017
Surgutskaya-2	5,657	797	72%	64%	35.7	32.0
Berezovskaya ³	2,400	800	33%	31%	7.1	6.5
Shaturskaya	1,493	393	40%	29%	5.3	3.8
Smolenskaya	630	0	28%	27%	1.6	1.5
Yaivinskaya	1,025	425	54%	50%	4.9	4.5
Unipro total	11,205	2,415	55%	49%	54.5	48.2

Earnings streams

Earnings streams per component¹

	Electricity sales in TWh ²	Capacity sales in GW ³	Average price or tariff	Average price or tariff
	12M 2017	12M 2017	12M 2016	12M 2017
Electricity, DAM Zone 1	33.3	-	957 RUB/MWh	985 RUB/MWh
Electricity, DAM Zone 2	5.9	-	848 RUB/MWh	830 RUB/MWh
Electricity, regulated	10.3	-	696 RUB/MWh	719 RUB/MWh
Capacity, KOM Zone 1	-	4.8	113 kRUB/MW/month	118 kRUB/MW/month
Capacity, KOM Zone 2	-	1.2	187 kRUB/MW/month	188 kRUB/MW/month
Capacity, CSA Zone 1	-	1.5	667 kRUB/MW/month	982 kRUB/MW/month
Capacity, regulated	-	2.5	110 kRUB/MW/month	116 kRUB/MW/month

Reporting calendar & contacts

Reporting calendar

Date	Event
March 21, 2018	Publication of RAS financial statements of Unipro PJSC for 2017
April 24, 2018	Publication of RAS financial statements of Unipro PJSC for 3 months of 2018
May 8, 2018	Publication of IFRS financial results of Unipro Group for 3 months of 2018
July 24, 2018	Publication of RAS financial statements of Unipro PJSC for 6 months of 2018
August 7, 2018	Publication of IFRS financial information of Unipro Group for 6 months of 2018
October 23, 2018	Publication of RAS financial statements of Unipro PJSC for 9 months of 2018
November 13, 2018	Publication of IFRS financial results of Unipro Group for 9 months of 2018

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