

## Engineering in the Russian Federation

Revenue in the segment skyrocketed by 103% to RUB 30.674 billion in 2018. This improvement from 2017 resulted in LLC Inter RAO – Engineering boosting revenue by RUB 10.222 billion as a result of various effects such as increased revenue from the Pregolskaya and Primorskaya TPP construction projects, a decrease in revenue from equipment sales following the performance of obligations under the Gorazal TPP project in the Republic of Bangladesh and the Naglu HPP

project in the Republic of Afghanistan, a RUB 3.144 billion increase in revenue by PJSC Inter RAO due to the sale of equipment for export as well as revenue growth of RUB 1.932 billion for LLC Inter RAO – Export resulting from the sale of equipment as part of the Termogas-Machala TPP in the Republic of Ecuador and work to build power units in the Republic of Cuba.

### 'ENGINEERING IN THE RUSSIAN FEDERATION' SEGMENT

Indicator	2016	2017 <sup>1</sup>	2018	Change vs. 2017, %
Revenue, RUB mln	8,926	15,100	30,674	103
Share in revenue of the Inter RAO Group, %	1	2	3	1 p.p.
EBITDA, RUB mln	(257)	(143)	263	284
EBITDA margin, <sup>2</sup> %	-5	-1	1	2 p.p.
Share in EBITDA of the Inter RAO Group, %	0	0	0	0 p.p.
Share in loss of joint ventures, RUB mln	(59)	(28)	(55)	-96

EBITDA in the segment grew by RUB 406 million and finished the year in the black at RUB 263 million. This is primarily attributable to positive trends in the marginal profit of LLC Inter RAO – Export as a result of ongoing construction work on power

units in the Republic of Cuba as well as work performed by LLC QUARTZ Group at the facilities of JSC TGC-11, branches of JSC Inter RAO – Electric Power Plants, and at the Pregolskaya and Primorskaya TPPs of LLC Kaliningrad Generation.

<sup>1</sup> Information was retrospectively restated due to implementation of IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 "Leases". Information for 2016 was not subject to retrospective restatement.

<sup>2</sup> EBITDA margin was calculated excluding intersegment revenue of the 'Engineering in the Russian Federation' segment in the amount of RUB 3.793 billion for 2018, RUB 3.356 billion for 2017, and RUB 3.239 billion for 2016.