

13.12.2018**Windar Renovables, RUSNANO and Severstal Opened Russia's First Production of Wind Turbine Towers**

A solemn opening ceremony of the LLC WRS Towers, a joint venture of Windar Renovables S.L., RUSNANO MC and Severstal PJSC for the production of wind turbine towers took place in Taganrog of Rostov region. The heads of the joint venture participants and representatives of regional authorities: **Vasily Golubev**, the Governor of the Rostov; **Anatoly Chubais**, Chairman of the Executive Board of RUSNANO MC; **Alexander Shevelev**, CEO of Severstal; **Orlando Alonso**, Chairman of Board of Windar Renovables S.L.; **David Rowen**, Chief Specialist Business Development of Vestas and **Petr Spirodonov**, CEO of LLC WRS Towers attended the event.

The WRS Towers plant was built as a part of a government programme to develop the generation of renewable energy sources, providing the localization of RES equipment and creation of a new sector of high-technology power-plant engineering. The joint venture will be the Russia's first plant for the production of wind turbine towers.

The total volume of investment in the first stage of the project will amount to 750 mln roubles. Windar Renovables has a 51% share in the joint venture, while RUSNANO and Severstal each have a 24.5% share. The Spanish company Windar Renovables has introduced the technology of manufacturing wind turbine towers to Russia. Severstal is able to supply the steel plates required for the production of the towers on competitive terms.

The designed generation capacity of the venture is up to 300MW a year and it will achieve this level within two years from the launch of manufacturing. In the first stage the joint venture's main customer will be the Wind Energy Development Fund (created by RUSNANO and PAO FORTUM, on a parity basis) and its portfolio company OOO Vetroparky FRV, which was the winner of the tender for RES projects with a total installed capacity of 1.8 GW. Vestas, the supplier of wind turbines, was selected as a global technological partner, to act as the main supplier of equipment to the Fund. One of the main conditions for the selection of the supplier was the existence of a programme for localizing the manufacture of equipment in Russia. Windar Renovables is Vestas' global OEM partner.

The steel wind turbine tower is a hollow structure made up of a set of conical–cylindrical sections, at the top of which is a gondola and the wind turbine rotor: its function is to support the rotor mechanism in the wind current. The height of the tower may reach 120 meters, and it may weigh up to 270 tonnes. When wind



turbines enter operation, as a part of the supply agreements programme, the tower capacity provides 13% of the RES localization of the rated level of 65%.

Anatoly Chubais, Chairman of the Executive Board of RUSNANO MC:

“The launch of the Russia’s first plant for the production of steel towers, one of the key components of the wind turbine, is a historical event for the Russian power and mechanical engineering. This gives us confidence that Russia will maintain the global energy power status for the next generations as well. Our project of wind equipment localization proves that a high-technology cluster has been established in the country, including the generation of renewable energy, power-plant engineering, science and education. I shall note that the launch of this production plant would be impossible without uniting efforts of a technological investor, a high-technology player in the steel industry, as well as the thought-out measures of the Government of the Russian Federation to support the industry.”

Alexander Shevelev, CEO of Severstal:

“In today’s world, entering new markets of complex high-technology products very often requires joining the competencies of several partners. The result of such cooperation of three leaders in their markets Severstal, Rusnano and Windar Renovables, was the opening of the Russia’s first production of wind turbine towers. The participation in this project is fully in line with our updated marketing strategy, which is focused on closer cooperation with clients for providing them with individual solutions. Our goal is to make Severstal the leader in the future steel industry. And the future belongs to those companies that can provide clients with unique solutions based on a better understanding of their needs. In the framework of this partnership, we will supply the enterprise with a product designed specifically for our partners—steel plates required for the production of towers. We are happy that Severstal contributes to the development of such a promising area as the wind-electric energy generation in our country.”

Justo Acedo, CEO of Windar Renovables S.L.:

“We have confidence in the future of wind energy and its development in Russia. The new factory will increase Rostov region’s production capacity, using new technologies and know-how imported all over the world.”

Vasily Golubev, Governor of the Rostov Region:

“The launch of steel tower production for wind-driven power plants marks the birth of a new industry for the Rostov region. Earlier this year we announced our interest in developing wind power utilisation extensively across the Don region, and several companies have already started to install wind [turbines]. Since



2017, a total of 85 billion roubles has been invested in 3 major wind power projects in the Rostov region. The creation of a production base is an important step in the development of a renewable energy industry in the region.”

RUSNANO Joint-Stock Company was founded in March 2011 through reorganization of state corporation Russian Corporation of Nanotechnologies. JSC RUSNANO contributes to implementation of the state policy on the development of the nanotechnology industry by investing directly and through investment funds of nanotechnology in financially effective high-technology projects providing the development of new production facilities in the Russian Federation. Its primary investment focus is in electronics, optoelectronics and telecommunications, healthcare and biotechnology, metallurgy and metalwork, energy, mechanical engineering and instrument making, construction and industrial materials, chemicals and petrochemicals. 100 percent of RUSNANO’s shares are state owned. Thanks to RUSNANO’s investments, there are currently 96 factories and R&D Centers opened in 37 regions in Russia. JSC RUSNANO has profit for the last 4 years.

Management of assets of RUSNANO JSC is carried out by Limited Liability Company established in December 2013, RUSNANO Management Company. Anatoly Chubais is the Chairman of its Executive Board.

Work to establish nanotechnology infrastructure and carry out educational programs is fulfilled by RUSNANO’s **Fund for Infrastructure and Educational Programs**, which was also established during the reorganization of the Russian Corporation of Nanotechnologies.

Further details: www.rusnano.com

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The Spanish **Windar Renewables** is included in the Daniel Alonso Group—one of the largest steel equipment companies manufacturer in the world. The company has been working in the renewable energy market since 2007 and is one of the world leaders in manufacturing towers for onshore and offshore WDPPs and offshore foundations. Possessing ten production sites in four countries plus the new one in Russia Federation, the company is a supplier of towers to the world’s main wind turbine manufacturers, such as Vestas, GE, Siemens-Gamesa, Alstom, Suzlon, Inoxwind, Nordex-Acciona and offshore foundations for Iberdrola, Statoil, Siemens-Gamesa, Scottish Power, EDP Renewables, Geosea and Van Oord.

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PAO Severstal is one of the world’s leading vertically-integrated steel and steel related mining companies, with assets in Russia, Latvia and Poland. Severstal is listed on RTS and MICEX and the company’s GDRs are traded on the LSE. Severstal reported



revenue of \$7,848 mln and EBITDA of \$2,577 mln in 2017. Severstal's crude steel production in 2017 reached 11.7 mln tonnes.

Further details: www.severstal.com

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