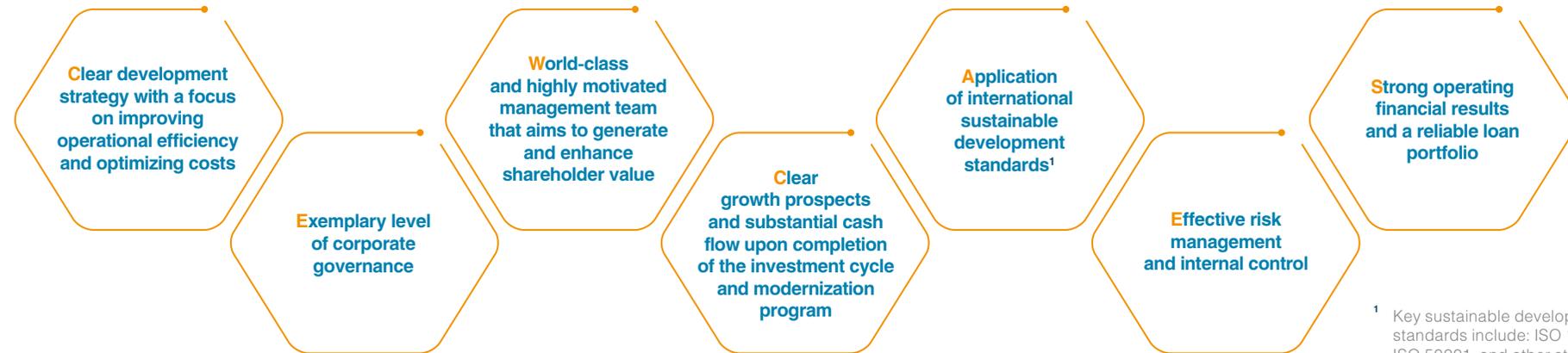


INVESTMENT APPEAL FACTORS



¹ Key sustainable development standards include: ISO 14001, ISO 50001, and other standards.

KEY EVENTS [102-10]

LAUNCH OF THE MODERNIZATION PROGRAM

In January 2019, the Russian Government approved a thermal power plant modernization program developed by the Russian Ministry of Energy. To date, two competitive capacity auctions for 2022–2025 have been held. The auctions resulted in the selection of 17.2 GW for modernization. Given the extreme competition and market mechanism for selecting modernization projects, Inter RAO received 38.9% of the total capacity (6,255 MW of the allocated quota and an additional 448 MW were selected by a government commission).

CONSTRUCTION OF A TPP IN KALININGRAD

The Pregolskaya TPP with capacity of 455.2 MW was commissioned in March 2019. As part of the project, four power plants with total installed capacity of 1 GW will be built in the region by 2021. Two of them – the Mayakovskaya TPP and Talakhovskaya TPP – were commissioned in March 2018. The core equipment used at the plants is 100% Russian-made. The project investor is JSC ROSNEFTEGAS, and total investment will amount to approximately RUB 100 bln. The TPPs will be operated by companies of the Inter RAO Group.

CONSOLIDATION OF JSC TOMSKENERGOSBYT

Inter RAO consolidated 100% of the shares in JSC Tomskenergosbyt on its balance sheet in May 2019 following the completion of the buyback process from minority shareholders. The company is a guaranteed supplier in the Tomsk Region, serving nearly 500,000 individual electric power consumers and more than 14,000 legal entities.

Prizes and awards

PJSC Inter RAO CEO Boris Kovalchuk was awarded the Order of Alexander Nevsky in August 2019 for his professional success, active public work, and many years of conscientious work.

Dmitry Filatov, a member of the Management Board, Head of the PJSC Inter RAO Supply Division, and CEO of LLC Inter RAO – Procurement Management Centre, was awarded the second-class Medal of the Order ‘For Merit to the Fatherland’ in August 2019.

Yury Sharov, a member of the Management Board, Head of the Engineering Unit, and CEO of LLC Inter RAO – Engineering, was awarded the fourth-class Medal of the Order ‘For Merit to the Fatherland’ in June 2019 for his professional success and many years of conscientious work.

The second-class Medal of the Order ‘For Merit to the Fatherland’ was awarded to Advisor to the Chairman of the PJSC Inter RAO Management Board Gennady Binko and two employees of the Kostromskaya TPP (branch of JSC Inter RAO – Electric Power

Generation) – leading metrology engineer Irina Kochneva and leading production engineer Alexander Shalayev for their many years of productive service. The title ‘Honored Power Engineer of the Russian Federation’ was awarded to Kostromskaya TPP Deputy Chief Engineer Alexander Smirnov.

The Russian Ministry of Energy awarded the title ‘Honorary Power Engineer’ to Advisor to the Chairman of the PJSC Inter RAO Management Board Gennady Binko and Head of Inter RAO’s Assets Management Unit in Central Asia and the Caucasus Dmitry

Volkov. The award was granted “for his great personal contribution to the development of the fuel and energy industry and many years of conscientious work.”

Tamara Merebashvili, Deputy CEO, Head of the Corporate and Property Relations Unit, and Corporate Secretary of PJSC Inter RAO, won the XIV ‘Director of the Year’ National Award in the category ‘Corporate Governance Director / Corporate Secretary’ in November 2019.

SALE OF EKIBASTUZSKAYA TPP-2

A deal was concluded in December to sell a 50% stake in JSC Ekibastuzskaya TPP-2, a joint venture in the Republic of Kazakhstan, to Samruk-Kazyna National Welfare Fund for USD 25 mln. As a result, ownership of 100% of the shares in the coal-fired power plant with installed capacity of 1000 MW was transferred to the Samruk Group, which also took over guarantees for the plant’s debt obligations.

RECORD REVENUE

The Inter RAO Group’s annual revenue topped RUB 1 trillion for the first time in the Company’s history. EBITDA increased by 16.7% and amounted to RUB 141.5 bln.

NEW STRATEGY

In 2019, PJSC Inter RAO management began drafting an updated Development Strategy for the period until 2025 with a view to 2030. The document will seek to further grow the Group’s key performance indicators in an effort to maintain its leading positions in the electric power industry of the Russian Federation and also support the Company’s sustainable development and digital transformation.