

**PJSC Enel Russia
Pavlovskaya Str., 7, bld. 1
115093, Moscow
Russian Federation**

**Attention: Mr. Carlo Palasciano Villamagna,
General Director**

April 11, 2019

In accordance with the Contract # RU 185191 dated August 20, 2018 and Additional agreement # 1 to the specified Contract, we have completed a valuation of selected properties (further – the “subject assets” or the “subject property”) of **Reftinskaya Thermal Power Plant** (further – “the Plant”, “Reftinskaya TPP”, or “RGRES”) located in the Sverdlovsk region of the Russian Federation.

Reftinskaya TPP is a thermal coal-fired power plant operating as part of PJSC Enel Russia (further – the “Company” or the “Client”).

The purpose of the valuation was to estimate the **market value** of the subject selected movable property, real estate, and intangible assets of Reftinskaya TPP as of **March 31, 2019**.

The subject property comprises the following assets:

- a) All fixed assets of RGRES, including buildings, structures, land plots, power lines, pipelines, infrastructure network and engineering facilities, machinery and equipment, vehicles, measuring and regulating devices, computers, tools, production and economic implements and accessories, capital investments in leased fixed assets, etc.;
- b) All items of construction in progress (account 08 under RAS) and equipment to be installed (account 07 under RAS) intended for implementation of RGRES production activities, as well as right to land plots thereunder;
- c) All intellectual property objects related to RGRES.

The results of the valuation are to be used for the purpose of approval of the transaction related to the subject property and/or issuing recommendations to PJSC Enel Russia shareholders regarding market value of the subject property that requires approval by General Shareholders’ Meeting of PJSC Enel Russia in accordance with art. 77, 83 and 91 of Federal Law of the Russian Federation # 208-FZ dated December 26, 1995 “On Joint Stock Companies”.

The transaction, if completed, and the corresponding acquisition price would be the result of negotiations between the transacting parties. Our valuation only forms part of the information for the Client to consider, and the responsibility for determining the transaction price rests solely with the Company. The results of our analysis should not be construed to be a fairness opinion, a solvency opinion, or an investment recommendation.

“American Appraisal” LLC (further – the “Contractor” or the “Valuer”) is not responsible for unauthorized use of the Letter.

We understand that this letter may be disclosed to third parties in cases envisaged by Russian law, including the corporate approval of potential transaction with the subject property and conclusion of such transaction.

Our value conclusions are provided in this summary letter (further – the “Letter”). The valuation was carried out following the Russian Federal Valuation Standards # 1-# 3, # 7, # 8, # 10, # 11 (FVS), Valuation Standards of the Russian Society of Appraisers (RSA), Valuation Standards and Regulations of Self-Regulatory Interregional Association of Appraisers (SMAO) and International Valuation Standards 2017 (further – IVS).

In accordance with the Russian Federal Valuation Standard # 1, value conclusions are provided in Russian Rubles.

A summary description of the valuation procedures used to arrive at the estimates of value for the subject property is provided below.

VALUATION CONSIDERATIONS

One or more valuation approaches may be used in order to arrive at the valuation defined by the appropriate basis of value. There are three main approaches based on the economic principles of price equilibrium, anticipation of benefits or substitution.

More than one valuation approach or method may be used to arrive at an indication of value. Where more than one approach and method is used, the resulting indications of value should be analyzed and reconciled to reach a valuation conclusion¹.

Market, income and cost approaches are key approaches used for valuation purposes, the selection of which is based on applicability of each approach, purpose and objectives of the valuation, intended use of the results of the valuation, assumptions, sufficiency and reliability of input information. The applicability of approaches used by a valuer is based on the analysis of the indicated factors².

A valuer has the right to independently define applicability of the valuation methods within each of specified approaches with due consideration to scope and reliability of available market data to be used.

The subject property comprised selected movable property, real estate property, construction in progress, and intellectual property objects of Reftinskaya TPP.

Based on the liquidity analysis of the subject property, it was concluded that the subject property has the highest value when sold as part of Reftinskaya TPP.

Tangible Fixed Assets

The subject tangible fixed assets comprised buildings, structures, land plots, power lines, pipelines, infrastructure network and engineering facilities, machinery and equipment, vehicles, measuring and regulating devices, computers, tools, production and economic implements and accessories, capital investments in leased fixed assets, etc.

All subject assets were designated as operational property.

For the purposes of this valuation, the subject property of Reftinskaya TPP was divided into the following two groups:

- Specialized assets;
- Assets commonly traded in the market.

We have allocated value of property, plant and equipment using their depreciated replacement cost (cost approach) for specialized assets and market value (market approach) for the assets commonly traded in the market.

Specialized Assets

The majority of the subject tangible fixed assets, including all major property and equipment of Reftinskaya HPP, were concluded to be specialized.

¹ IVS 2017: IVS 105 Valuation Approaches and Methods, para. 10.4

² Russian Federal Valuation Standards: FVS # 1, para. 11

The essential steps in arriving at the market value of the subject specialized assets were as follows:

- To estimate the reproduction/replacement cost (CRN/COR) of the specialized assets;
- To estimate the reproduction/replacement cost less physical and functional obsolescence (CORLD) by adjusting the estimated reproduction/replacement cost of the tangible fixed assets (CRN/COR) for physical and functional (or technical) obsolescence;
- To arrive at the market value (MV) by adjusting the estimated replacement cost less physical and functional obsolescence (CORLD) for economic (external) obsolescence.

The replacement/reproduction cost (CRN/COR) included interest during construction (IDC), indicating financing costs of the entire entity construction, or borrowing costs that are subject to capitalization according to the guidelines of IAS 23.

Assets Commonly Traded in the Market

Upon consideration of relevant facts, the following groups of assets were concluded to have secondary market:

- Land plots;
- Office equipment;
- General transport.

The market approach was used for valuation of these assets due to availability of reliable market data on value of transport equipment, furniture and office equipment in the secondary market.

Construction in Progress and Machinery not Installed

The subject items comprised construction in progress and machinery not installed intended for implementation of RGRES production activities, as well as rights to land plots thereunder.

To estimate the reproduction cost of construction in progress items, price change indices in construction (data published by RTsTsS) were applied to the net book value. We have checked the book value figures presented to us by the Company for reasonableness and found them to be broadly in line with the cost data for construction.

Intellectual property

Intellectual property objects related to RGRES included licenses for commonly available computer software. We reviewed the book values of the subject intellectual property objects and found them representative of their market values.

The profitability test revealed economic obsolescence of the assets belonging to RGRES. The adjustment for economic obsolescence was applied to all specialized tangible fixed assets, items of construction in progress and machinery not installed, as well as intellectual property objects belonging to RGRES pro rata to their replacement cost less physical and functional obsolescence.

CONCLUSION

Based on our investigation and the procedures, it was concluded that the market value of the selected movable property, real estate, and intangible assets of Reftinskaya TPP of **Reftinskaya TPP**, as of **March 31, 2019** is reasonably represented by the amount of **17,481,000,000 (SEVENTEEN BILLION FOUR HUNDRED AND EIGHTY-ONE MILLION) RUBLES**.

The estimated values are exclusive of Value Added Tax (VAT).

Our conclusions are based on the best technical data and accounting information made available to us during the execution of the project.

Our opinion is indicative of our interpretation of conditions as of the effective date. The Client should take into consideration high level of market volatility and recognize that the opinion could be extremely time sensitive and is based on the best available information.

"American Appraisal" LLC reserves the right, but will be under no obligation, to review calculations referred to in this Letter and, if considered necessary, to revise our estimates in the light of any new facts, trends or changing conditions existing at any date prior to or at the effective date, which become apparent to us subsequent to the date of this Letter.

The opinion expressed in this transmittal letter can only be fully understood by reading the narrative valuation report, exhibits, assumptions and limiting conditions.

GENERAL LIMITATIONS

We do not provide assurance on the achievability of the results forecasted by the Plant because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

This document has been prepared for PJSC Enel Russia for the purposes stated herein and should not be relied upon for any other purpose. Unless required by law and except for the purpose indicated herein, it shall not be provided to any third party without our prior written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to which the Letter is disclosed or otherwise made available.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the Company.

No investigation was made of the title to or any liabilities against the property identified in the Letter. We assumed that all property rights are valid and marketable and that no encumbrances exist that cannot be cleared through normal processes.

Unless stated to the contrary in the Letter, no environmental impact study has been ordered or made. Full compliance with all applicable laws and governmental regulations is assumed unless otherwise stated, defined, and considered in the Letter. We have also assumed responsible ownership and that all required licenses and consents either have been or can be obtained or renewed for any use that is relevant to this analysis.

The valuation is not a precise science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. Market value conclusions are rounded. While we consider our conclusions to be both reasonable and defensible based on the information available to us, others may place a different value on the subject property.

Respectfully submitted,

Alexander Gaidamaka, MRICS
General Director
"American Appraisal" LLC

Investigation and Letter by:

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Enquiries and Comments:

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Exhibit A

Assumptions and Limiting Conditions

Exhibit A – Assumptions and Limiting Conditions

This valuation consulting service was performed with the following general assumptions and limiting conditions:

1. To the best of our knowledge, all data, including historical financial data if any, relied upon in reaching opinions and conclusions or set forth in this Letter are true and accurate. Although gathered from reliable sources, no guarantee is made nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others that have been used in this analysis.
2. No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. We have assumed that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes, unless otherwise stated in the Letter.
3. The value or values presented in this Letter are based upon the premises outlined herein.
4. The date of value to which the conclusions and opinions expressed apply is set forth in the Letter. The value opinion herein rendered is based on the status of the economy and on the purchasing power of the currency stated in the Letter as of the date of value.
5. This Letter has been made only for the use or uses stated. Using the Letter for any other purpose is invalid.
6. Notwithstanding the purpose of valuation defined herein and corporate approval requirements, this Letter or any copy thereof does not carry with it the right of publication. No portion of this Letter (especially any conclusion, the identity of any individuals signing or associated with this Letter or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of "American Appraisal" LLC.
7. Areas, dimensions, and descriptions of property, if any, used in this analysis have not been verified, unless stated to the contrary in the Letter. Any areas, dimensions, and descriptions of property included in the Letter are provided for identification purposes only and should not be used in a conveyance or other legal document without proper verification by an attorney.

Plats, if any, presented in the Letter are intended only as aids in visualizing the property and its environment. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size.
8. Unless stated to the contrary in the Letter, no environmental impact study has been ordered or made. Substantial compliance with all applicable federal, state, and local environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the Letter. We have also assumed responsible ownership and that all required licenses, consents, or other legislative or administrative authority either have been or can be obtained or renewed for any use that is relevant to this analysis.

Exhibit A – Assumptions and Limiting Conditions

9. The value estimate contained within the Letter specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes, unless stated to the contrary in the Letter. It is recommended that the reader of the Letter consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural/environmental defects, the existence of which could have a material impact on value.
10. No soil analysis or geological studies were ordered or made in conjunction with the Letter, nor were any water, oil, gas, or other subsurface mineral and use rights or conditions investigated, unless stated to the contrary in the Letter.
11. If we have made a physical inspection of the property, the inspection was made by individuals generally familiar with real estate, building construction and/or industrial equipment. However, we do not opine on, nor are we responsible for, the structural integrity of the property including its conformity to specific governmental code requirements, such as fire, building and safety, earthquake, and occupancy, or any physical defects that were not readily apparent to the appraisers during their inspection.