FY 2018 RESULTS
CORPORATE PRESENTATION
DTEK ENERGY B.V.

April 2019

KEY HIGHLIGHTS OF 2018

1. Business reorganization

• **Transfer of Kyivenergo heat and electricity generation assets**	• The agreement with the Kyiv City Administration for the provision of heat and electricity generation expired on 31 July 2018 • DTEK Energy has transferred heat and electricity generation business of Kyivenergo to the new operator appointed by Kyiv City Administration
• **Unbundling of electricity distribution and supply businesses**	• Implementation of the 3rd EU Energy Package in Ukraine required independence of distribution system operators from generation and supply by the end of 2018 • In late 2018, DTEK Grids and D.Solutions were established as independent from DTEK Energy

2. Preparation for market reforms

• **Upcoming electricity market reform**	• Ukraine’s energy system is to transition to free market electricity price-setting in the next 6 to 12 months • DTEK Energy is actively working to prepare for the future liberalization and have developed required internal procedures and tools to effectively operate in the new market environment
• **Development of ESG framework**	• DTEK Energy is committed to the best international practices of environmental protection, social responsibilities and engagement, corporate governance, most of which are in place and functioning • DTEK Energy is in the process of developing group-wide ESG framework to bring existing policies and procedures into one articulated strategy

3. Operating and financial performance

• **Operational performance**	• 400MW of generation capacity has been converted from A-grade to G-grade in 2018 and 1100MW since 2015, this increased share of electricity generated from G-grade fired TPPs to 88% in 2018 • G-grade coal production increased by 5% which along with TPPs conversion allowed to decrease consumption of A-grade coal by 39%
• **Deleveraging**	• In September 2018 the Company completed the restructuring of several facilities totaling USD 217 mln (as of 30 June 2018) • DTEK Energy further progressed on deleveraging strategy by making several substantial prepayments of bank debt in the aggregate amount of USD 257 mln in 2018 and an additional USD 55 mln in January 2019

CONTENTS

UKRAINE AT A GLANCE

Ukraine is one of the largest countries in Europe with significant potential for economic development and growth

During recent years, Ukraine has made tangible progress in its ambitious socio-economic reform program

In the electricity sector, the Ukrainian government has introduced a number of important regulatory changes aimed to ensure market liberalisation and harmonisation with the EU 3rd Energy Package. In June 2017 the Parliament adopted a new Electricity Market Law that created a legal framework for a gradual transition to a competitive electricity market in Ukraine

42.2 million – population (January 2019)

(7th place in Europe)

95.9 bln USD – real GDP in 2018

(17th place in Europe)

140 TWh – electricity consumption in 2018

(8th place in Europe)

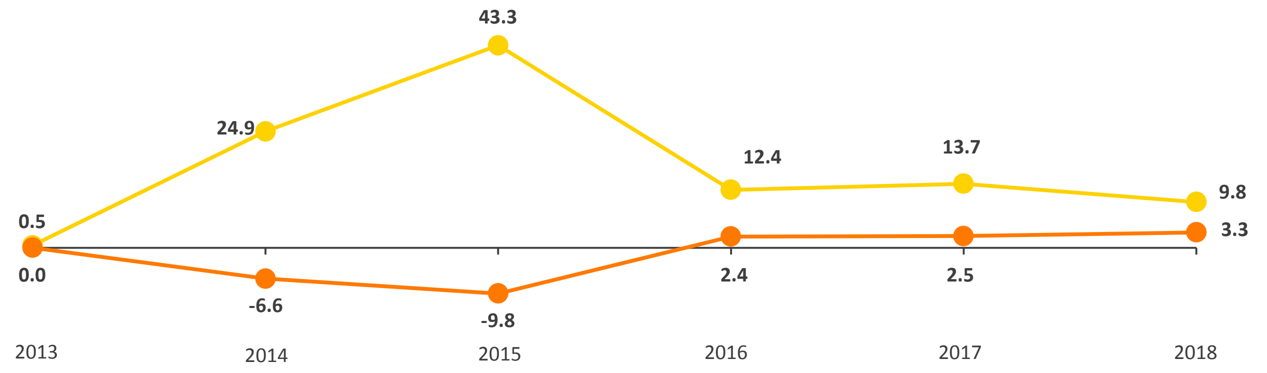
42.6% – share of EU in Ukrainian export in 2018

(+)16% since 2013

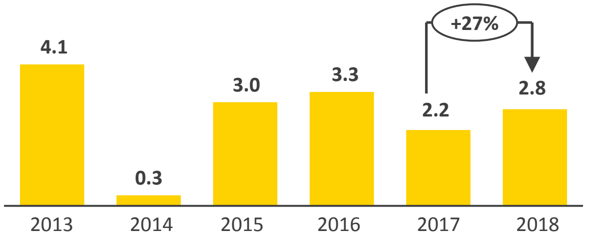
Source: Ukrstat, Ministry of Finance statistics

Ukraine Macroeconomic Overview

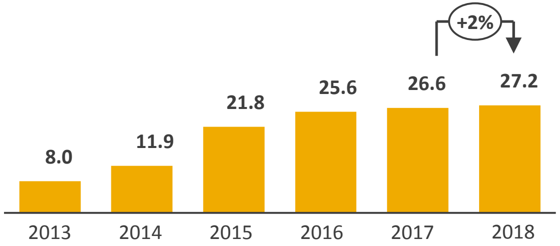
Real GDP and Inflation (%, 2013 – 2018)



Net foreign direct investment
(USD bln, 2013–2018)



UAH / USD exchange rates
(UAH / USD, 2013–2018)



Source: Ukrstat, Ministry of Finance of Ukraine

2018 was the third consecutive year of GDP expansion with the real growth rate accelerating from 2.5% in 2017 to 3.3% in 2018

GDP growth in 2018 was primarily driven by real household income growth and recovery of household consumption

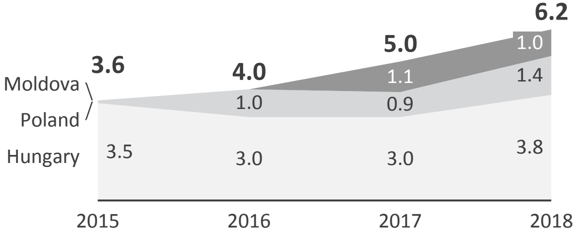
Government commitment to reforms and cooperation with international financial institutions improves investment climate that translates into foreign direct investments

Cooperation with IMF, the EU, and the World Bank and international financial institutions allowed to increase international reserves of the National Bank of Ukraine (NBU) to a five-year high of USD 20.8 bln and implement tighter monetary policy

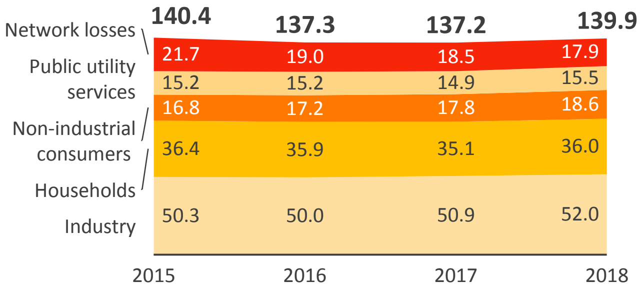
As a result of the NBU policy, annual inflation came down to 9.8%, the first single-digit value in five years, hryvna exchange rate stabilised, and overall business environment improved

ELECTRICITY MARKET OVERVIEW

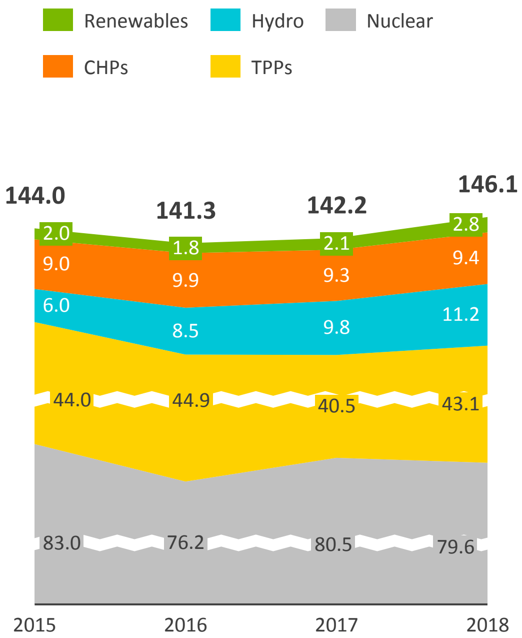
Ukraine`s electricity export, TWh



Ukraine`s electricity consumption, TWh



Ukraine`s electricity output, TWh



In 2018, national electricity consumption (net of network losses) increased by 2.8% driven by the household and industry sectors consumption growth of 2.4% and 2.1% respectively

As a result of improving electricity market conditions in neighboring countries and resolution of the coal shortage in Ukraine, electricity export volumes have been showing steady growth since 2015

In 2018, electricity export volumes increased by 24% (to 6.2 TWh) compared to the last year due to favorable price spread with European markets

Total electricity output by generation companies increased by 2.7% due to a 6.4% higher output by TPPs and a 14.2% higher output by HPPs

Source: Ministry of Energy and Coal industry (uaenergy.com.ua); System operator “Ukrenergo”

ELECTRICITY MARKET REFORM ROADMAP

DTEK

List of adopted regulations

June, 2017

Adoption of the Law of Ukraine “On electricity market”

August, 2017

Adoption of the Energy Strategy of Ukraine 2035

December, 2017

Draft Law of Ukraine "On Mechanics of Past Debts Repayment for Electricity Generated on WEM”

Q1, 2018

Adoption of market rules and procedures for “day ahead market”, “intraday market”, and “balancing market’

Approval of regulations for universal electricity supplier and last resort supplier

March, 2018

Approval of the Provision of Temporary Support for CHPPs

List of regulations to be implemented

Tentatively before 1st of July 2019

- Approval of draft resolutions of the Cabinet of Ministers of Ukraine on the establishing of a Guaranteed Buyer and Market Operator
- Adoption of the Law of Ukraine “On the assignment of special duties of household supply tariff”

- Elaboration and approval of the Cabinet of Ministers of Ukraine and National Regulator projects on PSO (Public Service Obligations) for renewables
- Modification of the Commercial Accounting Code
- Changing Market Rules for Balancing Market

Source: National Regulator (NERC)

1 2 3 4

ELECTRICITY MARKET MODEL COMPARISON

Current model[1]

Nuclear	Hydro	TPP	CHP	RES
80 TWh	11 TWh	43 TWh	9 TWh	3 TWh

Single buyer – "Energorynok"

Oblenergo	Free Suppliers	Export traders	others

Future model[1]

State (Nuclear, Hydro, Centrenergo)	Private TPP	CHP	RES
99 TWh	35 TWh	9 TWh	3 TWh

Auctions DAM[2] Balancing Bilateral DAM Balancing Bilateral Bilateral

UES	TSO and suppliers	Large Business	Export	Guaranteed buyer

	Current model	Future model
Revenue components	Day ahead orders, payment for electricity, payment for services	Bilateral contracts (short/medium/long-term), day-ahead orders, intra-day orders and imbalances
Participants	Single wholesale buyer and seller – SE "Energorynok"	A large number of buyers and sellers
Price	Price set by the Regulator, no market incentives	Price is different for each market. Price setting is driven by the merit curve

Source: Ministry of Energy and Coal industry (uaenergy.com.ua)
(1) Actual data for 2018
(2) "Day ahead market"

CONTENTS

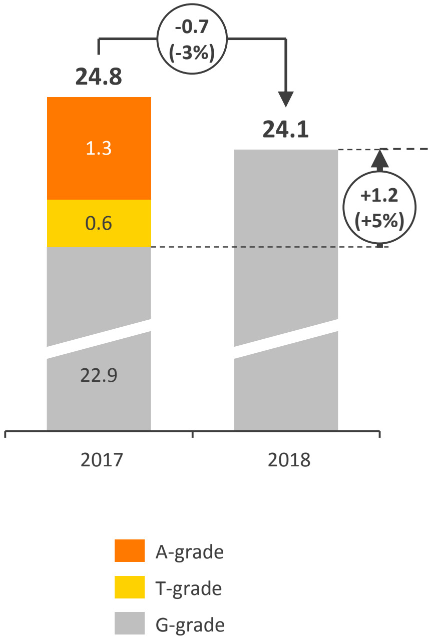
DTEK

OPERATIONAL PERFORMANCE	units	2018	2017	+/-	%
COAL MINING					
Coal mining[1] including:	kT	24,132	24,794	-662	-3
Steam coal (G-grade)	*kT*	*24,132*	*22,915*	*+1,217*	*+5*
Anthracite coal (T-grade)	*kT*	*0*	*610*	*-610*	*-*
Anthracite coal (A-grade)	*kT*	*0*	*1,269*	*-1,269*	*-*
POWER GENERATION					
Electricity output[2] (thermal power generation)	mln kWh	32,448	33,793	-1,345	-4
ELECTRICITY EXPORTS AND COAL IMPORTS					
Electricity exports	mln kWh	5,826	5,000	+826	+17
Coal imports	kT	1,585	1,372	+567	+15
Coal imports Obukhovskaya mine	kT	1,078	910	+168	+18

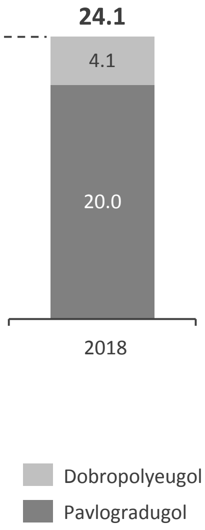
(1) since March 2017, the indicators of the assets located on the non-controlled territory have not been consolidated
(2) excluding Kyivenergo

COAL MINING

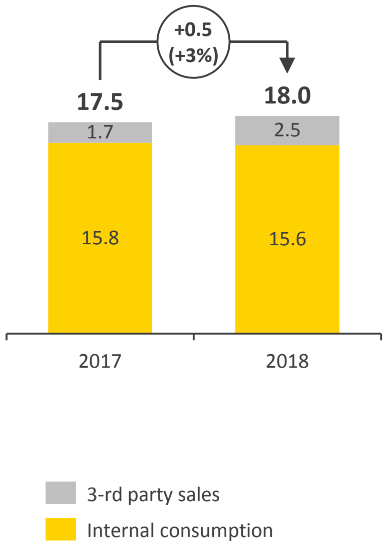
Coal mining by graded[1], Mt



Coal mining structure, Mt



Coal sales, Mt



In 2018, DTEK Energy produced 24.1 Mt of coal, which was 3% lower than in the last year primarily due to the loss of production of the T-grade and A-grade coal from the assets located in the non-controlled territory (NCT) which were included for 3 months of 2017

However, the volume of G-coal production in 2018 increased by 5%, or 1.2 Mt

DTEK Energy has implemented a mitigation strategy that aims to increase production of G-grade coal and reconfiguration of anthracite-fired TPP units to run on G-grade coal

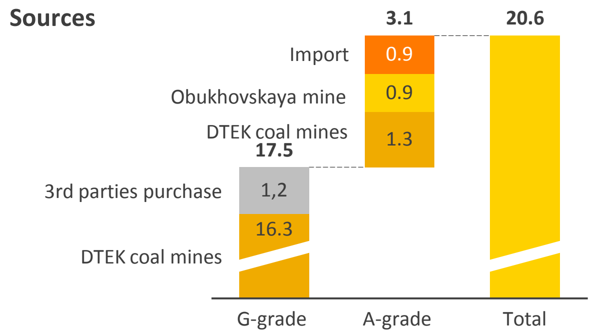
Company increased its 3rd party coal sales by 44% due to the growth of G-grade production

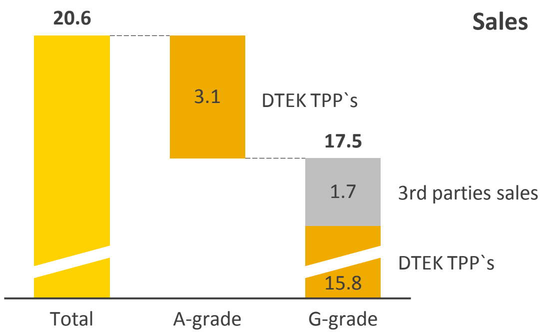
Labour productivity at G-grade coal mines in 2018 increased by 6% and reached 100.4 tons/person/month (excluding the NCT mines)

(1) Volume of coal mining is in tones of raw (Run-of-Mine) coal extracted by DTEK

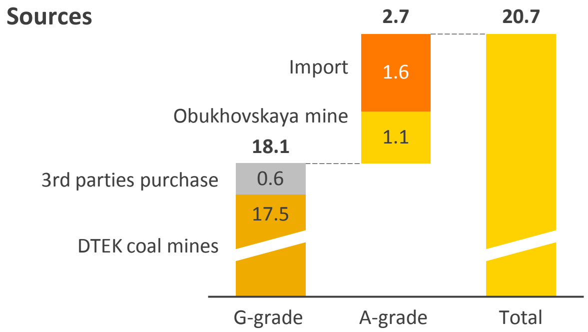
DTEK COAL BALANCE

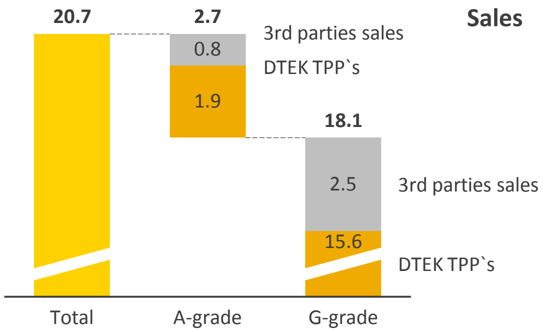
2017, Mt





2018, Mt





Loss of control over the anthracite mines located in the NCT required to import A-grade coal to comply with the requirement to retain the minimum level of stocks. In 2018, 1.9 Mt of A-grade coal was imported from:

1.1 Mt (57%) – Obukhovskaya mine (Russia)

0.8 Mt (44%) – Other

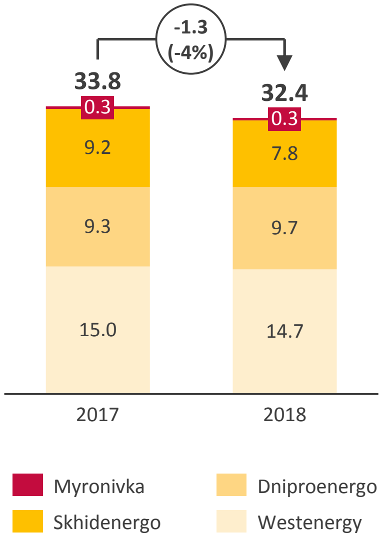
Given the loss of anthracite-mines, DTEK Energy implemented a mitigation strategy to decrease reliance on import of A-grade coal through increased production of G-Grade coal and reconfiguration of anthracite-fired TPP units to run on G-grade coal

400MW of generation capacity has been converted from A-grade to G-grade in 2018 and 1100MW since 2015, this increased share of electricity generated from G-grade fired TPPs to 88% (2018)

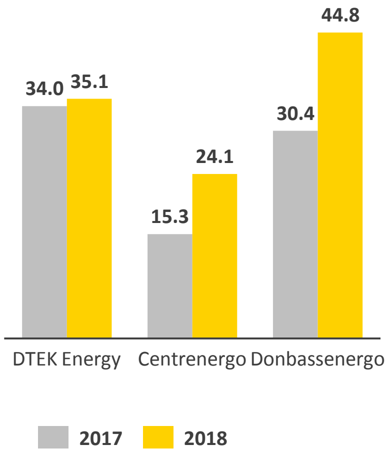
As a result, consumption of A-grade coal by DTEK Energy's TPPs decreased by 39%

THERMAL POWER GENERATION

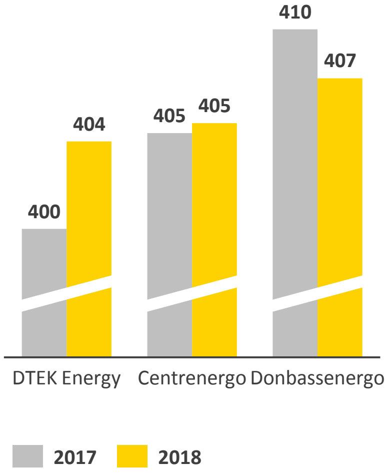
Power generation in 2018, TWh



Installed capacity utilization, %



Average fuel consumption, g/kWh



DTEK Energy electricity output decreased by 4% YoY from 33.8 TWh in 2017 to 32.4 TWh in 2018 due to the loss of Zuyivs'ka TPP in March 2017 and decrease of Lugans'ka TPP output by 14%

Lower output by Lugans'ka TPP was partly compensated by higher output from Dniproenergo and Mironivka CHPP by 3.9%, or 0.37 TWh

DTEK TPPs' average ICUR in 2018 increased from 34.0 to 35.1% due to the planned removal of mothballed power units from installed capacity count

DTEK Energy's average fuel consumption level increased by 1.1% to 404.3 g/kWh as a result of the increase in the number of power units using G-grade coal

DTEK POSITIONING ON ELECTRICITY EXPORT MARKETS

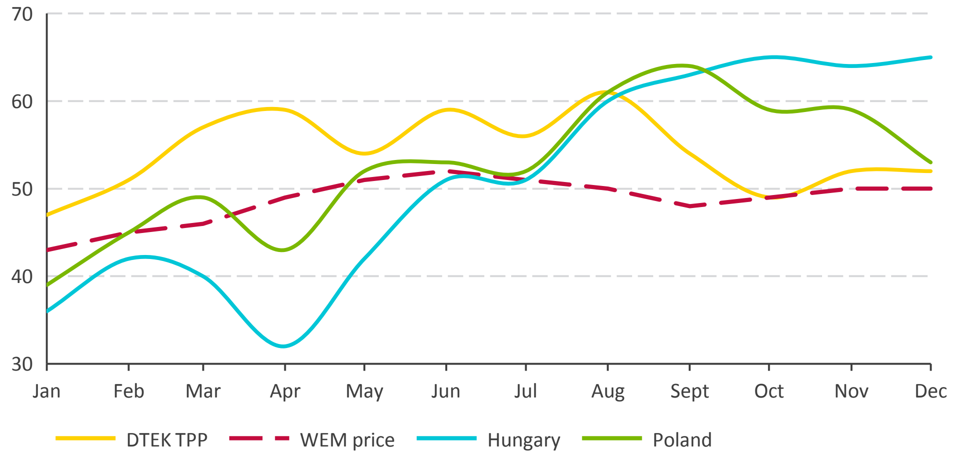
Electricity tariff for DTEK Energy’s TPPs reached an average of UAH 1.75 (USD 54.3) per MWh for 2018

In 2018, electricity prices on the Hungarian and Polish power exchanges ranged from €30 to 65/MWh

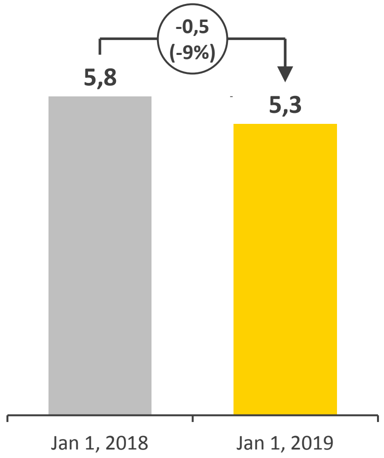
Current arrangements require that electricity for export is purchased at the WEM price, which made exports profitable in the second half of 2018

Accounts payable of Energorynok to DTEK’s TPPs decreased by UAH0.5 bn in 2018 and the total amount now stands at UAH5.3 bn (USD 195 mn).

Electricity tariff 2018, EUR/MWh



Debt of Energorynok to DTEK Energy`s TPP`s, UAH bn



Source: HUPX, POLPX data; NERC data

ELECTRICITY EXPORTS

DTEK Energy exported electricity to five different countries (the largest share was to Hungary and Poland). The majority of DTEK's exports are from Burshtyns'ka and Dobrotvirs'ka TPPs. In particular Burshtyns'ka is an 'energy island', which has been configured primarily for exports by being synchronized to the European electricity system ENTSO-E

In 2018, electricity export volumes increased by 17% to 5.8 TWh compared to last year due to:

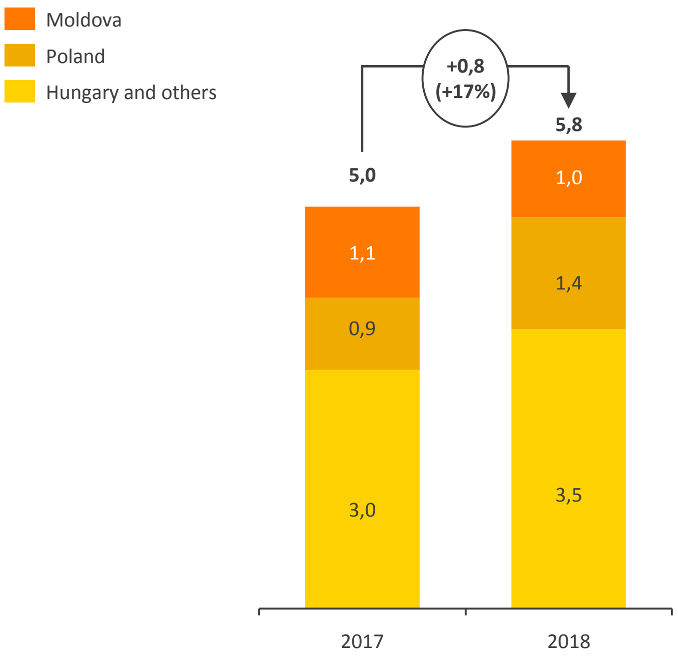
The increase of electricity exports to Poland by 56%. At the same time, the revenue from electricity sales during the period was driven by higher electricity prices in Poland.

The increase of electricity exports in Hungary by 17% was driven by successful repair campaign of Burshtyns'ka TPP as well as using the full capacity of all energy units to supply electricity to 'Burshtyn electricity island', which allowed to capture the full potential of electricity exports.

The company remains the main supplier for Moldova, despite decreased demand for electricity in the region.

The 2018 revenues from electricity exports amounted to USD 366 mln, thus increasing by around 51% vs. 2017 in UAH terms, which was driven by price and volume increases.

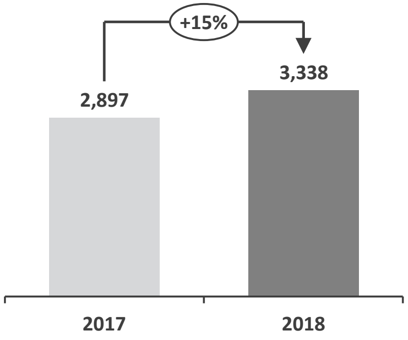
Electricity export 2017-2018, TWh



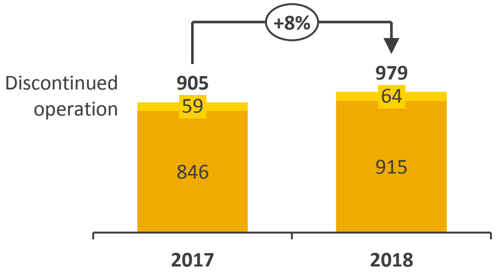
Contents

FINANCIAL HIGHLIGHTS*

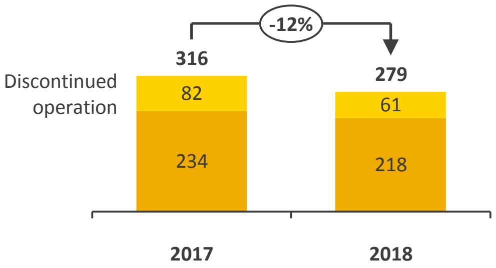
Revenues, USD mln



EBITDA (adj.),** USD mln



Capital expenditure, USD mln



Following the separation of the Distribution business and the expiration of the agreement between Kyivenergo and the Kyiv City Administration these operations were presented as discontinued. Therefore, as required by IFRS 5 the presentation of Revenues for 2017 was changed and results of the Distribution business and Kyivenergo Income statement were included in a single line "Profit/(loss) for the year from discontinued operations".

* Converted in USD only for presentation purposes NBU UAH/USD FX rates used: UAH/USD FX rate used: 2017 – 26.5948, 2018 – 27.2016 (NBU average), 31.12.2018 – 27.6883, 31.12.2017 – 28.0672.

** Adjusted EBITDA, FCF include results of both continued operations and discontinued operations for the period before the disposal date.

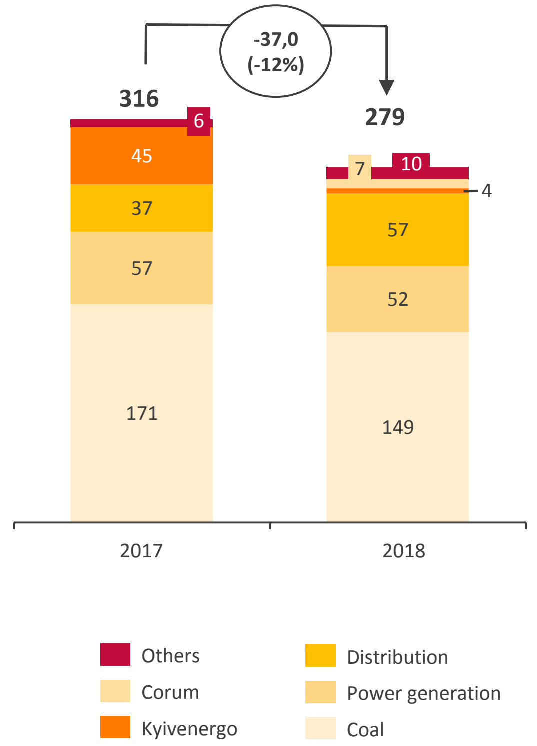
Adjusted EBITDA is calculated as profit for the year after excluding the following income statement items: depreciation and amortisation, foreign exchange losses less gains, income tax expense, impairment of property, plant and equipment, any effect of loss of control over the operations of entities located in non-controlled territory, charity payments to related parties, certain maintenance of social infrastructure costs, finance income and expenses except for gains/losses on initial recognition and early repayment of financial instruments from non-related parties, interest on bank deposits, unwinding of discount on the long-term restructured accounts receivable and impairment of financial investments.

CAPITAL EXPENDITURES

- In FY 2018, capital expenditures dropped by 12% (or USD 37 mln) to USD 279 mln. In UAH terms, CapEx dropped by 10% to UAH 7 587 mln. The share of Coal and Power generation segments in the Company's investments amounted to 72%, at par with the previous year level.
- The Company continued to implement its program on increasing the use of G-grade coal in the energy sector (to minimize anthracite deficit caused by trade embargo with the non-controlled territory). In 4Q 2018, Prydniprovska TPP Unit No.9 went online after re-equipment to burn G-grade coal. The re-equipment of its Unit No. 10 to burn G-grade coal was completed in 1Q2019. In 2018, significant amounts were invested in replacement of extraction equipment in the Coal segment. This allowed to increase production volume of G-grade coal and improve the safety of working conditions.
- In 1Q2018, the retrofitted Burshtyns'ka TPP Unit No. 10 went online (its capacity was increased by 15 MW and service life extended by 15 years).

Business Unit	Key Projects	Completion
COAL MINING		
Yubileyna mine	Building of ventilation borehole No. 3	2Q 2019
Dniprovska mine	Replacing of the main ventilation fans	4Q 2021
Dobropil's'ka coal enrichment plant	Construction of the rock dump	1Q 2019
POWER GENERATION		
Burshtyns'ka TPP	Retrofit of Unit No. 10	1Q 2019
Prydniprovska TPP	Retrofit of Units No. 9,10 for working on G grade coal	1Q 2019
Zaporizka TPP	Topping up layers III and IV of ash dumps	4Q 2020

By business segments, USD mln



Debt Structure Overview

In 2018 the Company substantially reduced its debt. The total repayments amounted to USD 257 mln, thereof USD 1mln is attributable to the final repayment of the ECA facility. All the rest was repaid to bank lenders.

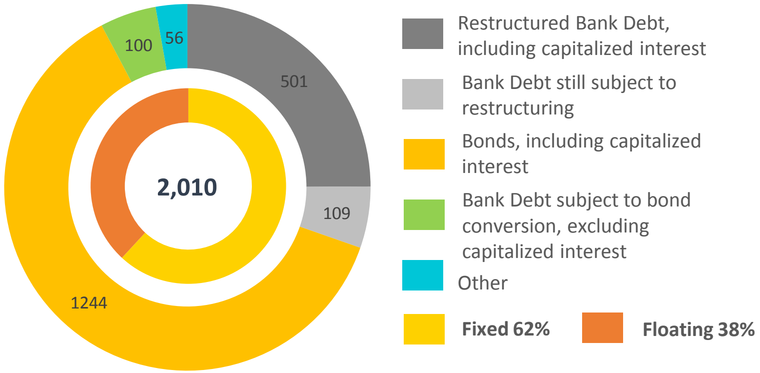
In September 2018 the portion of debt attributable to VTB facilities was restructured. It amounted to USD 217 mln as at 30th of June 2018, thereof USD 67 mln was converted to eurobonds under the Bank Exchange Offer.

The total debt as at 31 December 2018 amounts to USD 2,010 mln (UAH 54,675 mln) , thereof 1,244 is attributable to eurobonds. The rest (767 mln) is bank debt.

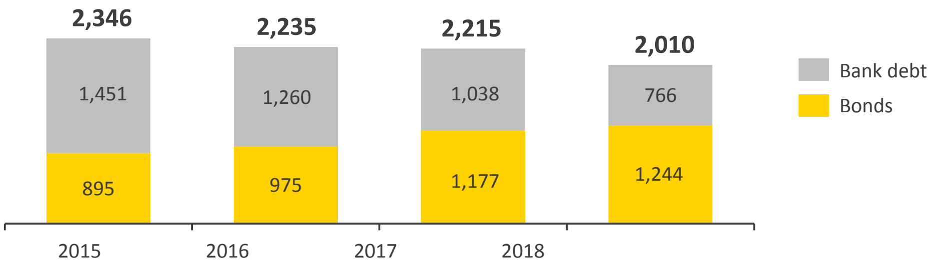
Leverage (i.e. Net Debt to EBITDA) as at 31 December 2018 equals to 1.97

Following the strategy of decreasing the leverage, the company had been paying the full coupon in cash since Q1 2018 and, additionally, repaid USD 55 mln of the bank debt in January 2019

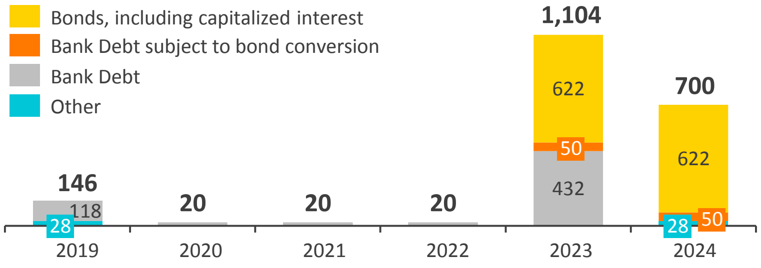
Debt decomposition profile as of 31 December 2018, USD mln



Debt Portfolio Evolution, USD mln[1]



Amortization schedule, USD mln[2]



(1) Excluding currency swaps (derivatives) MTM (for 2015) and interest accrual, bank commissions, discounts and 3rd parties guarantees. (2) Presented amortisation schedule assumes that the final piece of the restructuring is complete in Q2 2019 and the bank lenders are aligned with the previously restructured bank lenders. (3) Thereof USD 55 mln of voluntary repayment was made in January 2018.

Contents

Geography of Operations and Ownership Structure

DTEK

SCM (SYSTEM CAPITAL MANAGEMENT) LIMITED → 100% → DTEK B.V. (the Netherlands)

DTEK B.V. (the Netherlands) → 100% → DTEK ENERGY B.V. (the Netherlands)

Coal production

Dnipropetrovsk region
DTEK SCIENTIFIC AND PROJECT CENTRE LLC (100.00%)
DTEK PAVLOGRADUGOL, PrJSC (99.92%)

Donetsk region
DTEK DOBROPIL'S'KA , CEP PJSC (60.06%)
DTEK OKTYABRS'KA CEP, PJSC (60.85%)
CCM PAVLOGRADS'KA LLC (99.99%)
CCM KURAHIVS'KA LLC (99.99%)
MOSPINO CPE LLC (99.00%)**
DTEK DOBROPOLYEUGOL LLC (100.00%)
MINE BILOZERS'KA ALC (95.44%)
LLC «CORUM DRUZHKOVKA MACHINE-BUILDING PLANT» (100.00%)

Kyiv
LLC «ENGINEERING–TECHNICAL CENTRE «MINING MACHINES» (100.00%)

Kharkiv region
PJSC "KHARKOV MACHINE-BUILDING PLANT "SVET SHAKHTYORA" (61.17423%)

Thermal power generation

Vinnitsa region
DTEK WESTENERGY JSC (97,24%):
DTEK LADYZHYNS'KA TPP

Ivano-Frankivsk region
DTEK WESTENERGY JSC (97,24%):
DTEK BURSHTYNS'KA TPP

Lviv region
DTEK WESTENERGY JSC (97,24%):
DTEK DOBROTVIRS'KA TPP

Dnipropetrovsk region
DTEK DNIPROENERGO JSC (98,54%):
DTEK KRYVORIZKA and DTEK PRYDNIPROVSKA TPPs

Luhansk region
DTEK SKHIDENERGO LLC (100.00%):
DTEK LUGANS'KA TPP

Zaporizhzhya region
INTERENERGOSERVICE LLC (99.99%)
DTEK DNIPROENERGO JSC (98,54%):
DTEK ZAPORIZKA TPP

Donetsk region
DTEK SKHIDENERGO LLC (100.00%):
DTEK ZUYIVS'KA** and DTEK KURAKHIVS'KA TPPs
TEHREMPOSTAVKA LLC (100.00%)

As of 19.04.2019

By attending the meeting where this presentation is made, or by reading the presentation slides, you acknowledge and agree to the following:

This presentation has been prepared by DTEK Energy B.V. (DTEK Energy). This presentation and its contents may not be redistributed, republished, reproduced (in whole or in part) by any medium or in any form. This presentation does not contain or constitute, and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the DTEK Energy or any of its affiliates, or an invitation or inducement to enter into investment activity, in any jurisdiction. No part of this presentation should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This presentation is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA"). This presentation must not be sent, transmitted or otherwise distributed in, nor does it contain or constitute, nor should it be construed as, an offer to sell or a solicitation of offers to buy securities in, the United States, Canada, Australia, Japan or any other jurisdiction where such delivery, transmission, distribution, offer or sale is unlawful. The DTEK Energy, its affiliates, advisors and representatives and each of them (i) shall have no responsibility or liability whatsoever (whether in contract, in tort or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation; (ii) make no representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information or opinions contained herein, and no reliance should be placed thereon; and (iii) except as required by applicable law or regulation, shall have no obligation to update this presentation or to correct any inaccuracies herein or omissions herefrom that may become apparent. This presentation contains forward looking statements that reflect the DTEK Energy's intentions, beliefs or current expectations. These forward looking statements are identified by words such as "may", "will", "would", "should", "project", "seek", "plan", "predict", "anticipate", "believe", "intend", "estimate", "expect" and similar expressions or their negatives. Forward looking statements relate to events and depend on circumstances that will occur in the future, and are based upon assumptions and expectations which, although the DTEK Energy believes them to be reasonable at this time, may prove to be erroneous. These events, circumstances, assumptions and expectations are inherently subject to significant risks, uncertainties and contingencies which are difficult or impossible to predict and are or may be beyond our control, and which could cause the DTEK Energy's actual financial condition, results of operations, business and prospects, and the actual performance of its industry or the markets it serves or intends to serve, to differ materially from those expressed in or suggested by the forward-looking statements in this presentation. Important factors that could cause actual results to differ materially from those discussed in these forward-looking statements include the achievement of the anticipated levels of revenues, profitability and growth, the ability to fund future operations and capital needs through borrowing or otherwise, the ability to successfully implement any of the DTEK Energy's business strategies, the timely development and acceptance of new products and services, the DTEK Energy's ability to procure raw materials, its ability to enter into sales contracts for its products, the economic climate, the DTEK Energy's success in responding to changes within the competitive markets in which it operates, and the DTEK Energy's success in identifying other risks to the business and managing the risk of the aforementioned factors. There may be additional material risks that are currently not considered to be material or of which DTEK Energy is unaware.

Failure to comply with the restrictions set out in this Disclaimer may constitute a violation of applicable securities laws or may otherwise be actionable.

Thank you!

Investor relations
contacts
Oksana Nersesova
Tel.: +38 (044) 581 45
22
E-mail: ir@dtek.com
www.dtek.com