

EN+ GROUP ANNOUNCES 9M AND 3Q 2019 OPERATIONAL RESULTS

25 October 2019 — En+ GROUP IPJSC (the "**Company**", "**En+ Group**" or "**the Group**") (LSE: ENPL; MOEX: ENPL), a leading international vertically integrated aluminium and power producer, today announces its operational results for the nine month and three month periods ended 30 September 2019.

9M 2019 highlights¹:

- Aluminium production remained largely stable and totalled 2,809 kt in 9M 2019 compared to 2,810 kt in 9M 2018.
- Aluminium sales increased 9.8% y-o-y totalling 3,069 kt. In 3Q 2019, sales increased 4.3% y-o-y to 1,091 kt.
- The average aluminium realised price² decreased 15.9% y-o-y to USD 1,937 per tonne.
- The share of value added products³ (VAP) in total sales decreased to 36% in 9M 2019 from 48% in 9M 2018, with VAP sales decreasing 17.1% y-o-y to 1,103 kt. In 3Q 2019, the share of VAPs amounted to 40% or 430 kt, an improvement of 3.9% compared to 2Q 2019.
- The Group's electricity production⁴ increased 4.9% y-o-y to 55.8 TWh.
- The Group's hydro power⁴ output increased 8.2% y-o-y to 46.4 TWh.

		9M'19	9M'18	chg,%	3Q'19	3Q'18	chg,%
Power segment							
Electricity production ⁴	TWh	55.8	53.2	4.9%	18.9	18.3	3.3%
Heat production	mn Gcal	17.9	18.4	(2.7%)	2.8	2.8	-
Metals segment							
Aluminium production	kt	2,809	2,810	-	942	940	0.2%
Aluminium sales	kt	3,069	2,794	9.8%	1,091	1,046	4.3%
VAP sales ³	kt	1,103	1,331	(17.1%)	430	492	(12.6%)
Aluminium avg. realised price ²	USD/t	1,937	2,304	(15.9%)	1,896	2,274	(16.6%)

¹ Operating results are based on preliminary data and may be updated in the 9M and 3Q 2019 financial results. Please note, the text of this press release may contain inaccuracies in the calculation of proportions, percentages, and amounts when rounding estimated values.

² The realised price includes three components: LME component, commodity premium and VAP upcharge.

³ VAP includes alloyed ingots, slabs, billets, wire rod, wheels, high and special purity aluminium.

⁴ Excluding Onda HPP (installed capacity 0.08 GW), located in the European part of the Russian Federation, leased to RUSAL since October 2014.

POWER SEGMENT

		9M'19	9M'18	chg, %	3Q'19	3Q'18	chg, %
Production volumes⁴							
Total Electricity Production	TWh	55.8	53.2	4.9%	18.9	18.3	3.3%
HPPs, incl.	TWh	46.4	42.9	8.2%	17.7	16.7	6.0%
Angara cascade ⁵	TWh	32.2	27.3	17.9%	12.6	11.1	13.5%
Yenisei cascade ⁶	TWh	14.2	15.6	(9.0%)	5.1	5.5	(7.3%)
CHPs	TWh	9.4	10.3	(8.7%)	1.2	1.6	(25.0%)
Abakan SPP	GWh	5.5	5.2	5.8%	2.0	2.0	-
Heat	mn Gcal	17.9	18.4	(2.7%)	2.8	2.8	-
Market prices							
Average electricity spot prices ⁷ :							
1 st price zone	RUB/MWh	1,307	1,226	6.6%	1,280	1,303	(1.8%)
2 nd price zone:	RUB/MWh	917	866	5.9%	685	831	(17.6%)
Irkutsk region	RUB/MWh	829	820	1.1%	509	714	(28.8%)
Krasnoyarsk region	RUB/MWh	823	808	1.9%	491	752	(34.7%)

Power segment operations update

En+ Group power plants generated 55.8 TWh of electricity (up 4.9% y-o-y) in 9M 2019 and 18.9 TWh (up 3.3% y-o-y) in 3Q 2019.

The Group's hydro power output increased to 46.4 TWh (up 8.2% y-o-y) in 9M 2019 and to 17.7 TWh in 3Q 2019 (up 6.0% y-o-y).

The Group's Angara cascade HPPs (Irkutsk, Bratsk and Ust-Ilimsk HPPs) increased power generation to 32.2 TWh in 9M 2019 (up 17.9% y-o-y) and to 12.6 TWh in 3Q 2019 (up 13.5% y-o-y) due to increased water reserves in Lake Baikal and the Bratsk reservoir. The water level of Lake Baikal reached 456.86 meters as at the end of 3Q 2019 (456.83 meters at the end of 3Q 2018). The water levels to the Bratsk reservoir reached 399.98 meters as at the end of 3Q 2019 vs. 396.63 meters at the end of 3Q 2018.

The Group's Krasnoyarsk HPP's total power generation decreased to 14.2 TWh in 9M 2019 (down 9.0% y-o-y). In 3Q 2019, power generation at the Krasnoyarsk HPP was 5.1 TWh (down 7.3% y-o-y). The decline in the generation levels comes from the decreased water reserves in Krasnoyarsk water reservoir due to reduced inflow volumes in 2Q 2019 compared to the same period last year. At the same time, the lateral inflow to Krasnoyarsk reservoir was 1,914 cubic meters per second (121.1% of normal level) in 3Q 2019 compared to 1,566 cubic meters per second (99.1% of normal level) in 3Q 2018.

The Power segment's key project is the "New Energy" HPP modernisation program. The upgraded equipment delivered an increase in HPP energy production of 338 GWh, in 3Q 2019 and 934 GWh in 9M 2019 against prior year comparatives, helping to reduce greenhouse gas

⁵ Includes Irkutsk, Bratsk, Ust-Ilimsk HPPs.

⁶ Krasnoyarsk HPP.

⁷ Day ahead market prices, data from ATS and Association "NP Market Council". The prices average electricity spot prices are calculated as an average of the prices reported in the Monthly Day Ahead Prices Overview by Association "NP Market Council".

emissions by approximately 392 thousand tonnes of CO₂e and 1,082 thousand tonnes of CO₂e for corresponding periods due to partial replacement of prior CHP generation volumes.

The Group commenced the modernisation of the Irkutsk HPP with the first hydropower unit currently being replaced. The new hydropower unit will be commissioned by July 1, 2020. Within the modernization program, four of the Irkutsk HPP's eight hydropower units will be replaced by 2023, with the capacity of each unit expected to increase from 82.8 MW to 105.7 MW.

In 9M 2019, the Abakan Solar Power Plant generated 5.5 GWh (up 5.8% y-o-y) due to more favourable weather conditions.

Power generation at the Group's CHPs decreased to 9.4 TWh in 9M 2019 (down 8.7% y-o-y) and to 1.2 TWh in 3Q 2019 (down 25% y-o-y) mainly due to increased generation by the HPPs of the Angara cascade. In 2018, CHPs generated higher electricity volumes due to the earlier closure of the navigation period on the Angara River in September 2018.

Heat generation at the Group's CHPs decreased to 17.9 mn Gcal in 9M 2019 (down 2.7% y-o-y) affected by weather conditions. In 2019, the average temperature during winter months was higher than during the same period last year. In 3Q 2019 heat generation remained stable and accounted for 2.8 mn Gcal.

Russian energy market update⁸

- In 9M 2019, according to the System Operator of the United Power System, power production in the Russian United Power System accounted for 799.8 TWh (up 0.7% y-o-y). Consumption remained almost flat y-o-y at 784.7 TWh (up 0.1% y-o-y);
- Power production in the first price zone⁹ accounted for 605.4 TWh in 9M 2019 (up 0.4% y-o-y). Consumption in the first price zone slightly decreased (down 0.1% y-o-y) and amounted to 590.8 TWh;
- In 9M 2019, the integrated energy system of Siberia (the Company's key region of operations) produced 151.6 TWh of electricity (up 1.6% y-o-y). In the same period, output from HPPs in Siberia increased by 4.2% y-o-y to 78.9 TWh, while thermal power plants and captive power stations decreased their electricity production by 1.1% y-o-y to 72.6 TWh;
- Electricity consumption in the Siberian integrated energy system accounted for 153.8 TWh (up 0.3% y-o-y); and
- In 9M 2019, the Group generated approximately 36.8% of the total electricity, produced in the Siberian integrated energy system. The Group's HPPs generated approximately 58.8% of the total electricity produced by hydropower stations in the Siberian integrated energy system.
- In 3Q 2019, the average electricity spot price on day-ahead market in second price zone accounted for 685 RUB/MWh (down 17.6% y-o-y). According to Association "NP Market Council" data, the decrease was resulted from change in consumption structure, increase

⁸ According to the 9M 2019 press-release of the System Operator of the Unified Power System of the Russian Federation (<https://so-ups.ru/>).

⁹ Comprises the Central, Central Volga, Urals, North-West and South energy systems.

in HPPs generation as well as grid constraints on the transit lines between Eastern and Western parts of Siberia. In 9M 2019, the average electricity spot price on day-ahead market in second price zone accounted for 866 RUB/MWh (up 5.9% y-o-y).

Projected water inflows into reservoirs

The Hydrometeorological Centre of Russia forecasts water inflows into the main reservoirs of En+ Group's generating assets in 4Q 2019 as follows:

- Angara cascade: water inflows into Lake Baikal are expected to be (-50)-150 cubic meters per second with normal levels being at 283 cubic meters per second. In 4Q 2018, the useful water inflow was 767 cubic meters per second or 271% of normal levels. In 3Q 2019, the water inflow was measured at 3,200 cubic meters per second compared to 3,933 cubic meters per second in 3Q 2018;
- The inflows into the Bratsk Reservoir are expected to be 450-530 cubic meters per second or 92-108.6% of normal level. In 4Q 2018 water inflow was measured at 515 cubic meters per second or 106% of normal level. In 3Q 2019, the average monthly lateral inflows into the Bratsk Reservoir were 2,870 cubic meters per second (up 55.7% y-o-y); and
- The Krasnoyarsk Reservoir: lateral water inflows are expected to be 620-840 cubic meters per second or 98-133% of normal levels. In 4Q 2018 the lateral inflows were measured at 791 cubic meters per second. In 3Q 2019, the lateral inflows were measured at 1,914 cubic meters per second compared to 1,566 cubic meters per second in 3Q 2018.

In September, En+ Group announced the launch of ENvision, a data-driven forecasting project. Through the project, En+ Group and its partner, Aerostate, will study for 17 months the factors affecting Baikal water inflow and, through machine learning, will train an algorithm to more accurately predict inflows over a 6-18 month timeframe. The model will take into account natural influences such as snow thawing and the speed of river flows but also consider the impact of factors such as pollution from industrial regions in China.

En+ Group will share its results with the authorities responsible for setting flow rates through the region's hydropower plants, including En+ Group's three facilities on the Angara River. A more accurate forecast will help optimise the hydrological use of water resources to minimise the effect on the ecosystem and, critically, will provide local authorities with an effective tool to ensure downstream communities have sufficient water levels.

METALS SEGMENT

		9M'19	9M'18	chg,%	3Q'19	3Q'18	chg,%
Production volumes							
Aluminium	kt	2,809	2,810	-	942	940	0.2%
Utilisation rate	%	96%	97%	(1 pp)	96%	96%	-
Alumina	kt	5,808	5,816	(0.1%)	1,957	2,000	(2.2%)
Bauxite	kt	12,021	10,128	18.7%	3,948	3,848	2.6%
Nepheline	kt	3,170	3,476	(8.8%)	1,017	1,207	(15.7%)
Sales volumes							
Aluminium, incl.	kt	3,069	2,794	9.8%	1,091	1,046	4.3%
VAP sales ¹⁰	kt	1,103	1,331	(17.1%)	430	492	(12.6%)
Share of VAP sales	%	36%	48%	(12 pp)	40%	47%	(7 pp)
Average prices							
Aluminium average realised price	USD/t	1,937	2,304	(15.9%)	1,896	2,274	(16.6%)
LME QP component	USD/t	1,805	2,138	(15.6%)	1,751	2,107	(16.9%)
Realised premium	USD/t	132	166	(20.2%)	145	167	(13.2%)

Metals segment operations update

Aluminium

Aluminium production¹¹ in 9M 2019 remained stable, totalling 2,809 thousand tonnes. In 3Q 2019, aluminium production was 942 thousand tonnes (up 0.2% y-o-y), with Siberian smelters representing 93% of total aluminium output.

In 9M 2019 aluminium sales increased 9.8% and accounted for 3,069 thousand tonnes. In 3Q 2019, aluminium sales amounted to 1,091 thousand tonnes (up 4.3% y-o-y). During 3Q 2019, sales of value added products (VAP¹²) increased to 430 thousand tonnes (up 3.9% compared to 2Q 2019). Share of VAPs in the total sales mix continued gradual recovery to reach 40% in 3Q 2019, compared to 38% in 2Q 2019 and 29% in 1Q 2019, as the Group continues to recover operations from the effects of OFAC¹³ Sanctions¹⁴.

In 9M 2019, the average aluminium realised price¹⁵ decreased by 15.9% y-o-y to USD 1,937/t, due to a decrease in the London Metal Exchange ("LME") QP¹⁶ component (down 15.6% y-o-

¹⁰ VAP includes alloyed ingots, slabs, billets, wire rod, wheels, high and special purity aluminium.

¹¹ Aluminium production represented by salable products output (the number includes all facilities excluding Volgograd remelting of third parties metal).

¹² VAP includes alloyed ingots, slabs, billets, wire rod, wheels, high and special purity aluminium.

¹³ "OFAC" - The Office of Foreign Assets Control of the Department of Treasury of the United States of America.

¹⁴ "Sanctions" - on 6 April 2018, the OFAC added the Company to its Specially Designated Nationals List. OFAC removed the Company from the List with effect from 27 January 2019.

¹⁵ The realised price includes three components: LME component, commodity premium and VAP upcharge.

¹⁶ QP (quotation period) prices differ from the real time LME quotes due to a time lag between LME quotes and sales recognition and due to contract formula speciality.

y to USD 1,805/t) and realised premium (down 20.2% y-o-y to USD 132/t). In 3Q 2019, the average aluminium realised price¹⁷ decreased by 16.6% y-o-y to USD 1,896/t.

Alumina

In 9M 2019, alumina production slightly decreased y-o-y to 5,808 thousand tonnes. In 3Q 2019, it decreased 2.2% y-o-y, to 1,957 thousand tonnes. The Company's Russian operations accounted for 35% of the total output.

Bauxite and nepheline ore

In 9M 2019, bauxite output increased 18.7% y-o-y to 12,021 thousand tonnes, mainly as a result of the completion of the first stage of development of the Dian-Dian bauxite deposit and the reopening of operations at the Friguia bauxite and alumina complex. In 3Q 2019, bauxite production increased by 2.6% y-o-y, to 3,948 thousand tonnes.

In 9M 2019, nepheline production decreased by 8.8% y-o-y to 3,170 thousand tonnes. In 3Q 2019 nepheline production reduced 15.7% y-o-y to 1,017 thousand tonnes.

Aluminium market overview¹⁸

- The global manufacturing PMI rose from 49.5 to 49.7 in September, two consecutive months of growth for the first time since 2017. This was mostly due to the jump in China's PMI index. However global manufacturing remains in contraction (since PMI is below 50 points). Also growth looks to have accelerated in the emerging economies, mainly due to a policy-driven rebound in India. Despite this, there appears to have been a slowdown in the developed world as a whole, with the US and the Euro-zone both posting slightly slower rates than in 2Q 2019. There are some signs that industrial production and exports, which have been the weakest parts of the global economy in recent months, may be bottoming out. However, the trade tension between China and the U.S is still unsolved and continues to cause uncertainty in the market.
- As a result, in 3Q 2019 aluminium demand deteriorated compared to 2Q 2019. Global primary aluminium demand decreased to almost zero growth in 9M 2019 y-o-y, and was at 49.5 million tonnes (ex-China it was down 1.5% y-o-y at 21.9 million tonnes and in China it was up by 1.4% y-o-y, to 27.6 million tonnes).
- At the same time rest of the world ("RoW") aluminium production grew by 1.3% to 20.9 million tonnes during 9M 2019 and this negatively impacted premiums, the LME price and inventory buildup.
- Overall, the RoW aluminum market was in a deficit of around 1 million tonnes during 9M 2019.
- Looking at the cash cost curve, in the RoW today, around 18% of smelters or 5 million tonnes operate at a loss despite the decline in cost of raw materials. Unless this leads

¹⁷ The realised price includes three components: LME component, commodity premium and VAP upcharge.

¹⁸ Unless otherwise stated, data for the "Market overview" section is sourced from Bloomberg, CRU, CNIA, IAI and Antaike.

to production cuts, it is expected that the LME price will stay depressed in 4Q 2019.

- Chinese supply, both for domestic production and exports was significantly reduced in 3Q 2019 compared to the previous quarter and is likely to impact the supply into the RoW and thus provide some support to the LME price going forward.
- Operating capacity in China during 9M 2019 decreased due to a series of disruptions in the Shandong province and stood at 35.7 million tonnes at the end of 3Q 2019 compared to 36.6 million tonnes at the end of 2Q 2019. Overall production in China during 9M 2019 was 26.7 million tonnes, down 1.7% compared to the same period of 2018. Chinese regional stocks continued their strong decline in 3Q 2019 to a level below 945 thousand tonnes vs 1.05 million tonnes at the end 2Q 2019.
- During 9M 2019, China`s exports of unwrought aluminum and aluminum rose 2.9% y-o-y to 4.4 million tonnes, although this was more a result of a first 5M 2019 growth, with the gains being gradually eroded since June. Exports growth slowed to 2.4% in 9M 2019 y-o-y vs. a 5.3% rise observed in 8M 2019 y-o-y.

For further information, please visit <https://www.enplusgroup.com> or contact:

For media:

Tel: +7 495 642 79 37

Email: press-center@enplus.ru

For investors:

Tel: +7 (495) 642 7937

Email: ir@enplus.ru

Andrew Leach

Tel: +44 (0) 20 7796 4133

Email: ENplus@hudsonsandler.com

Hudson Sandler LLP

All announcements and press releases published by the Company are available on its website under the link: <https://www.enplusgroup.com/en/investors/>

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made.