



1H 2021 Financial Results

Moscow August 5th, 2021



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1H 2021 Financial Performance Highlights

Revenue

\$8.9 bn

up 33% vs 1H 2020

- Realized prices (Ni, Cu, Pd, Rh)
- Production volume (Pd, Rh)
- Sale of Ni from stock
- Temporary disruption of operations

EBITDA

\$5.7 bn

up 3x vs 1H 2020

- Revenue increase
- Reimbursement of environmental damages (provision booked in 1H20)
- Depreciation of RUB against USD
- Increase in taxation (MET)
- Social expenses

EBITDA Margin

%64

up 37 p.p. vs 1H 2020

- Globally leading profitability

NWC

\$1.8 bn

up 2x vs Dec'31 2020

- Income tax receivable
- Depreciation of advances from customers
- Increase in metal inventory due to increase in taxation (MET)
- Seasonality and one-offs

FCF

\$1.4 bn

down 48% vs 1H 2020

- Operating cash flow
- Reimbursement of environmental damages
- CAPEX

CAPEX

\$1.0 bn

up 80% vs 1H 2020

- Environmental (Sulphur programme in Norilsk) and strategic commercial projects
- Equipment purchases and capital repairs to improve industrial safety

ND/EBITDA

x0.7

up 0.1x vs Dec'31 2020

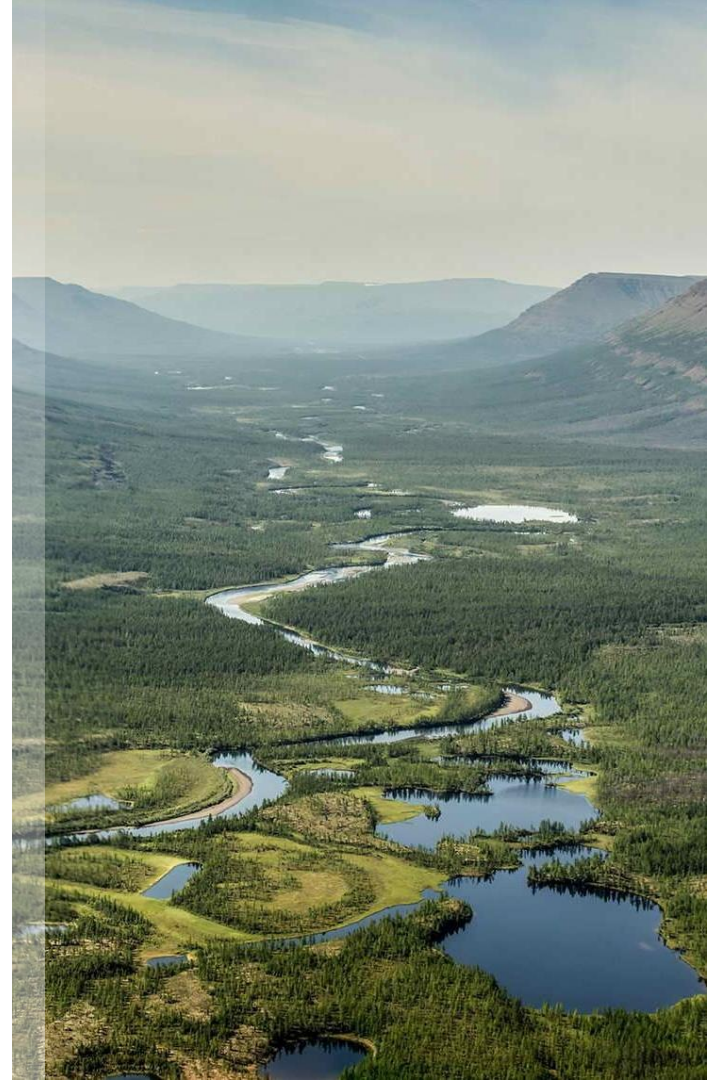
- Leverage maintained at below mid-cycle level
- Investment grade credit ratings reiterated by all major international agencies

Cash Returns

\$4.3 bn

- Final 2020 dividend of USD 13,89 per share ⁽¹⁾ paid in June 2021 for a total of USD 2.2 bn billion
- USD 2.1 billion share buy-back completed in June 2021

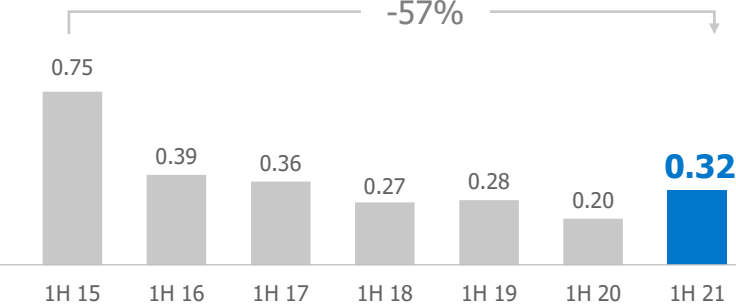
Sustainable Development Update



Health and Safety Update

LTIFR: Increased in 1H'21 as Injuries Reporting Improved

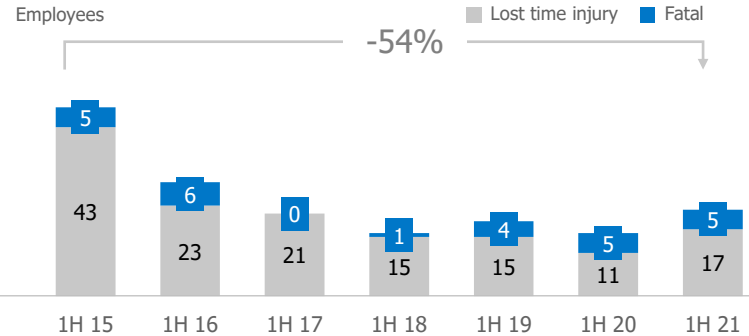
LTIFR per 200k Hours



- In 1H 2021, LTIFR increased 60% y-o-y owing to improved transparency and the quality of reporting on injuries
- Special emphasis has been put on comprehensive reporting to include not just casualties and heavy injuries, but also medium, light and micro injuries
- In addition to providing incentives to the management to improve reporting, disciplinary measures for concealing injuries have been tightened

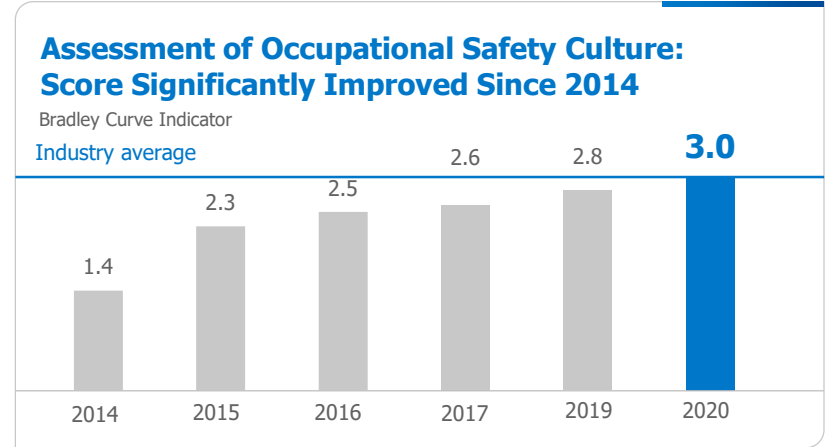
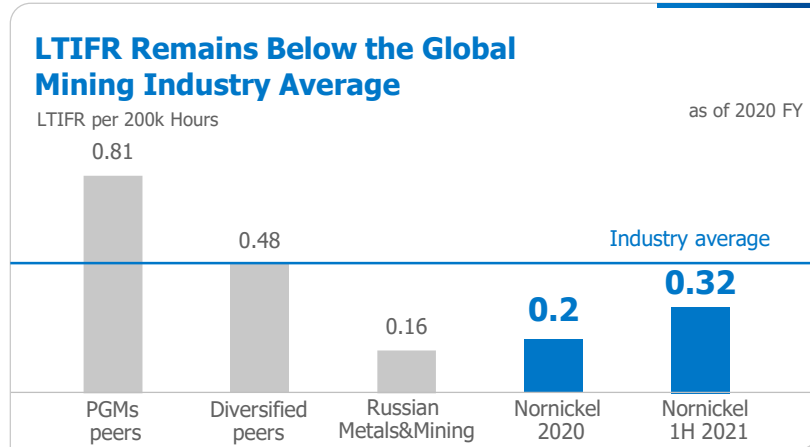
Number of Fatal Accidents Unchanged Owing to the Incident at Norilsk Concentrator in 1H'21

Employees



- Regrettably, there were 5 fatal accidents in 1H 2021, including the group accident at Norilsk Concentrator with 3 casualties
- All accidents have been thoroughly investigated and reported to the Board, action plans to tackle causes of each incident prepared
- Zero tolerance towards fatal incidents and violation of cardinal safety rules reiterated
- A comprehensive review of industrial safety requirements and standards is scheduled for 2022

Health & Safety: Strong Performance Relative to Industry



- LTIFR remains below the global mining industry average
- 17 corporate standards have been implemented since 2014 to minimize the risks and improve occupational HSE management system
- Improvements in safety culture are driven by a complex strategy, including roll out of new equipment and communication tools (GPS in the underground mines), training sites and programmes, risk mitigation standards, safety communication campaign, etc.

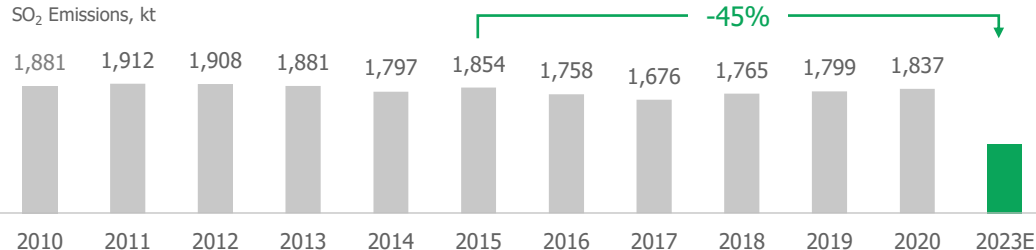
HSE KPIs and Strategic Objectives

- 20% of the Group’s KPIs are linked to TRI (total recordable injuries)
- Bonuses of COO and heads of production units are conditioned upon fatalities
- Zero-fatality on production sites – zero tolerance policy towards workplace fatalities

Environmental Program: Reduction of SO₂ Emissions on Track

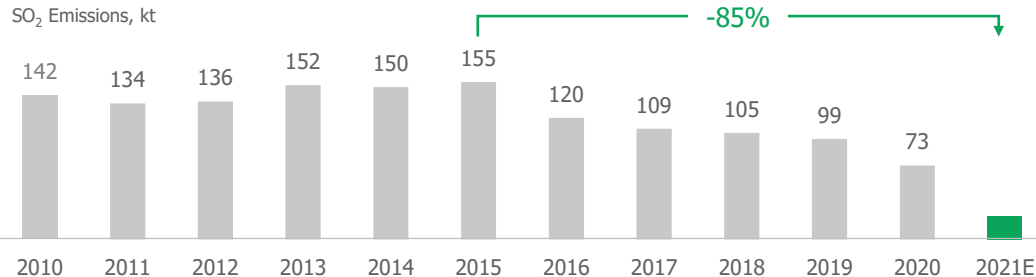
Polar Division: SO₂ Emissions Practically Unchanged in 2020, Sulphur Programme in Active Construction Phase

SO₂ Emissions, kt



Kola Division: SO₂ Emissions on Track to Reduce 85% in 2021 vs 2015

SO₂ Emissions, kt



Strategic target: achieve industry-leading SO₂ utilization rates

- Kola Division: All smelting facilities have been shut down, with the copper refining line shut in Mar-21
- In addition to overall reduction of SO₂ emissions at Kola, cross-border emissions have been completely ceased
- Norilsk Division: Construction of sulphur capture and neutralization at Nadezhda smelter in progress, with a reduction in SO₂ emissions expected in 2023E
- In 2021, real-time air quality monitoring system to be introduced in Norilsk, with 16 air quality control points rolled out by the year-end
- Emissions of other air pollutants such as NO_x and solids below global benchmarks

Sustainable Development Highlights

Environment

- Environmental and Climate Change Strategy approved by the Board, setting 21 targets until 2030
- 85% reduction of SO₂ emissions at Kola MMC in 2021 on track following the shutdown of metallurgical shop in March
- RUB 40 bn ⁽¹⁾ clean-up program of the city of Norilsk launched: demolition of obsolete buildings, scarp and debris collection, land rehabilitation
- Full environmental remediation of the 2020 diesel spill incident at HPP-3 in progress
- Great Norilsk Expedition, phase 2, launched: scientists' field trip to study the environment and assess the efficiency of diesel spill remediation
- 200,000 Siberian sturgeon fry have been released into the Yenisei river

Climate Change

- Improvement of industrial safety: upgrade of fuel storage facilities and energy infrastructure in progress
- Pilot real-time monitoring of the foundations of emergency fuel storage facilities launched
- Satellite and drones monitoring launched
- Technical inspections of buildings and constructions in progress
- Central permafrost-based foundations monitoring center being designed
- Upgrade of emergency fuel leak liquidation plans and upgrade of emergency response teams and technical resources
- Reduction of CO₂ emissions, production of carbon neutral Ni

Corporate Governance

- New Sustainable Development and Climate Change Board Committee set up
- Strengthening of the management team – the positions of Senior Vice President, Director of Operations, and Vice President, Energy, have been introduced
- Organization changes in the Norilsk Division to improve cooperation with indigenous people: a dedicated department of the Polar Division and Indigenous Communities Coordination Council have been created
- Revamped environmental oversight, risk management and monitoring
- Improved climate change and ESG disclosure
- Annual Group KPIs amended to include environmental incidents
- Long-term ESG and climate change-related KPIs are pending due internal approvals

Social: a Leader in Social Investments in the Russian Industry



Response to Coronavirus

- Support of regional healthcare infrastructure to fight COVID-19 continued
- Full support to employees
- Vaccination in the regions of operations launched
- №1 rated by Forbes Russia in terms of COVID-19 corporate spending

USD250 mln

Expected COVID-19 related total spending in 2020-2021



Supporting Local Communities

- Construction of a hospital and educational facilities
- Development of new tourist clusters in the regions of operations
- World of New Opportunities - supporting local NGOs
- Relocation program in Norilsk
- Agreement with Krasnoyarsk region to support selected investment projects

>USD0.5 bn

Expected social spending in 2021, including charity



Renovation of Norilsk Housing and Infrastructure

- RUB120 bn until 2035 four-party agreement with the federal and regional governments on the renovation of the city of Norilsk housing and social infrastructure signed
- Urban redevelopment of public spaces

RUB81 bn

Company's allocation towards the program by 2035



Engagement with Indigenous People

- Support of indigenous people of Taymir Peninsula: first batch of 28 grants were awarded to tribal communities, NGOs and municipal and public institutions
- Support of indigenous people of the Murmansk region: a new agreement with Sami people signed

RUB2 bn

5-year agreement (2020-2025)

HPP-3 Incident: Full Environmental Remediation in Progress

2020: Completion of Phases 1&2 (clean-up) and Phase 3 (transportation and utilization of contaminated materials)



- Over 90% of leaked fuel was collected and all of the contaminated soil removed
- Collected water-fuel mixture was transported to an industrial site near Nadezhda smelter, where it was separated into a fuel and water
- Contaminated soil was placed into sealed-off hangars to prevent further risk to the environment
- River shores were treated with sorbents and washed off
- Fuel residues in soil and water were collected (with a help of sorbent boms)

Independent Impact Assessments:

- Root causes investigation by ERM
- Impact assessment on local indigenous population via ethnological survey and expedition
- Scientists' field work assessment – Great Norilsk Expedition, Phase-1

2021+: Phase 4 (rehabilitation) in progress



2021

- Washing of river shores and treating contamination residues on the land with sorbents (continued from 2020)
- Rehabilitation of the collected contaminated soil using microbiological remediation technology
- Land reclamation, grass seeding (continued from 2020)
- Installation of booms ahead of the flooding (snowmelt, ice melting, ice drift)
- Monitoring of water bodies, soil and flora and fauna (continued from 2020)
- Scientists' field work assessment – Great Norilsk Expedition, Phase-2

2021-2022

- Washing of river shores and collection of contamination residues until completely removed
- Reproduction of aquatic bio-resources

Comprehensive Physical Risk Mitigation Programme – Energy Infrastructure



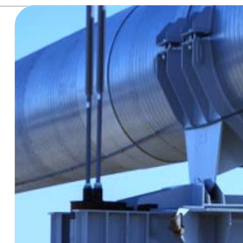
Reassessment of Risks Related to Hazardous Facilities

- Ad-hoc audit of all industrial buildings and facilities (in progress), with a prime focus on fuel storage (completed)
- Inspection of technological fuel pipelines
- The emergency plans and the design of bunding perimeters of all fuel tanks have been recalculated based on the most aggressive spilling scenarios (assuming 100% of fuel)



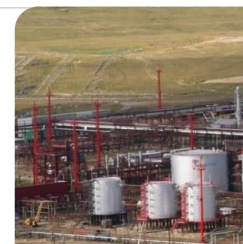
Immediate Upgrade of Fuel Storage Facilities

- Demolition of selected emergency fuel tanks posing a potential risk
- Upgrade of the remaining fuel tanks: anticorrosion treatment, upgrade of the bunding perimeters, fuel pumps, installation of new gas detectors and upgrade of automatic leakage control systems
- Repair of diesel fuel pipelines
- Amount of fuel held in emergency storage to halve in 2021 through optimization of available fuel reservoirs



Long-term Initiatives in Energy Infrastructure

- A major USD4+ bn energy modernization and upgrade program until 2030 is in progress, including replacement of equipment at heat and hydro power stations, upgrade of power grid and gas pipeline systems and modernization of fuel tank storages
- Replacement of diesel fuel reservoirs as a source of emergency fuel for Norilsk heat and power plants (fed by natural gas as a primary source) with a second gas pipeline considered as a long-term strategic option



Roll-Out of Online Permafrost-Based Foundations Monitoring in Norilsk in Progress

- The Monitoring Center of Buildings and Structures of Norilsk Division, which carries geotechnical monitoring and technical inspections, has been upgraded, staff expanded
- Satellite monitoring of permafrost-based structures has been carried out

Selected 2021 targets:

- Install 750 real-time sensors at the basements of fuel storage facilities (54 assets) and another 113 buildings and structures in Norilsk, with a real time data to be collected and analyzed by a central monitoring center
- Drill over 375 wells to install over 470 real-time thermo sensors to monitor temperature distribution in the subsoil of building foundations
- Launch of a special monitoring center of deformations of foundations and subsoil temperature of building foundations
- Geodesic measurements of the deformations of buildings and structures (over 11k vs 6k in 2020)
- Complete technical inspections of selected buildings and structures (0.6 mln m3 vs 0.4 mln m3 completed in 2020)
- Technical inspections of underfloor spaces (of circa 800+ objects vs almost 700 already inspected in 2020)

A pilot project completed: a digital platform has been developed for monitoring of 11 emergency fuel tanks, all of which have been equipped with incline, thermistor chains, humidity and ground water level sensors



Major Legacy Waste Collection Programme Launched in Norilsk Area

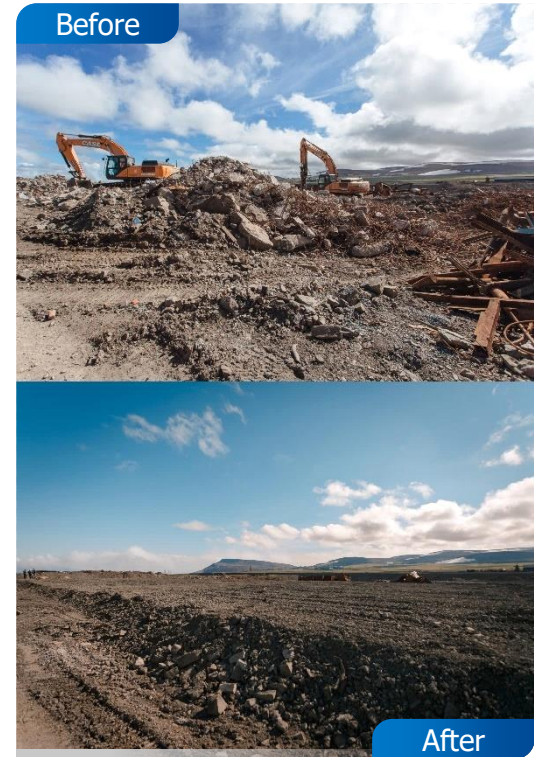
The first phase of a major clean-up of legacy industrial and construction waste in Norilsk area launched

- A dedicated Department, Work with Territories and Landscaping, has been created in Norilsk Division: 1k employees, 72 units of specialized machinery active and another 49 vehicles expected to arrive
- The programme aims at the demolition of old abandoned buildings and structures, pipelines, utility lines and networks, and the removal of scrap metal accumulated around industrial sites in the city of Norilsk and its area: demolition and removal of 3.7k various objects and structures, collection of some 100kt of metal scrap

Progress to-date:

- The area of over 300k m² of waste and old equipment (an equivalent to 56 football pitches) have been cleaned up since the early summer, target for the start of the winter season: 6mn m²
- 45 obsolete buildings and structures have been dismantled
- 47kt of waste and 3kt of scrap metal have been collected and removed

USD0.5 bn expected spending over 2021-2030⁽¹⁾



Source: Company data.

Note: 1. Equivalent to RUB40 bn

Please read more: <https://www.nornickel.com/news-and-media/press-releases-and-news/nornickel-implements-rub-40-bn-programme-to-clean-up-norilsk/type=news>

Climate Change Strategy

Climate change 2030 targets

Maintain absolute Scope 1+2 GHG emissions from operations⁽¹⁾ below 10 Mt CO₂e

Maintain Scope 1&2 GHG emissions per t of Ni-equivalent in the bottom quartile of global metals and mining industry GHG intensity curve⁽²⁾

Climate-related risk assessment & governance



Transition risks



Physical risks

IEA's SDS⁽³⁾ is net neutral/positive for Nornickel's metals

Implementation of climate-related physical risks assessment and large-scale asset monitoring program

Key initiatives in climate change strategy



Mitigation of physical risks



Increase in energy efficiency

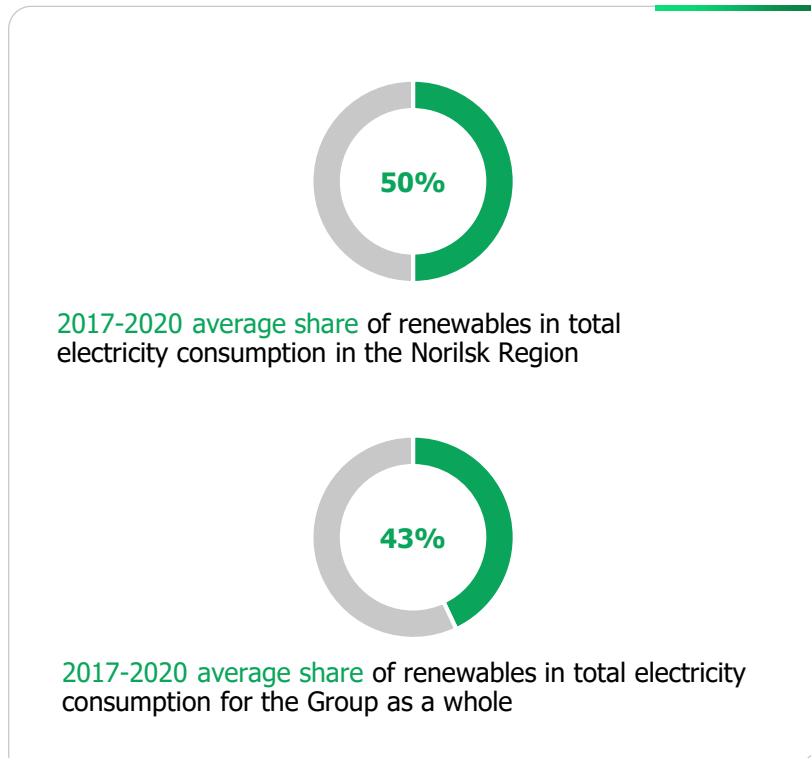
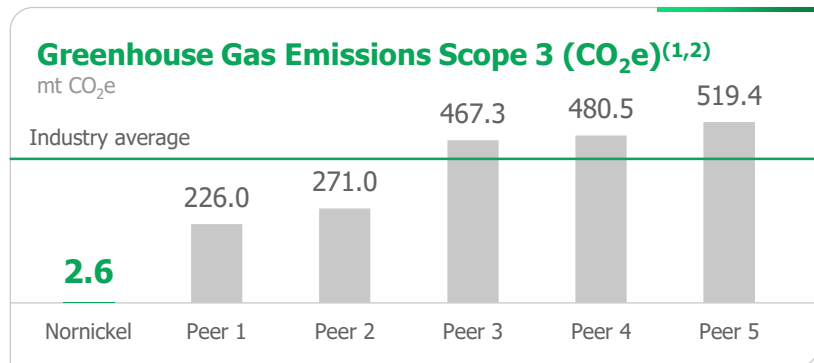
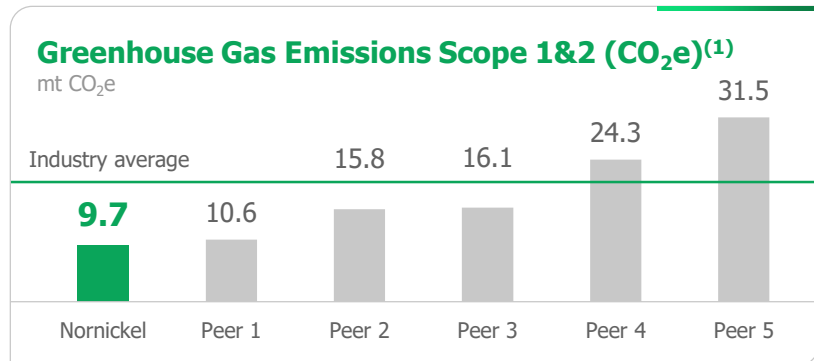


Reduce CO₂ emissions

Key actions 2021+

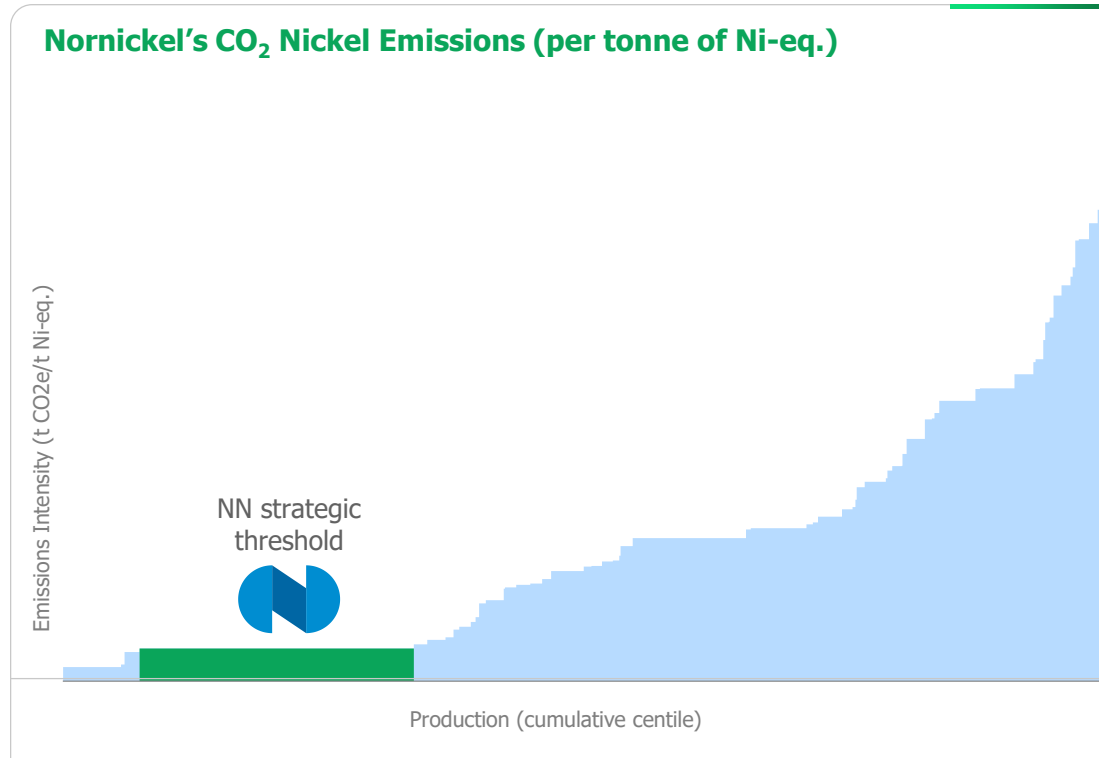
- Develop and launch monitoring system of the industrial and municipal foundations based on permafrost in Norilsk (incl. satellite and GIS)
- Introduce and implement divisional and asset-level strategy:
 - Design key initiatives to achieve higher physical risks mitigation, increased energy efficiency and reduction of CO₂ emissions
 - Develop capital expenditures plans and projects timelines
- Align climate change disclosure with TCFD requirements

Competitive Position of NN in Terms of Greenhouse Gas Emissions: Significantly Lower than Global Competitors



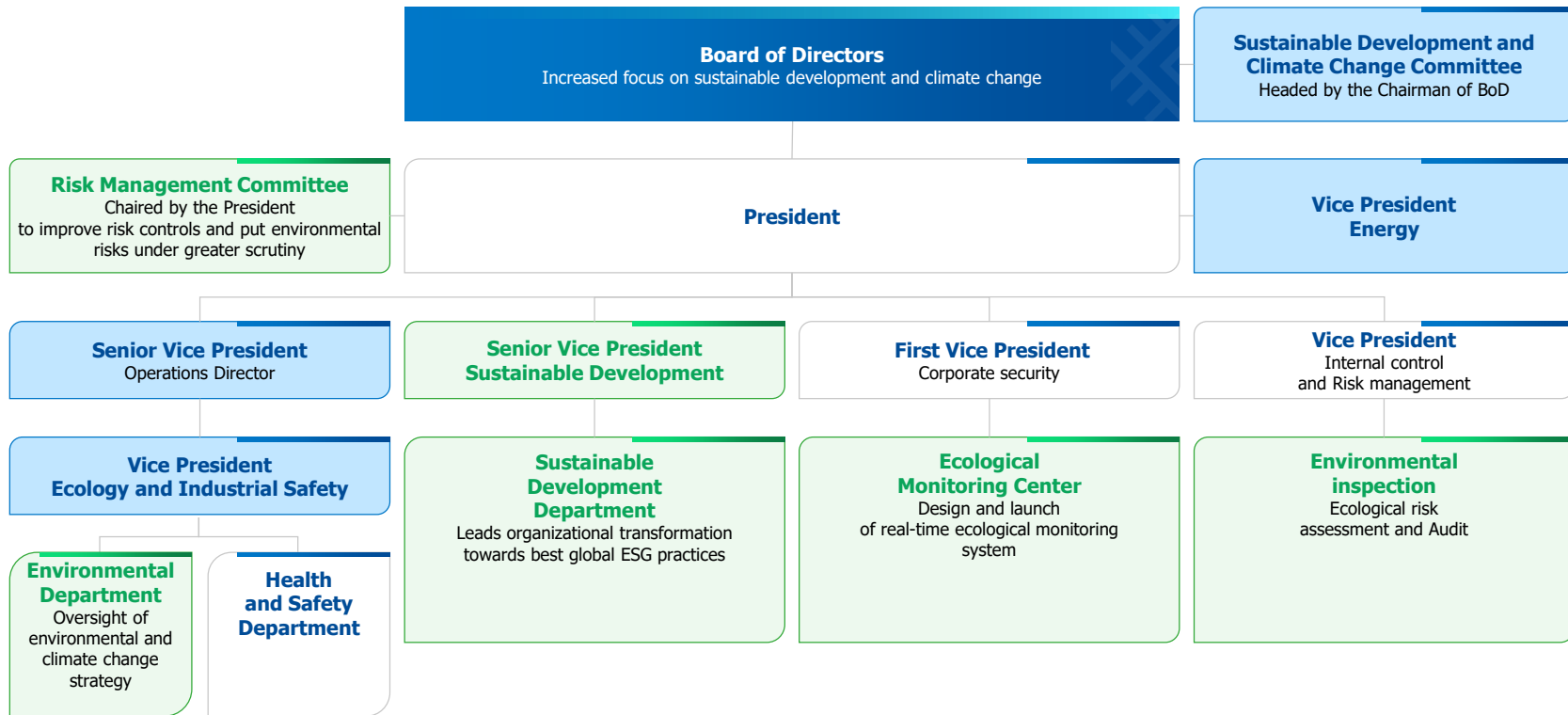
Source: Company's analysis, peer group include leading diversified peers BHP Billiton, Rio Tinto, Vale, Glencore, Anglo American. Most recent available data (2019-2020);
 Note: 1. Assessment under GHG Protocol Corporate Accounting and Reporting Standards. Nornickel GHG emissions include amount of emissions that come from providing Norilsk with electricity by NTEK, and reserve for CO₂ emissions from Sulphur Programme 2.0 execution, 2. For Nornickel incl. only downstream part of the supply chain, for peers including downstream and upstream

One of the Nickel Industry Lowest CO₂ Emissions Intensity



- Combined leadership of Nornickel on both cost and CO₂ intensity curves to ensure unique competitive advantage in the economy of “Tomorrow”
- Long-term target to sustain industry-leading positions in the 1st quartile of the emission intensity curve

Corporate Governance: Adjusting Organizational Structure to Respond to New Challenges



Advancing Sustainable Development Agenda

Selected Improvements 2020-2021

- Methodology for calculating Scope 3 downstream emissions in line with GHG protocol developed
- Report on Scope 3 downstream CO₂⁽¹⁾ emissions published
- Disclosure on Climate Change and Water Security made to CDP
- White Paper on NTEC's incident clean-up and response published
- Independent verification of CO₂ emissions reduction over 2019-2020 (carbon savings) by Ernst & Young (EY)

Near-term Objectives

- Prepare sustainable development strategies at the divisional level and decompose Group strategic KPIs to management levels
- Prepare key initiatives and estimate associated capex
- Carry on the waste collection and land reclamation programmed in Norilsk (launched in 2Q 2021)
- Continue full environmental remediation following the diesel spill incident (launched in 2020)
- Design and roll-out of permafrost-based foundations real-time monitoring center in Norilsk (piloted in 1H 2021)
- Improve internal procedures, systems and risk managements in accordance with ICMM and IRMA principles
- Prepare a TCFD compliance roadmap
- Obtain independent verification of the methodology for calculation of the carbon footprint of the Company's key metals
- Prepare new Stakeholder Engagement, Sustainable Development, Responsible sourcing, Climate Change and Environmental policies and environmental position statements (Water, Biodiversity, Tailings Management) and Supplier Code of Conduct
- Prepare Forest disclosure to CDP
- Progress with applications to ICMM and IRMA

Participation in Selected International Sustainable Development Initiatives

ecovadis Business Sustainability Ratings

- ESG rating 48/100 as of April'21 (vs.33/100 as of September'20)
- Industry average ESG score 41/100



- Compliance with GRI (global reporting initiatives) and RSPP public verification procedure
- First social responsibility report in 2003



- Signatory to UN Global Compact since 2016

IRMA Initiative for Responsible Mining Assurance

- Joined the Initiative for Responsible Mining Assurance as a Pending member in March 2021



- Joined Responsible sourcing block chain network in 2021



- Nickel institute – member since 2005
- International Platinum group metals association – member since 1999

Most Recent ESG Ratings

SUSTAINALYTICS

- ESG Risk Rating "High" Reiterated
- ESG Risk Rating⁽¹⁾ improved to 36.9/100 (from 38.3/100)
- Exposure Score 68.7/100, risk rating "High"
- Management Score 51.1/100, risk rating "Strong"

MSCI

Year	Rating
2016	CCC
2017	B
2018	B
2019	B
2020	B
Apr-21	B

- ESG rating "B" confirmed as of April 2021 in line with peers (improvement from CCC since 2015)
- Industry average – "B"

ISS ESG

Month	Governance	Environment	Social
June 2020	7	3	3
February 2021	4	3	3

- ESG score "C"/medium (improvement from "C" since October'19)
- Environmental score 3/10⁽¹⁾
- Social score 3/10⁽¹⁾
- Governance score 4/10⁽¹⁾

FTSE4Good

Year	Score
2017	2.4
2018	3.1
2019	3.0
Jun-20	4.0

- Reiterated as an index constituent (July'21)
- Overall ESG score 4/5 (improvement from 2.4 since 2017), which puts Norhickel in the top percentile
- Industry average – 2.2/5

S&P Global

Year	Score
2016	34
2017	33
2018	27
2019	37
2019 (June'20)	33
2020 (Nov'20)	44

- ESG score 44/100 (63% score improvement since 2018)
- Industry average – 39/100

CDP

- Disclosure to CDP launched in 2020
- Climate Change score – "D" (M&M sector – "C")
- Water Security score – "C" (M&M sector – "B-")
- Forest Questionnaire - Submitted in 2021

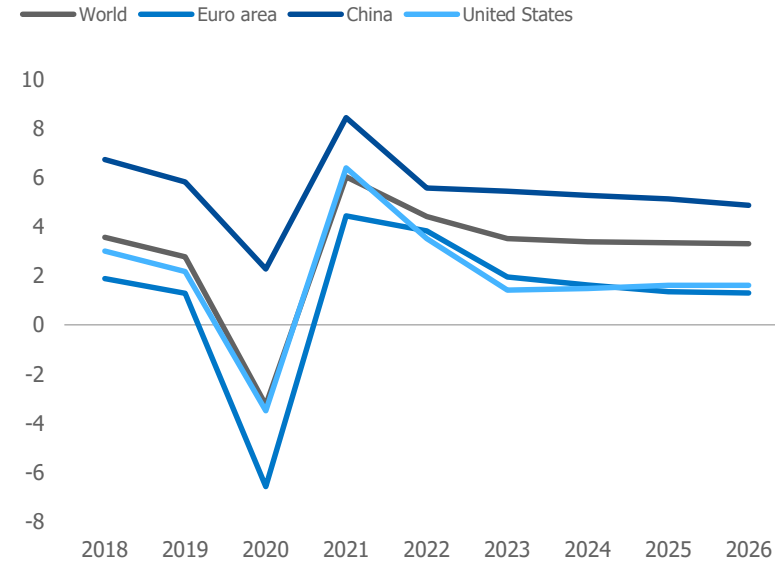
Markets Update



Rapid Recovery of the Global Economy from the COVID-Related Depression Follows a V-shape and Supported by Monetary Policy

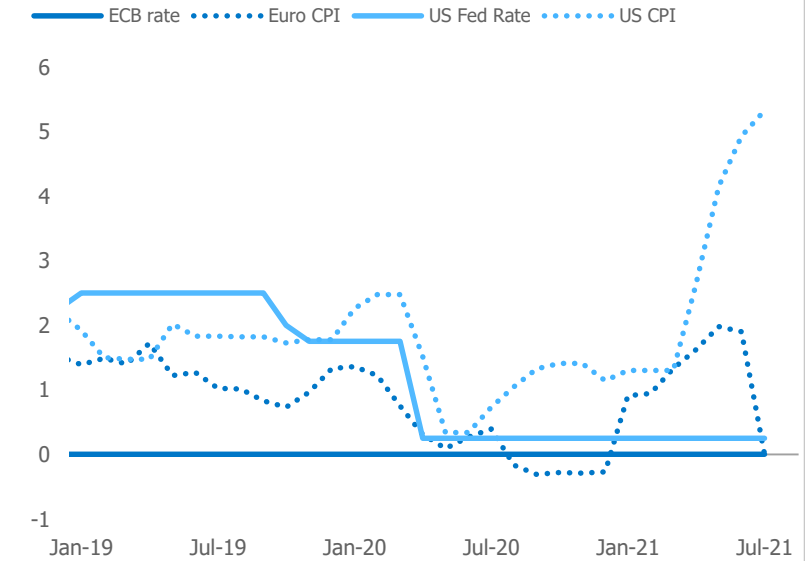
Strong Rebound in All Largest Economies in 2021, with Growth Rates Normalizing thereafter...

GDP Growth, % Y-o-Y



...Supported by Low Interest Rates and Injection of Liquidity by Central Banks

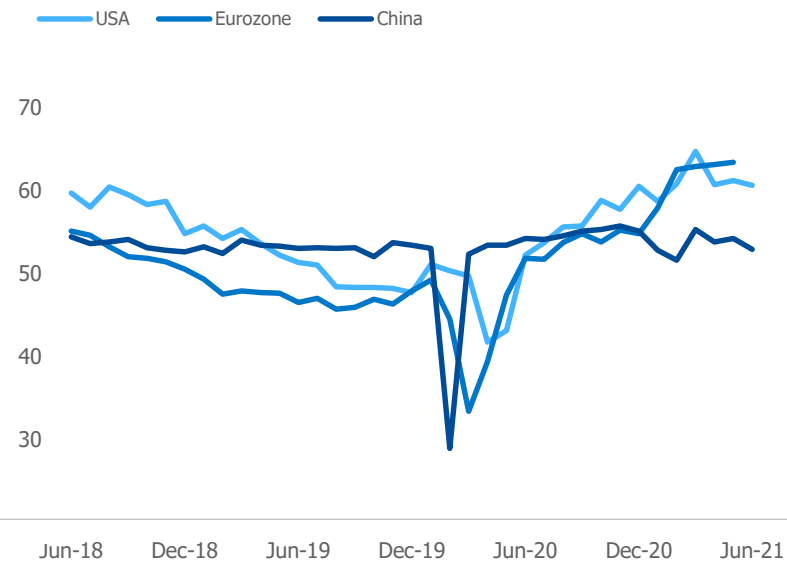
%



Strong Recovery of Industrial Production Drives an Uneven Short-Term Rebound in Metals Consumption in 2021

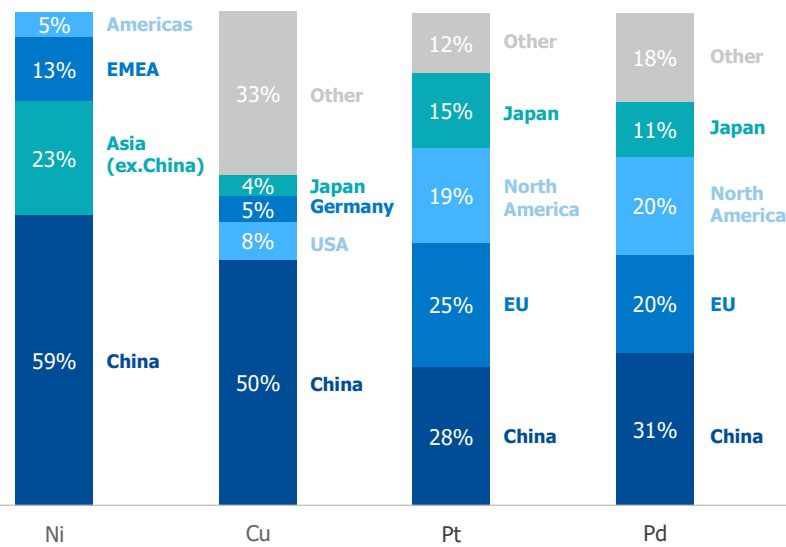
Recovery of Industrial Production Led by Europe and US Has Implications for Metals' Demand...

[manufacturing PMI, monthly data]



...as Europe and USA Are the Largest Consumers of PGMs, whereas China – of Base Metals

[breakdown of global consumption of metals by geography as of 2020]



Long-Term Decarbonisation Prospects Drive Heavily Up Short-term Sentiment towards Selected Commodities

USA



- Re-joined the Paris Agreement
- USD2 trillion potential investments under The Biden's "Build Back Better Plan"
- Emissions target -50% by 2030 vs. 2005⁽³⁾, funding for transport electrification over the next 10 years
- Subsidies for zero emission vehicles

Europe



- CO₂ target for a car industry – 55% by 2030 and – 100% by 2035 vs. 2021
- Carbon neutrality by 2050
- EUR1 trillion investments over 10 years⁽¹⁾
- 20+ battery gigafactories by 2025⁽²⁾
- Battery supply chain public funding of EUR6 billion from 12 states, potential for private funding of EUR14 billion

Asia



China

- Carbon-neutrality by 2060
- Sales target by NEVs: 20% in 2025 and 50% by 2035, the rest of the fleet will by hybrids
- Subsidies for NEVs

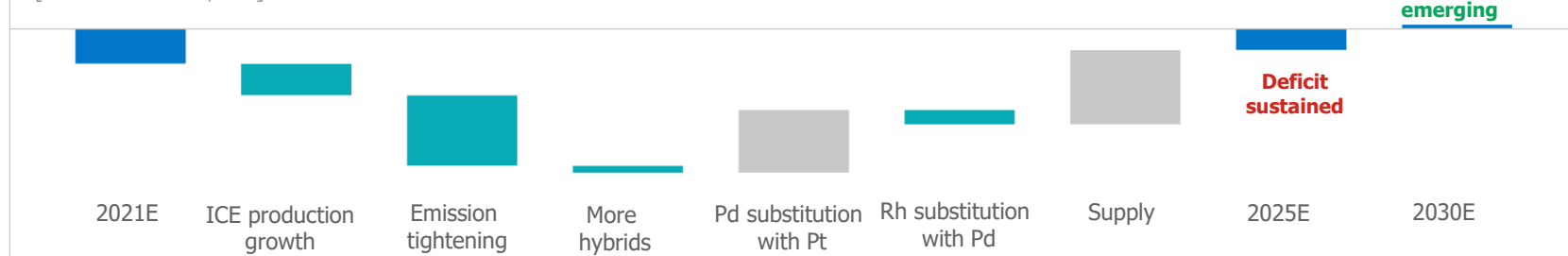
Japan and South Korea

Carbon-neutrality by 2050

Mixing Forecast Horizons: Mid-term Opportunities vs. Long-term Uncertainty

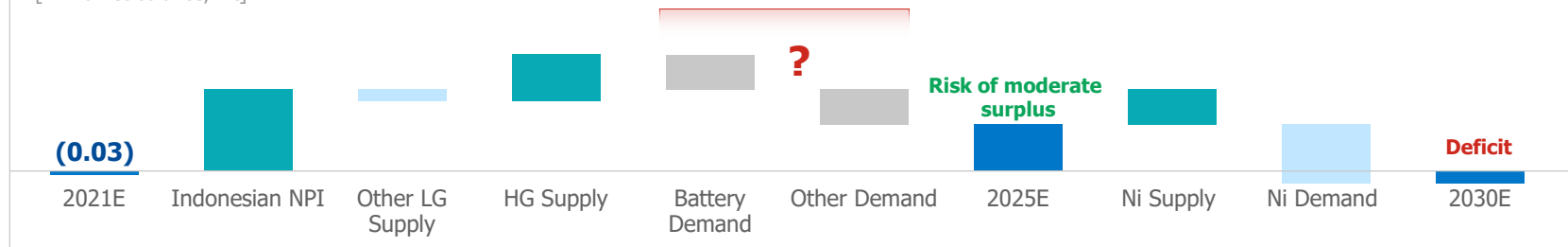
Strong Mid-term Outlook for ICE-Equipped Vehicles vs Long-term Zero Emission Targets

[Pd market balance, Moz]

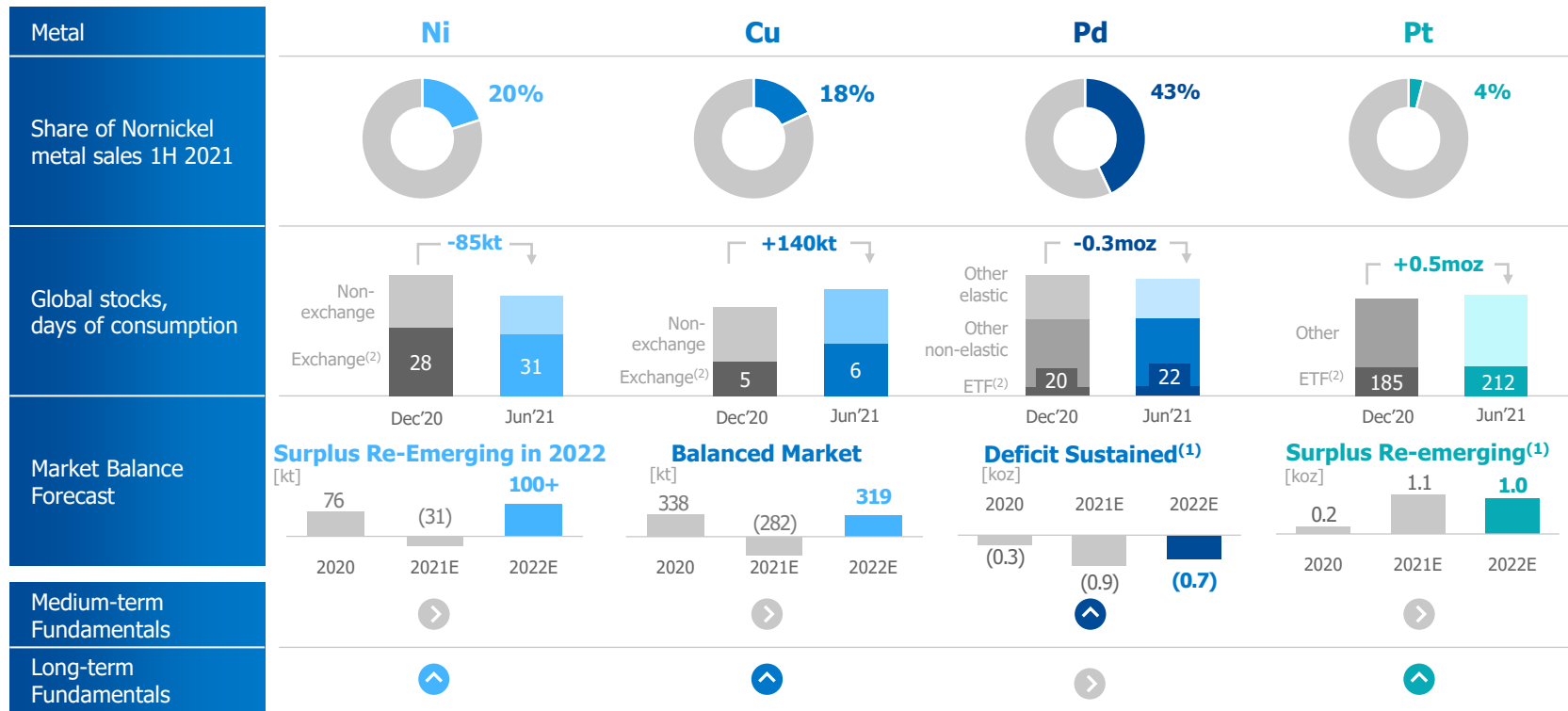


Major Additions of New Nickel Supply in the Mid-Term vs Distant Prospects of Demand Acceleration

[Ni market balance, Mt]



Metal Markets Outlook – View on Fundamentals

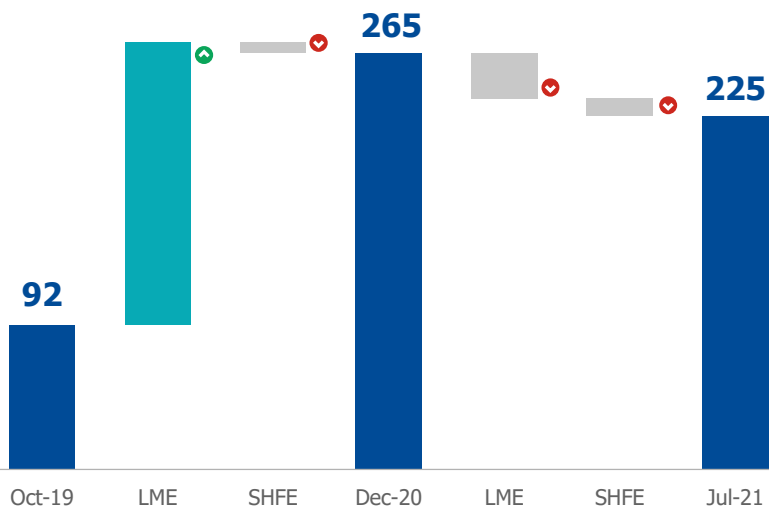


Source: Company estimates. Figures may not sum up due to rounding.
 Notes: 1. Excluding investments 2. In days of consumption

Nickel Exchange Stocks Declined in 1H2021 as the Market Temporarily Slipped into Deficit

Exchange Inventories Declined Due to Increasing Demand and Temporary Market Deficit

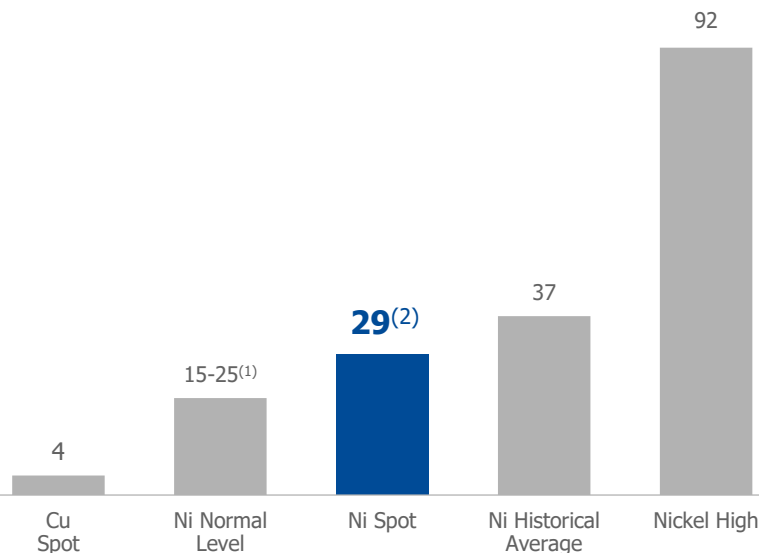
[kt Ni]



7-year low

Nickel Exchange Inventories Are Still Above Normal Level

[Days of consumption]

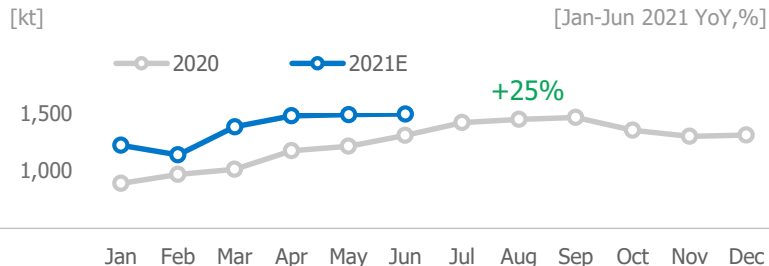


Sources: LME, SHFE, SMM, Company estimates.

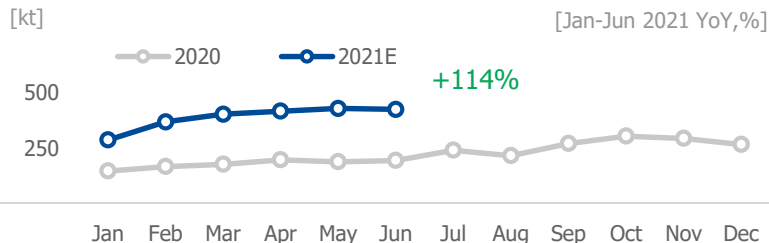
Notes: 1. According to markets participants, customers, 2. As of July 27, 2021

Stainless Steel (70%+ of Global Ni Demand): Double Digit Growth Led by China and Indonesia

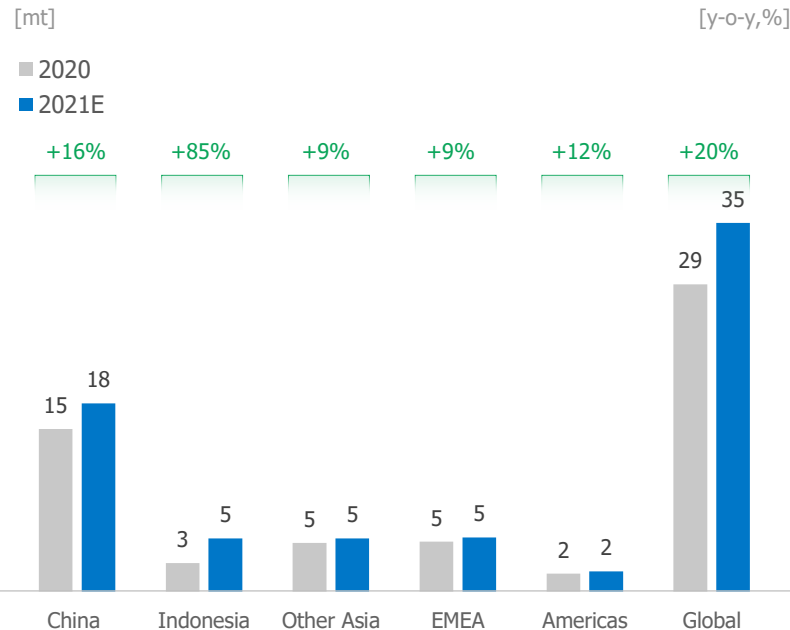
China: Growth in 300s Driven by Stimulus Package⁽¹⁾, Domestic STS Stocks Remain Flat



Indonesia: New STS Mills of Tsingshan and Delong Continue to Ramp Up Production of 300s



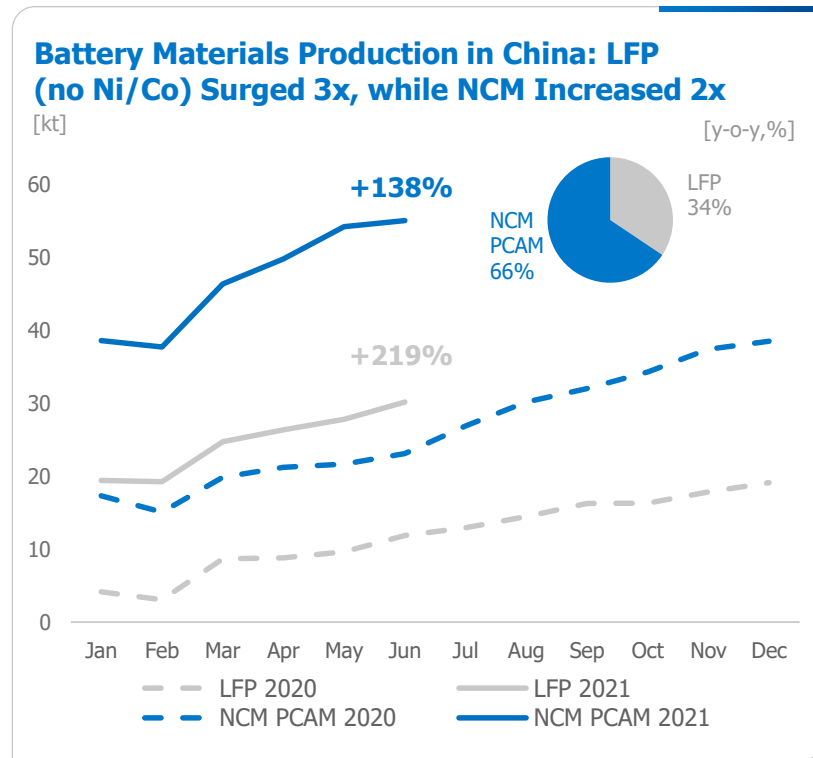
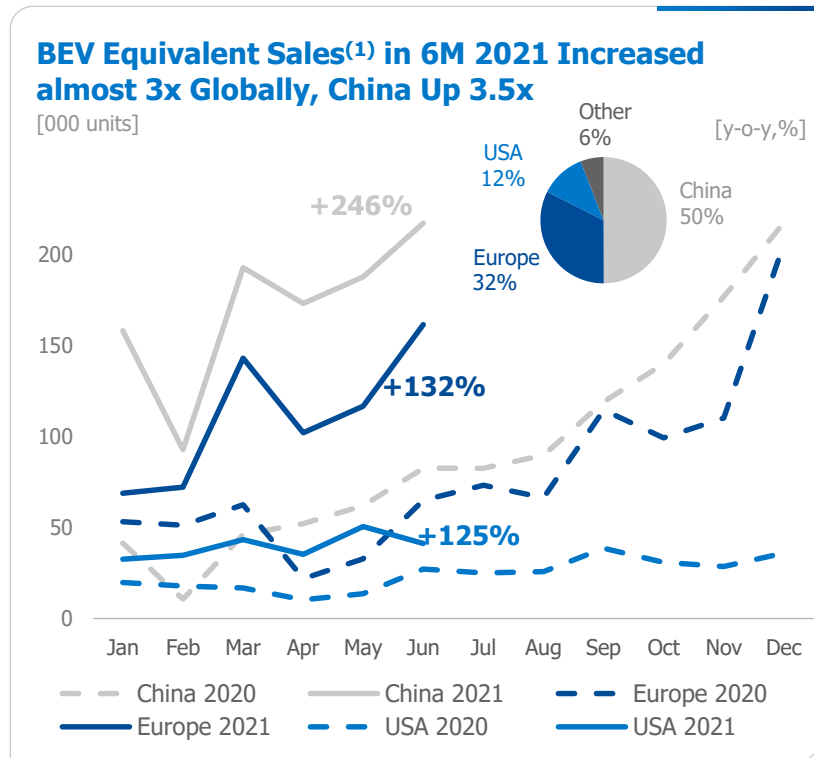
2021E: China and Indonesia Expected to Increase 300s Output by 5 Mt, while Others – by ~1 Mt



Sources: Zljsteel, Eurofer, SMR, METI, TSIIA, ISSF, Company estimates.

Notes: 1. 30 largest producers with 97% market share in 300 series production

Batteries (10% of Global Ni Demand): Strong Rebound in Global NEV Sales in 2021YTD



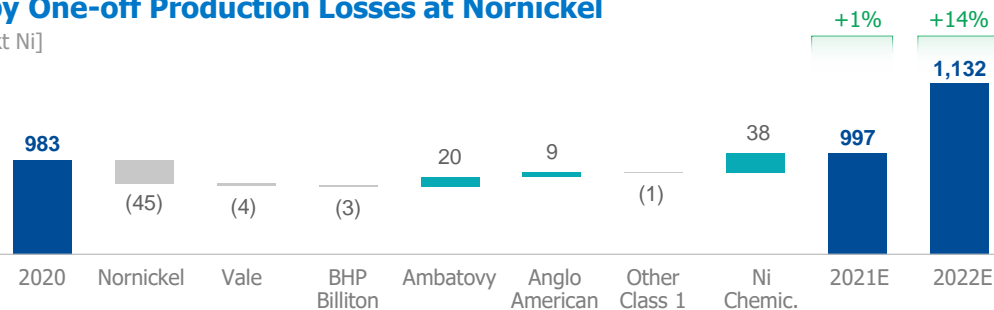
Sources: SNE Research, Company estimates

Notes: 1. BEV equivalent – HEV and PHEV are recalculated according to the relative battery capacity ratio: HEV 2KWh vs PHEV 12KWh vs BEV 55KWh

Nickel Production: >500kt Addition in LG High Carbon Footprint Supply, but Little in HG Low CO2 in 2021-2022

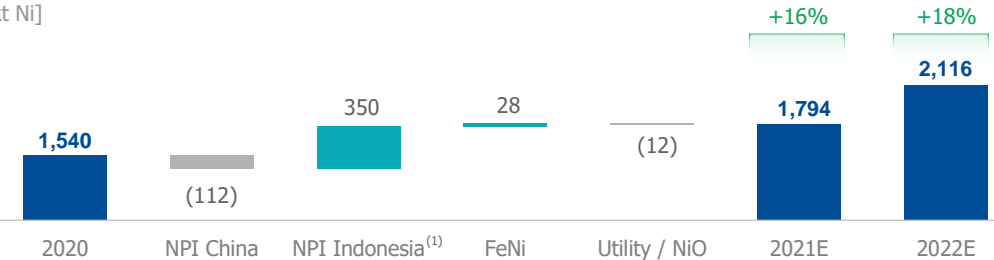
High-Grade Ni Supply in 2021 Negatively Impacted by One-off Production Losses at Nornickel

[kt Ni]



Low-Grade Ni Supply: Indonesia Adding 350kt Ni in NPI in 2021E and Another 360kt+ Ni in 2022E

[kt Ni]



- 2021E: Nornickel production declining due to temporary one-off impacts from mine flooding at Norilsk Division and an incident at Norilsk Concentrator
- 2022E: Nornickel production recovers in full as impacted mines and the concentrator to return to full capacity

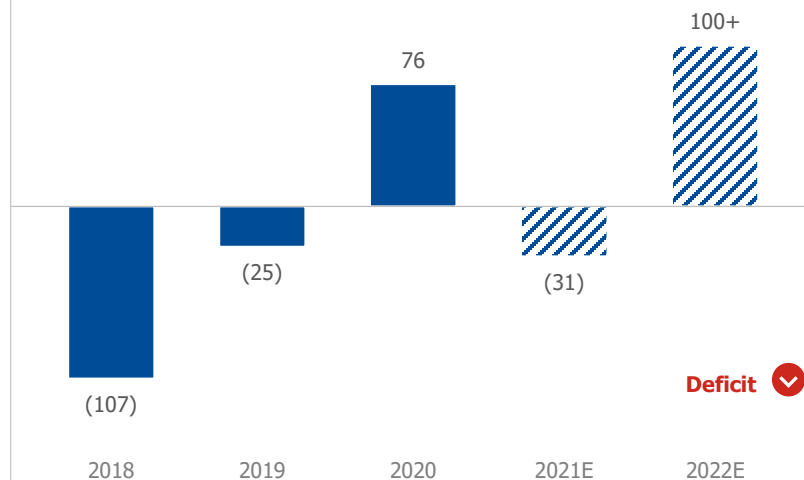
Sources: Felo, Mysteel, Company estimates.
Notes: 1. Including NPI-to-matte conversion

Nickel Market: 2021 Deficit is Short-Lived, Surplus to Return in 2022

Market Balance: Temporary Deficit Due to Production Losses and Post-Covid Demand Recovery

[kt Ni]

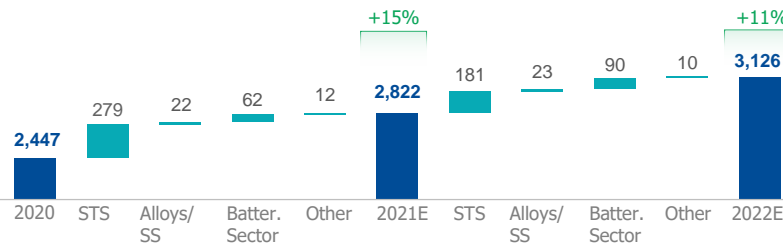
Surplus



Global Demand: Double-Digit Growth Driven by Stainless Steel and Batteries to Sustain in 2022

[kt Ni]

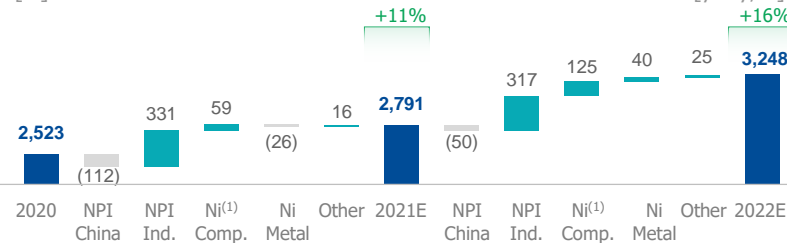
[y-o-y, %]



Global Supply: Indonesian NPI and Ni Compounds Main Drivers of Supply Growth in 2021-2022

[kt]

[y-o-y, %]



Source: Company estimates.

Notes: 1. Excluding Class 1 Ni dissolution in order to avoid double counting, 2. Other includes FeNi and Utility/NiO

Very Strong Long-Term Nickel Demand Outlook

Global Decarbonisation Targets Suggest a Substantial Increase in Nickel Consumption

Long-term impact on nickel demand



Growth of market share of BEVs



Growth of hybrids



Fuel cells



Growth of renewables/
low carbon fuel in power generation

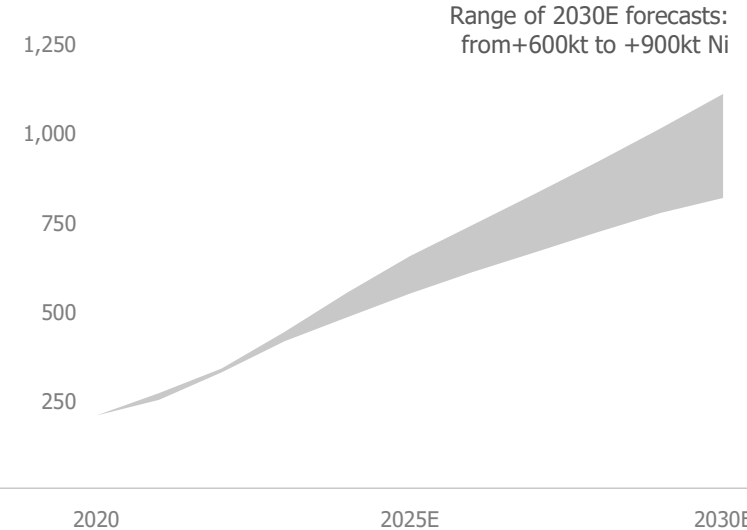


Storage and grid expansion
to support growth of xEVs



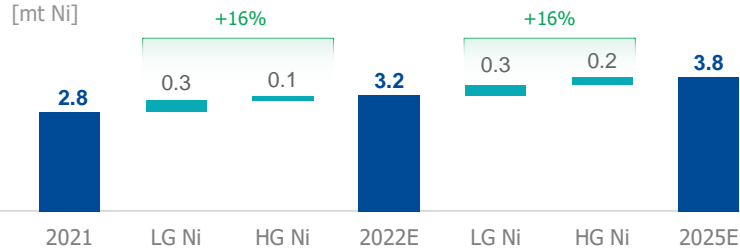
Expansion of Nickel-Intensive Battery Cathode Chemistries and Governments' Electrification Targets Drive LT Outlook for Ni Demand in Batteries

Nickel consumption in batteries, kt Ni

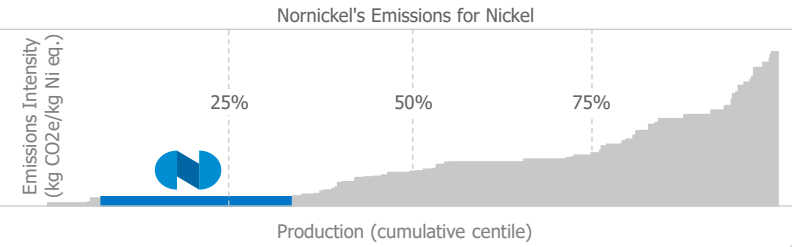


Long-Term Nickel Supply Challenge: Low Grade / High Carbon Footprint

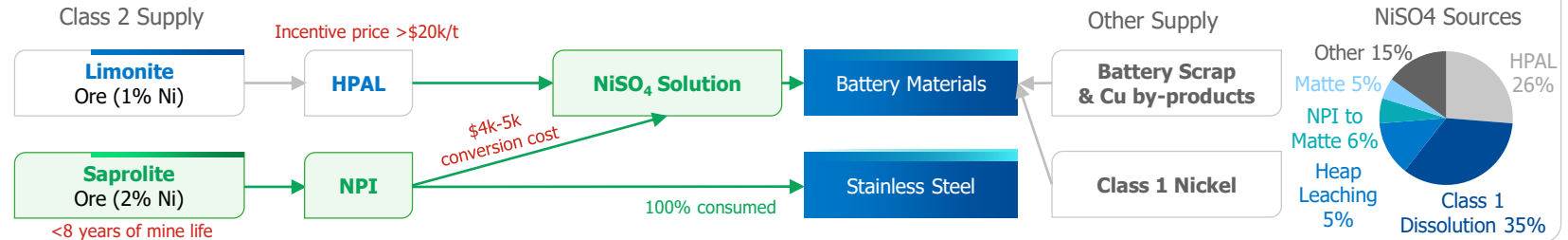
Over 0.6Mt of High Carbon / Low Grade NPI to Be Added in Indonesia in 2021-2025



Nornickel's CO₂ Footprint for Nickel is 9 Times Lower Than CO₂ Emissions of Indonesian NPI



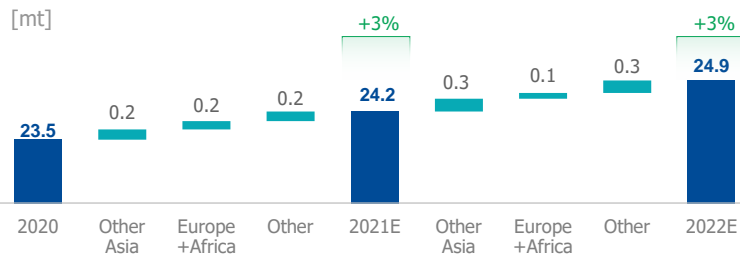
The Lowest Cost Saprolite Reserves: Short Mine Life, Extra \$4,000-5,000 per tonne of Ni for NPI-to-NiSO₄ Required; Limonites: Cash Cost Implies LT Incentive Price of over \$20,000/t Ni



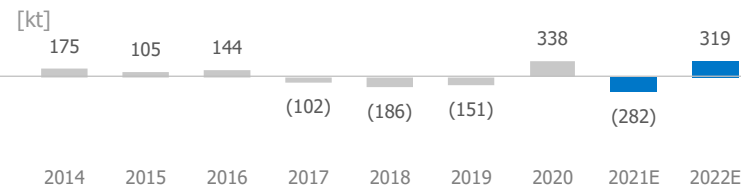
Sources: Wood Mackenzie, SMM, Roskill, Company estimates
 Notes: 1. Based on NiSO₄ production in 2021 by estimated feed source

Copper: A Largely Balanced Market with a Temporary Deficit in 2021

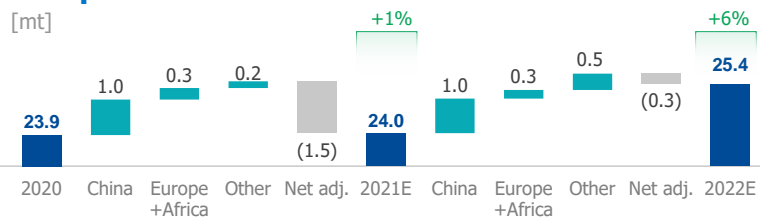
Copper Consumption is Expected to Grow Steadily at 3% in 2021 and 2022



Market Balance: Marginal Deficit in 2021 is Temporary Owing to Supply Lagging behind Demand Recovery



Refined Copper Production after Being Practically Unchanged in 2021 is Expected to Increase 6% in 2022

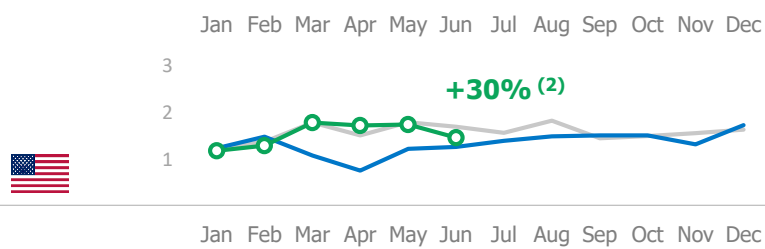
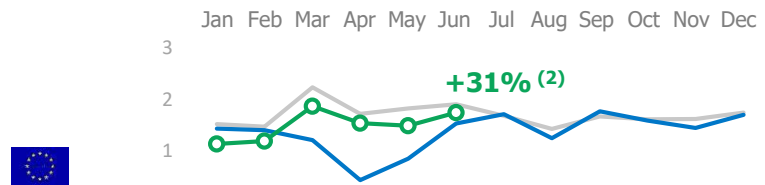
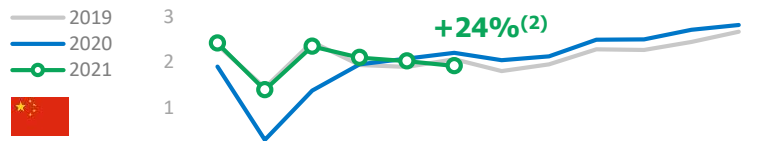


- **2021E copper supply disruption** rate is expected to be at the level of 5% owing to the potential labor strikes (Chile) related to negotiations over the renewal of collective bargaining agreements
- **The proposed increases in mining taxes in Chile and Peru** could disincentivise the development of Tier-1 and Tier-2 projects – likely negative longer-term impact
- **Copper demand** is supported by the government-backed infrastructure and green-economy projects as well as environmental initiatives (including European commission's proposal to cut the CO₂ emission from transport by 100% by 2035 vs 1990)

Global Autos (83% of Global Pd and 38% Pt Demand) Sales Recovering Strongly in 2021 to Pre-COVID Levels

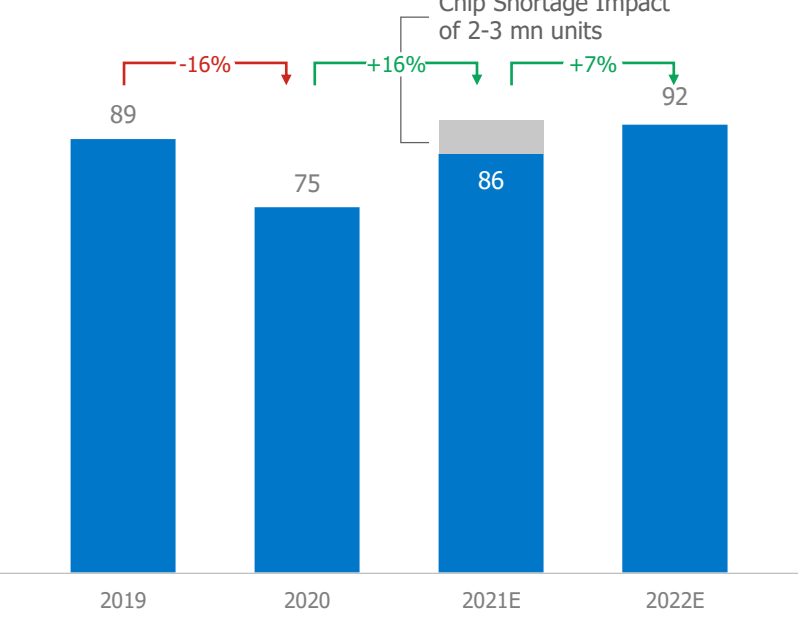
Global Auto Sales up 32% in 6M 2021⁽¹⁾ : Mostly Back to the Pre-Covid 2019 Levels

[million units]



Global Automotive Production Outlook: Recovery to Pre-Covid Volumes Expected in 2022

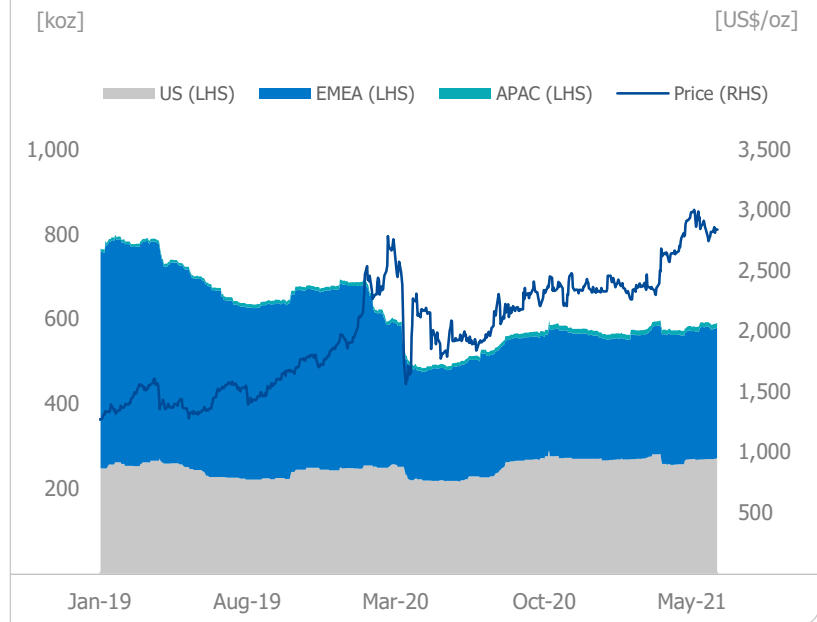
[million units]



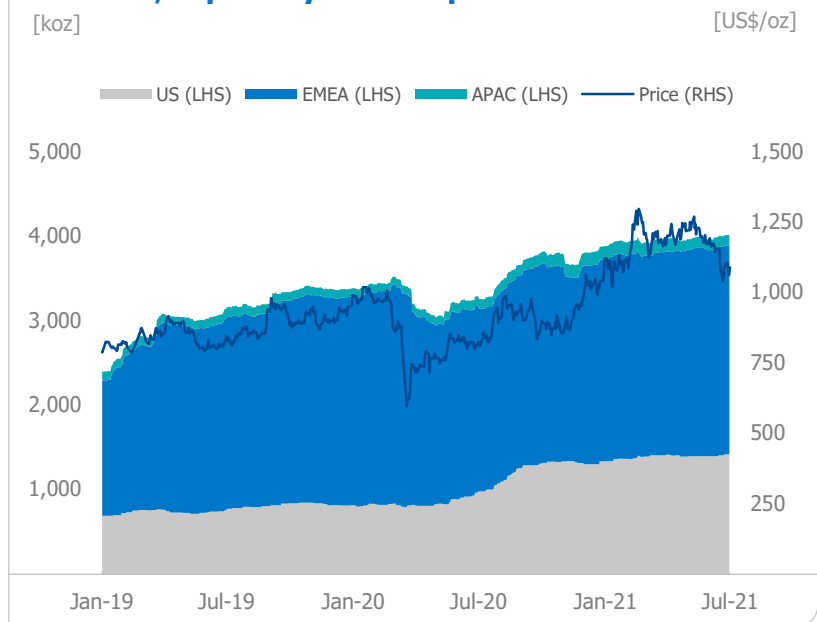
Source: LMC Automotive. Notes: 1. Light-duty vehicles (up to 6 tonnes), North America – USA and Canada, Asia - Japan and Korea, 2. 6M2021 vs 6M2020

Investment Demand (1% of Global Pd and 8% of Pt Demand in 2021YTD) – Minor Increases of PGM ETF Holdings

Palladium ETF Holdings increased by 54koz in 1H2021 on the Back of Growing Prices

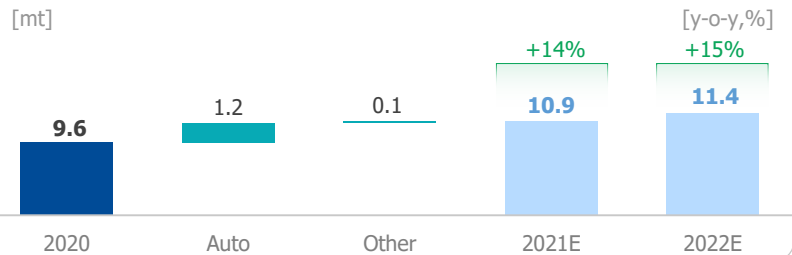


Platinum ETF Holdings increased by 125koz in 1H2021 Supported by Stronger Investment Demand, Especially in Jan-Apr

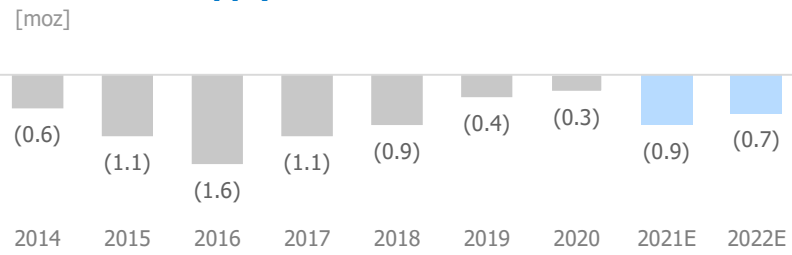


Palladium Market Remains in a Structural Deficit in the Mid-Term

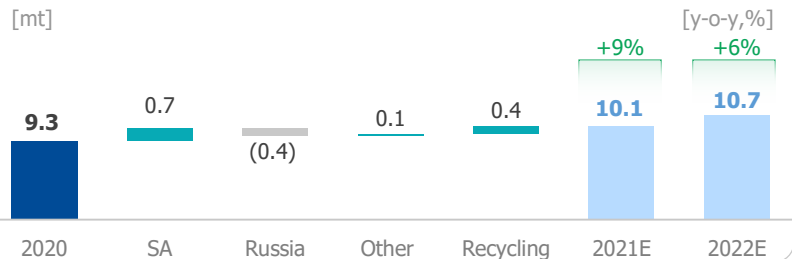
Demand Growth is Primarily Driven by the Automotive Market Recovery



Wider Market Deficit in 2021 due to One-off Supply Events



Palladium Supply: One-off Impacts of 2021 to Reverse in 2022



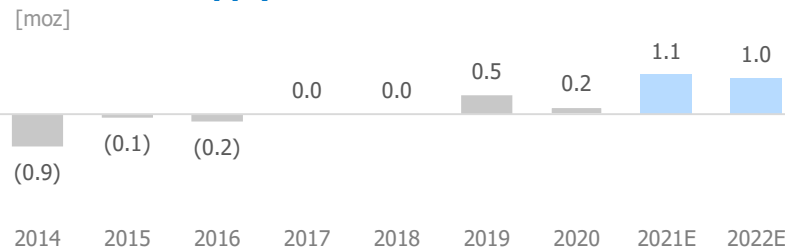
2021 global output has been negatively impacted by Nor Nickel's production losses (of circa 400koz), with some positive offset from the release of work-in-progress materials in South Africa (of circa 240koz)

Major Platinum Surpluses Only Partially Mitigated by Reviving Investment Demand

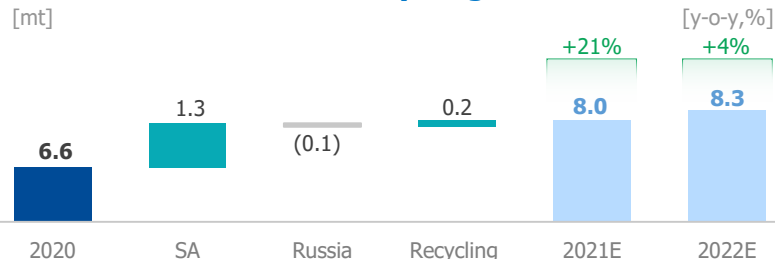
Higher Vehicles Sales, HDD Loadings in China and Jewellery Demand Recovery in 2021



Wider Market Deficit in 2021 due to One-off Supply Events



Platinum Supply: Release of WIP and Higher Supply from South Africa and Recycling in 2021



- **2021 global output** has been negatively impacted by Nornickel's production losses (of approximately 70koz), with some positive offset from the release of work-in-progress materials in South Africa (of approximately 350koz)
- **2021E demand:** expected retail investment of over 400koz in 2021, with 2021YTD platinum ETF holdings increase by 125koz
- **Introduction of China VI** for heavy-duty vehicles in 2021 caused 3x increase in Pt loadings

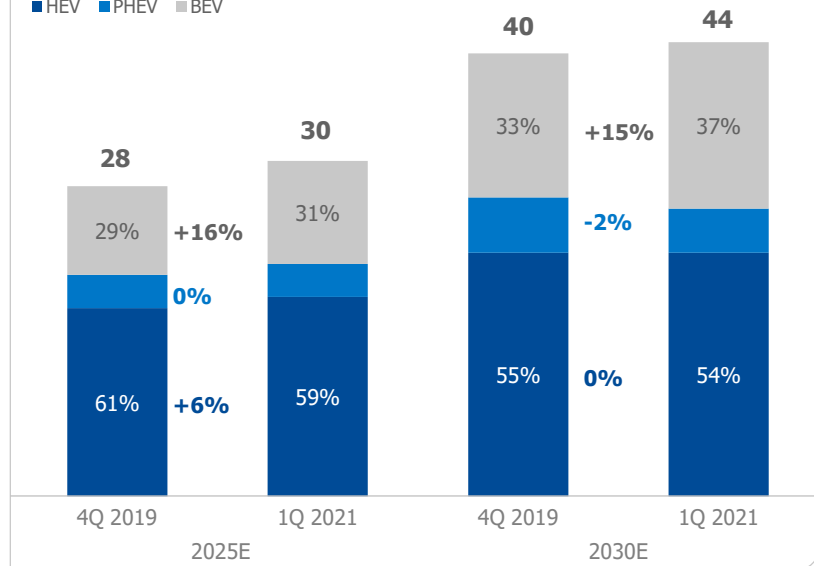
Fleet Electrification Targets Still Imply Active Hybridization in Mid-Term

Long Term Outlook for xEVs Improved Significantly in the LTM (xEVs mix, %)

[million units]

[change in forecast, %]

■ HEV ■ PHEV ■ BEV

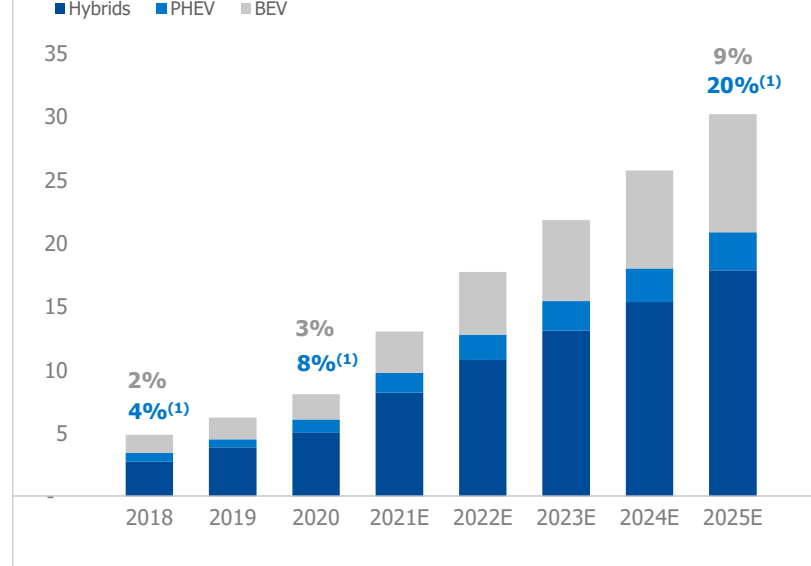


Industry Expectations: Hybrids to Dominate in the Electric Vehicles Mix in the Mid-Term

[million units]

[share in global LV production, %]

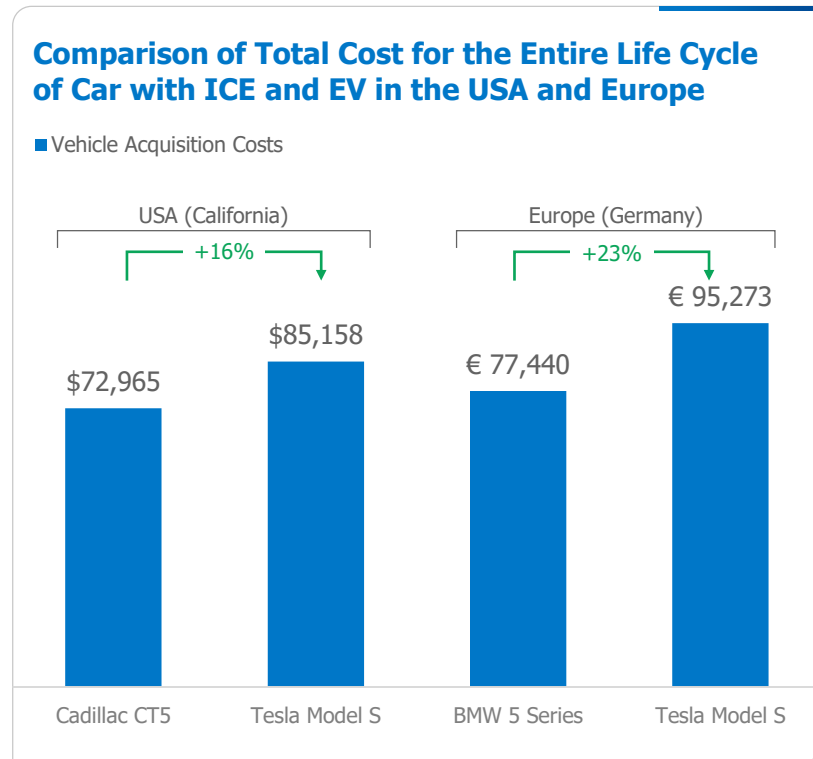
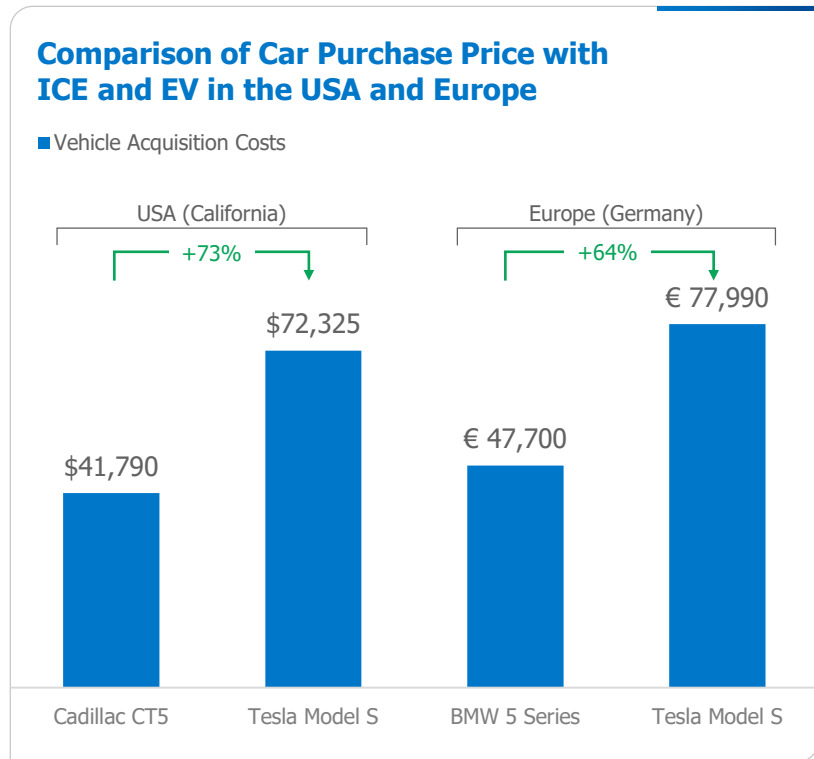
■ Hybrids ■ PHEV ■ BEV



Source: Company estimates, announcements by OEMs, LMCA.

Note: 1. Hybrids and PHEV share in global LV production

Cars with ICE Outperform EV's Both in Terms of the Purchase Price and the Full Life Cycle Costs, So Far...(?)



Source: Nickel institute

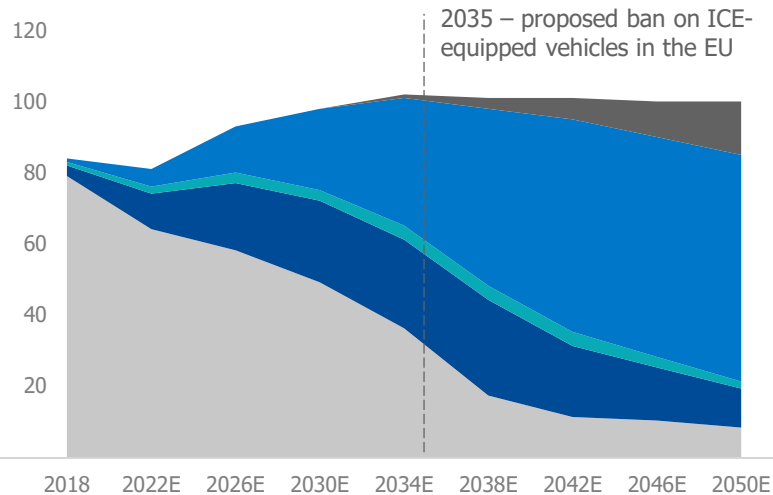
Notice: Car purchase price - for Tesla Model S, including tax benefits / subsidies and charging station installation; Total Life Cycle Cost - 10 Years Life, Vehicle Cost Amortization, Fuel Cost / Charging Cost, Mileage - 55km / day or 20,000 km / year (Europe) and 40 miles / day or 12,000 miles / year (US)

Long-term Autos Outlook: Cars with Internal Combustion Engines Will Dominate Autos' Mix for at Least Another Decade

ICEs Including Hybrids to Remain By-and-large Flat Through 2027-2030, but PGM Loadings to Increase

[million vehicles]

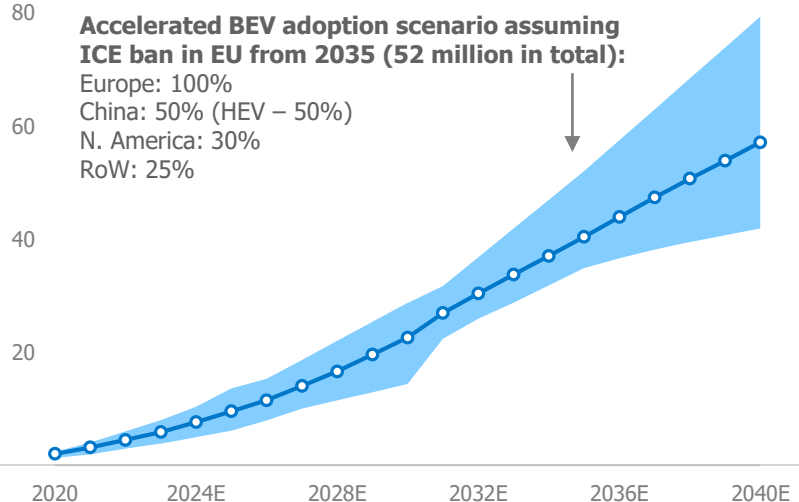
■ IC-Only ■ xHEV ■ PHEV ■ BEV ■ FCEV



A Wide Range of Opinions Regarding the Long-Term Prospects of BEVs ⁽¹⁾

[BEVs, million units]

■ Forecast Range —○— Consensus



Note: 1. Consensus forecast is based on projections published by LMC Automotive, IHS, Goldman Sachs, Morgan Stanley, BMO, Bloomberg NEF, UBS, BCG, Deloitte, S&P Global, HSBC, CRU

Global Decarbonisation – Risk Assessment for Nornickel's Metals
























	Gasoline	Diesel	Hybrid incl. PHEV	BEV	FCEV
CAGR ¹	+1%	0%	+28%	+38%	+41%
Market Share ²	57%	11%	20%	12%	<1%
Ni	Stainless Steel & Parts		+Batteries		-
	2-4 kg	2-4 kg	5-15 kg	30-110 kg	2-3 kg
Cu	Wires & Parts		+Electric Motor, Generator Winding, Charging Infrastructure		
	20-25 kg	20-25 kg	45-50 kg	75-80 ⁽³⁾ kg	70-75 kg
PGM	Catalysts			-	Fuel Cell
	2-5 g	3-6 g	4-10 g	-	25-35 g
Pt:Pd ratio	1:4	8:1	1:4	-	-
Metal value per vehicle, US\$ ⁽⁴⁾	\$450-1,110	\$340-630	\$730-1,540	Up to \$2,800	Up to \$2,000

Source: Company estimates, LMC Automotive, Bloomberg;

Note: 1. CAGR for 2020-2025E, 2. Expected market share in 2025 based on production;

3. Excluding additional infrastructure demand of 1-8 kg per charger; 4. Metal values calculated at spot prices as of July 19, 2021

Global Decarbonisation – Risk Assessment for Nornickel’s Metals

	Ni	PGMs	Cu
 Growth of market share of BEVs			
 Growth of hybrids			
 Fuel cells			
 Growth of renewables/ low carbon fuel in power generation			
 Storage and grid expansion to support growth of xEVs			
Net impact			

A New Era in Metal Trade

Nornickel staged for the new era of digital transactions, which will optimize supply chain efficiency and transparency

- Nornickel [has joined the Responsible Sourcing Blockchain Network \(RSBN\)](#), an industry collaboration among members across the minerals supply chain using blockchain technology to support responsible sourcing and production practices from mine to market. With Nornickel joining the RSBN, a series of its supply chains will be audited annually against key responsible sourcing requirements by RCS Global
- In January 2021, The Global Palladium Fund, founded by Nornickel, [launched Exchange Traded Commodities \(ETC\)](#) for precious metals on Deutsche Börse and LSE giving markets low-cost access to commodity investment opportunities.
- Simultaneously, the GPF has [issued the first industrial tokens involving metal contracts](#) to its major industrial partners Traxys SA and Umicore SA
- In June 2021, the Fund [issued the first-ever physically-backed nickel and copper ETCs](#)
- In 1H2021, the Company [commenced production of certified carbon-neutral nickel](#). The carbon-neutral nickel will be tokenised on Atomyze and the tokens will be listed on the Vienna Stock Exchange by Global Palladium Fund

We envisage offering a part (up to 20%) of our sales to industrial customers in 2021 through digital transactions

RSBN
RESPONSIBLE SOURCING
BLOCKCHAIN NETWORK

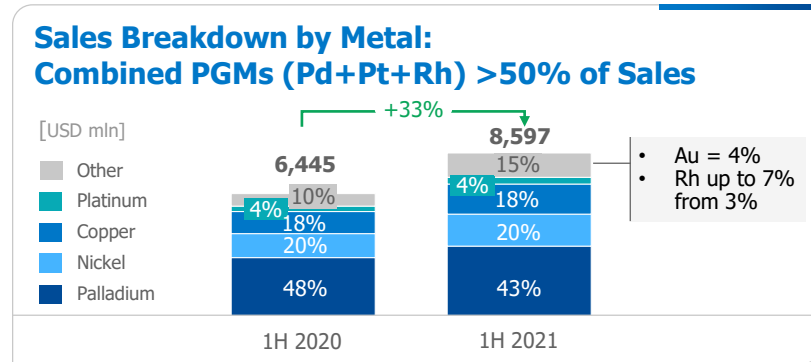
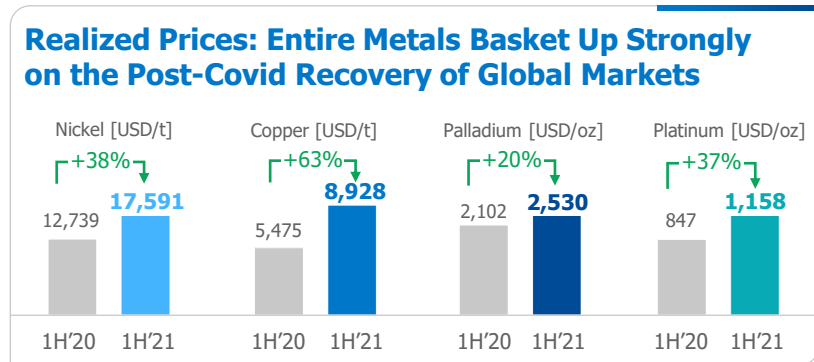
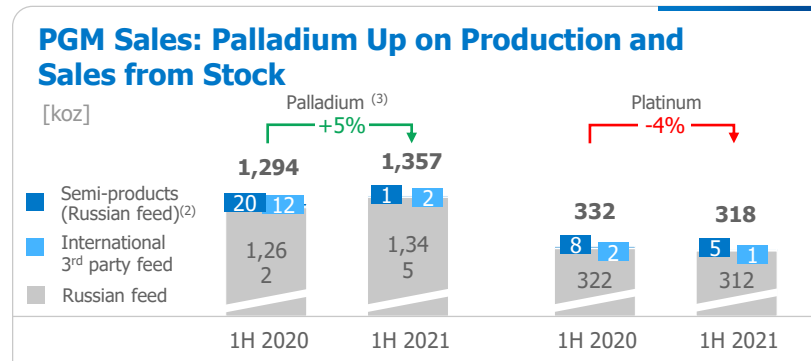
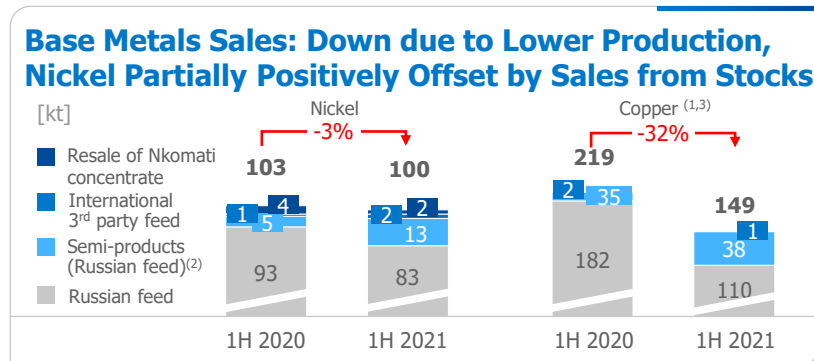
**GLOBAL
PALLADIUM
FUND**

 | 
NORNICKEL | **CARBON NEUTRAL**

Financial Update



Metal Sales Volumes and Realized Prices

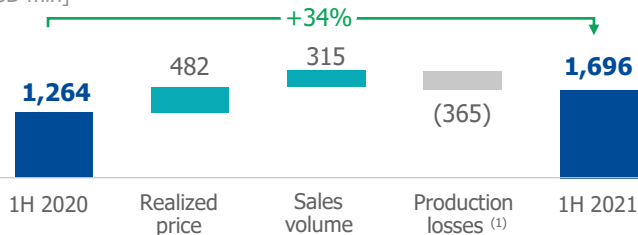


Note: 1. Includes ore concentrates, produced by GRK "Bystrinskoe" 2. Metal contained in semi-products, including nickel and copper matte 3. Excluding sales of metals purchased from third parties

Metals Revenue: Negative Impact of Production Losses Have Been Well Offset by Higher Commodity Prices

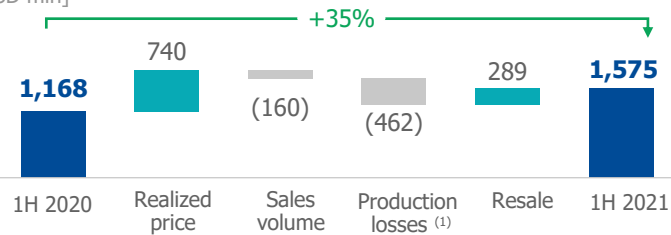
Nickel Revenue: Up 34% on Higher Prices and Sales of Metal from Stocks Accumulated in 2020

[USD mln]



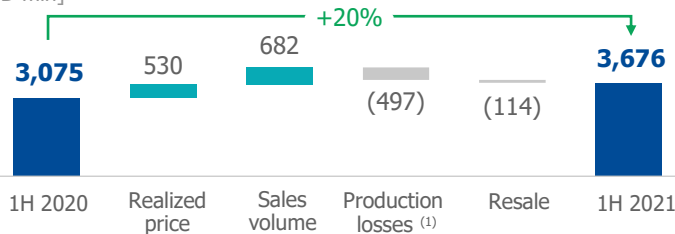
Copper Revenue: Higher Prices Well Offset Reduction of Sales due to Production Losses

[USD mln]



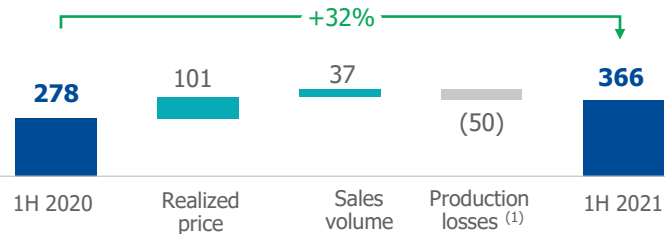
Palladium Revenue: Up 20% on Higher Prices and Sales Volumes Driven by Higher Production

[USD mln]



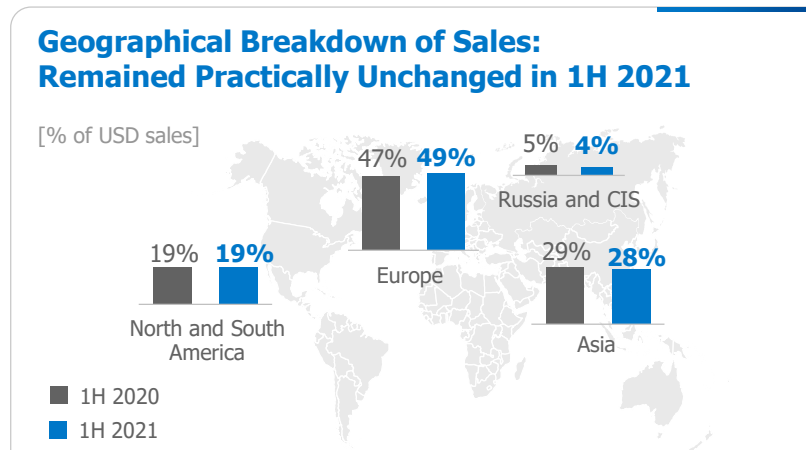
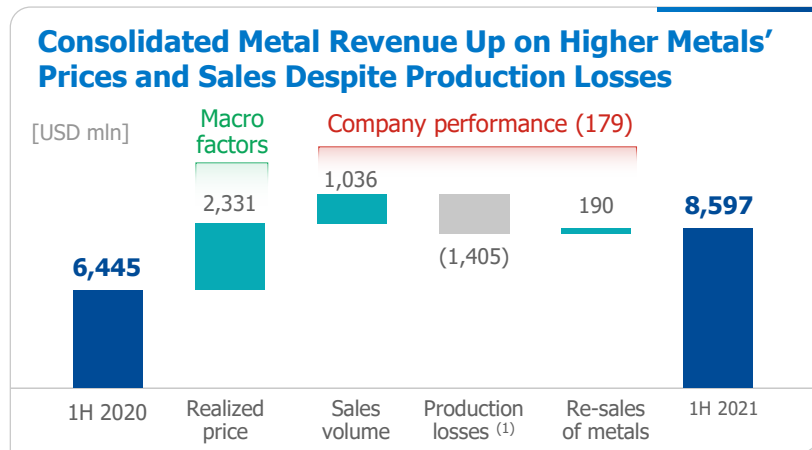
Platinum Revenue: Up 32% on Higher Prices

[USD mln]



Note 1: Two mines of Norilsk Division were temporarily suspended in 1H due to natural groundwater inflow; of the two mines, Oktyabrsky has now returned to its full capacity, Taymirsky operating at 80% and is expected to resume to full capacity in 4Q. Norilsk concentrator operating at 85% capacity and is expected to return to full capacity in early October

Consolidated Metal Revenue



- + Stronger nickel, copper, palladium and rhodium prices
- + Increase in palladium and rhodium production/sales volumes, disposal of nickel stock and moderate sale of palladium from stocks accumulated during COVID-related recession in 2020
- + Resale of copper purchased on the market, partially offset by decline in palladium resale
- Reduction of sales volume due to temporary shutdown of two mines and a concentrator in Norilsk Division ⁽¹⁾

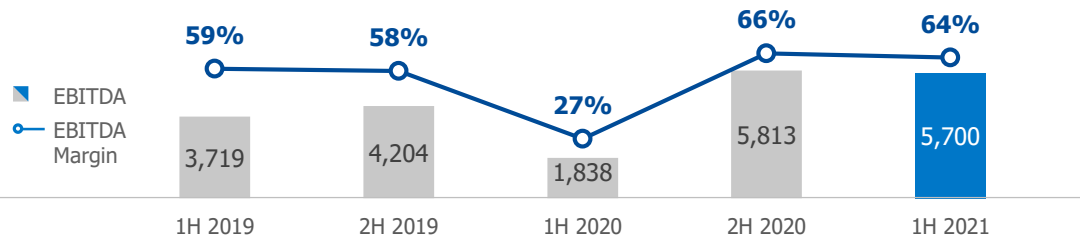
- Europe remained the largest market with a slight increase to 49% of consolidated metal sales revenue
- No material changes in the sales to Americas
- A minor decrease of sales to Asia (by 1 p.p.) to 28% owing to a reduction of spot metal sales
- Domestic sales remained relatively minor

Note 1: Two mines of Norilsk Division were temporarily suspended in 1H due to natural groundwater inflow; of the two mines, Oktyabrsky has now returned to its full capacity, Taymirsky operating at 80% and is expected to resume to full capacity in 4Q, Norilsk concentrator operating at 85% capacity and is expected to return to full capacity in early October

EBITDA and EBITDA Margin

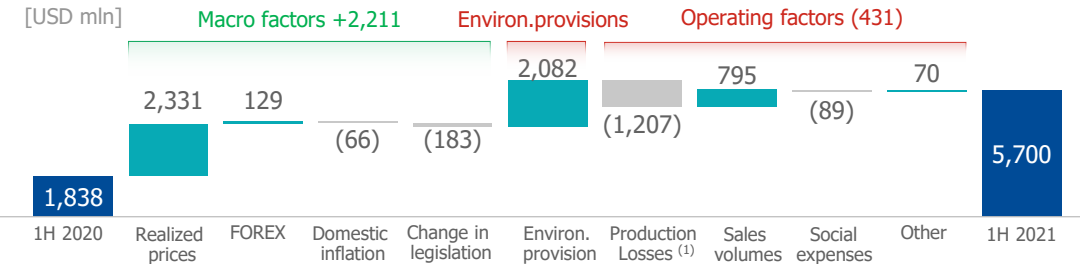
Changes in Semi-annual EBITDA and EBITDA Margin

[USD mln]



1H 2021 EBITDA: Stronger Prices and Lower Expenses on Environmental Provisions Partly Offset by Production Losses

[USD mln]

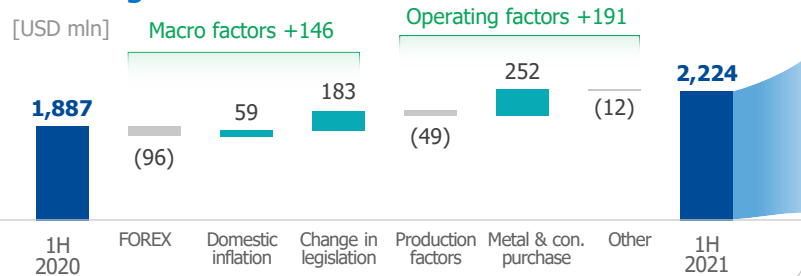


- + Realized metal prices (+USD2,331 mln)
- + 7% depreciation of RUB against USD (+USD129 mln)
- Domestic inflation of 4.2% (-USD66 mln)
- Increase in mineral extraction tax (3.5x) due to a taxation change (-USD183 mln)
- + Provision for the reimbursement of environmental damages (major portion booked in 1H 2020) (+USD2,082 mln)
- Production losses due to the temporary suspension of two mines and an accident at Norilsk concentrator in Norilsk Division (-USD1,207 mln)
- + Increase in sales volumes (net of production losses) mainly due to the ramp-up of a new PGM line at Kola MMC (+USD795 mln)
- Higher social expenses owing to booking reserves for a new agreement with the regional government (-USD89 mln)

Note 1: Two mines of Norilsk Division were temporarily suspended in 1H due to natural groundwater inflow; of the two mines, Oktyabrsky has now returned to its full capacity, Taymirsky operating at 80% and is expected to resume to full capacity in 4Q, Norilsk concentrator operating at 85% capacity and is expected to return to full capacity in early October

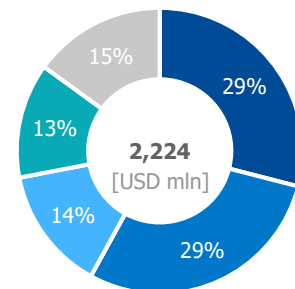
Operating Cash Costs

Operating Cash Costs Increased 18% in 1H'21 Owing to Changes in Taxation and Production Losses

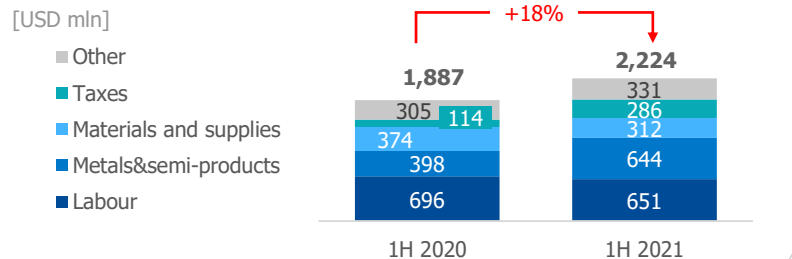


1H 2021 Cash Costs Breakdown

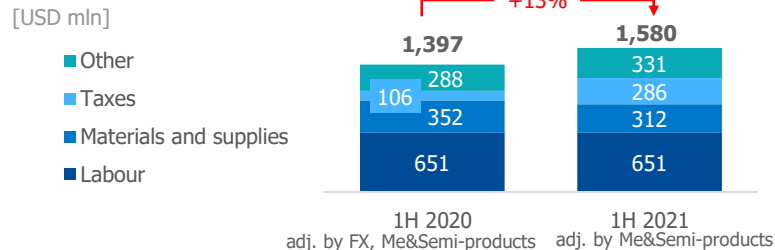
- Labour
- Metals and semi-products
- Materials
- Taxes
- Other



Reported Cash Costs: Up on Higher Mineral Extraction Tax Rate and Metals Purchases

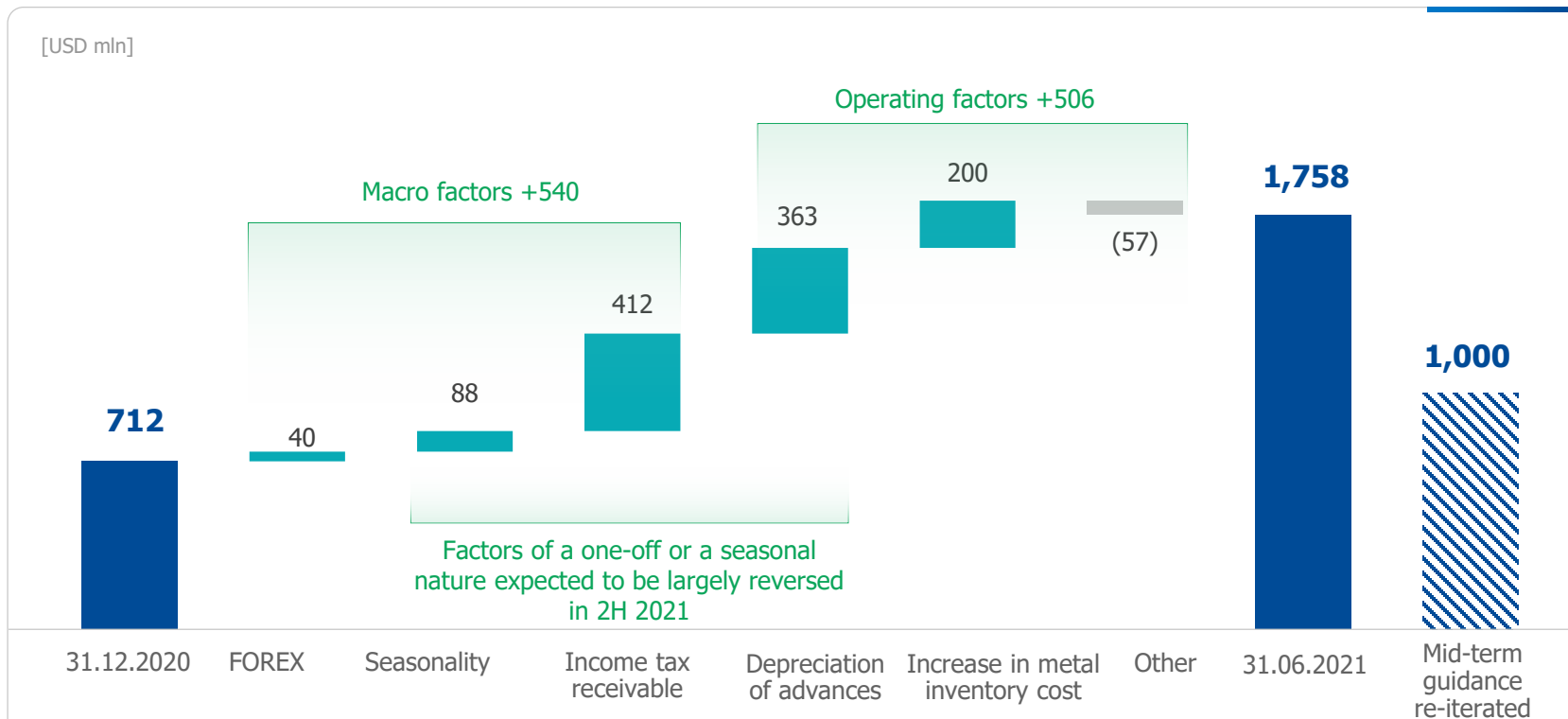


Cash Costs Adjusted ⁽¹⁾ for Forex, Metals and Semi-products Purchased



Note: 1. Semi-products include Rostec concentrate and Nkomati

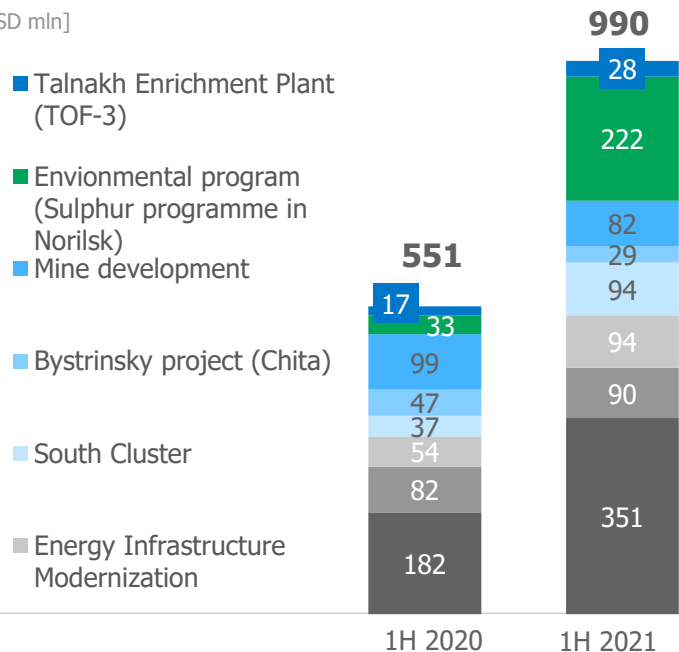
Net Working Capital Changes in 1H 2021



Allocation of Capital Investments

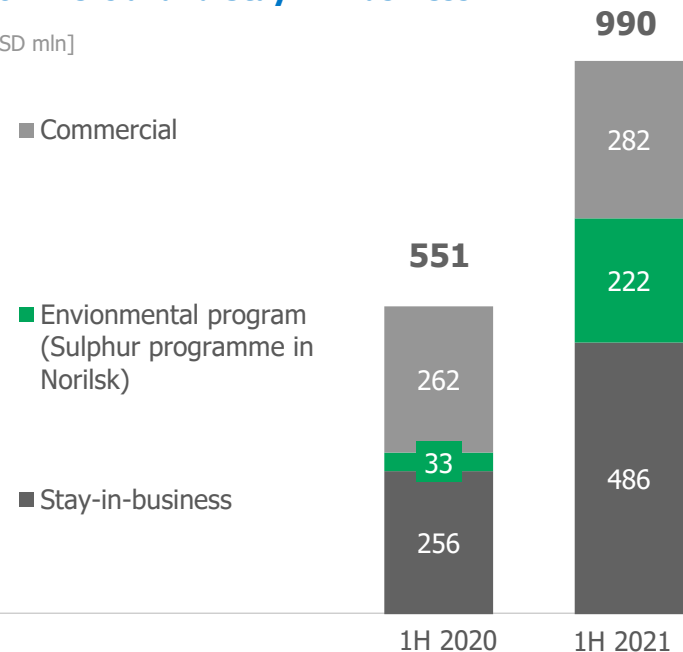
CAPEX (1) Breakdown by Projects

[USD mln]



CAPEX (1) Allocation: Commercial and Stay-in-Business

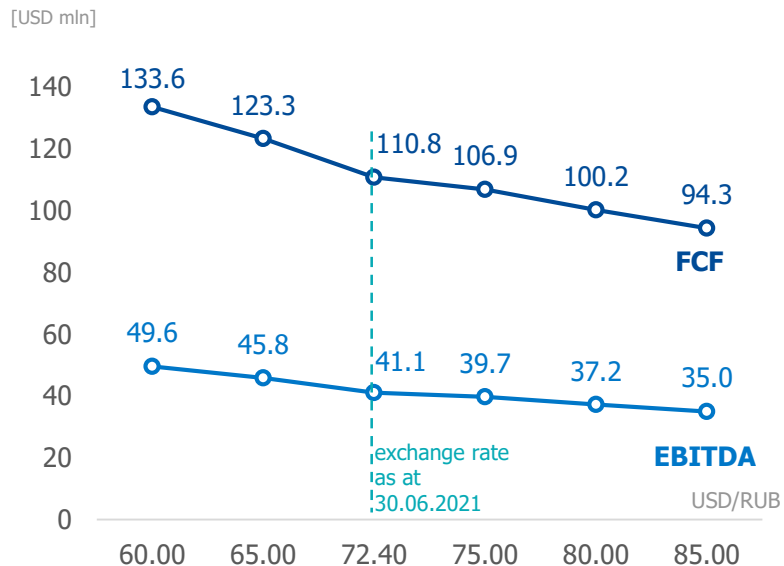
[USD mln]



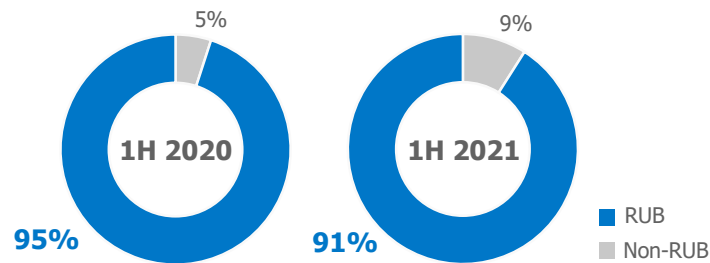
Note: 1. CAPEX in Cash flow statement, net of VAT

Financial Results Sensitivity to USD/RUB Exchange Rate

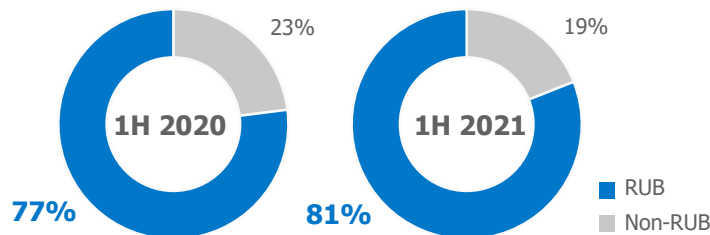
At USD/RUB rate of 72.4, 1% change in exchange rate translates into EBITDA change of USD41.1 mln, FCF change of USD110.8 mln



OPEX Break Up by Currency (1)

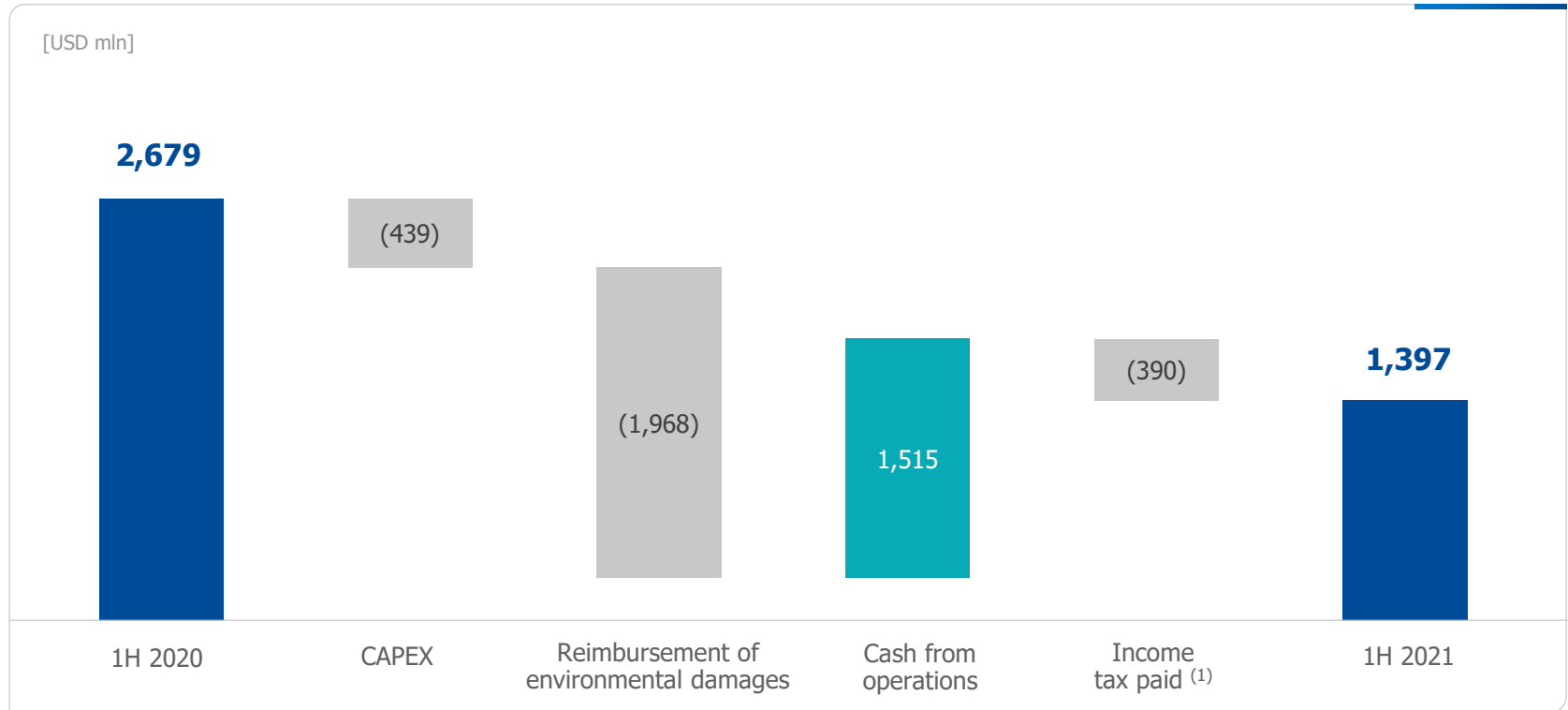


CAPEX Break Up by Currency



Note: 1. Cash costs (change in stock excluded), Cost of non-metal sales, SG&A; normalized by cost of refined metals for resale

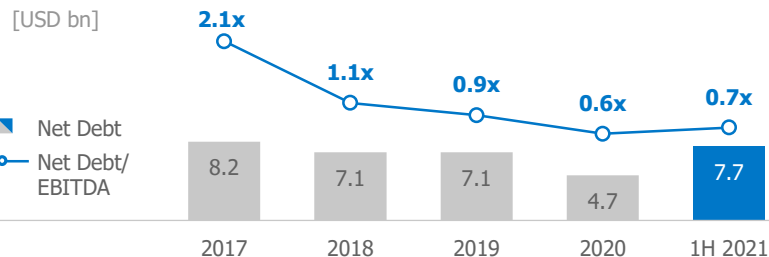
Free Cash Flow Decreased to USD 1.4bn



Note: 1. Increase in income tax payments due to higher taxable pretax profit

Balance Sheet Management

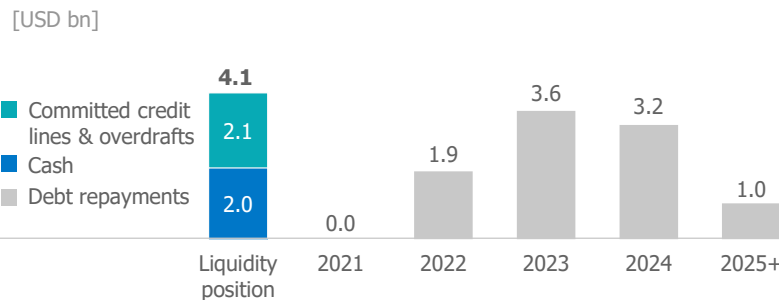
Leverage Maintained at below Mid-cycle Level of 1.0x



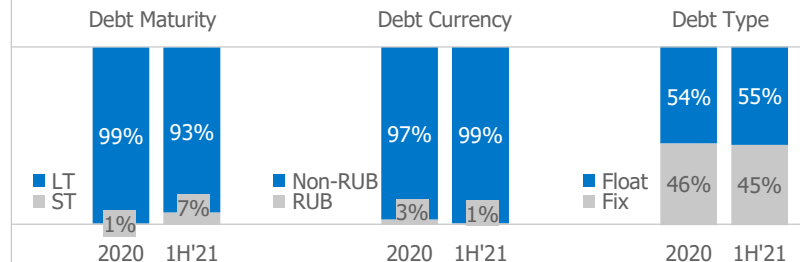
Proactive Debt Management

- In February 2021, at the scheduled call option date the RUB15 billion exchange-traded ruble bonds with a coupon rate of 11.6 % p.a. were fully repaid
- On June 30th, two new committed revolver credit facilities with the total limit of RUB80 billion were signed
- The combined liquidity position (cash and undrawn committed credit lines ⁽²⁾ and overdrafts) totals USD5.2 billion and covers all scheduled debt repayments for approximately next 2.5 years
- Corporate investment grade credit ratings reiterated by all three major international rating agencies

Liquidity and Debt Repayment Schedule ⁽¹⁾



Change in Debt Structure ⁽¹⁾



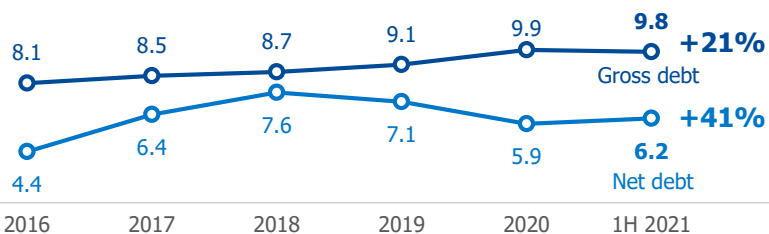
Note: 1. Debt includes liabilities under lease agreements. RUB liabilities with currency swap applied disclosed as USD liabilities at the rate of swap initiation, 2. Including credit lines for the total of USD 1.1 bn signed on June 30th and available starting from July 2021

Finance Costs Reduced to Record Low Levels

Gross Debt and Net Debt (1)

[USD bn]

average for the period



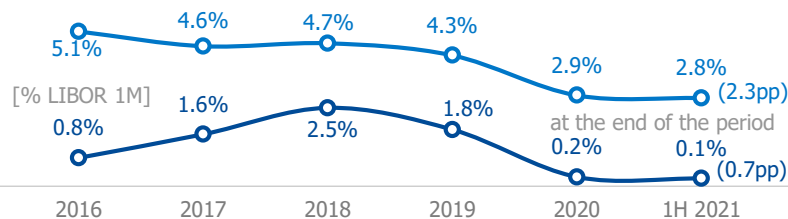
Average Cost of Debt Reduced...

- ...by 2.3p.p. from the year-end 2016 by the end of 1H 2021
- ...well ahead of 0.7p.p. reduction of base interest rates (LIBOR) over the same period
- ...despite an increase in the average gross debt
- ...owing to proactive debt management and improvement of lending terms with our main debt providers
- ...while balance sheet FX position has been maintained neutral

Average Cost of Debt Reduced Ahead of Libor (2)

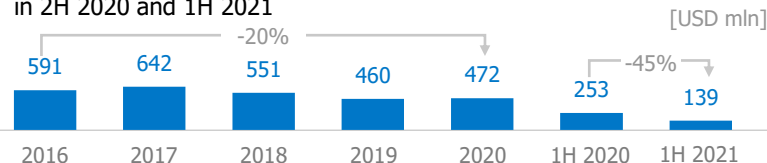
[%]

average cost of credit portfolio (2)



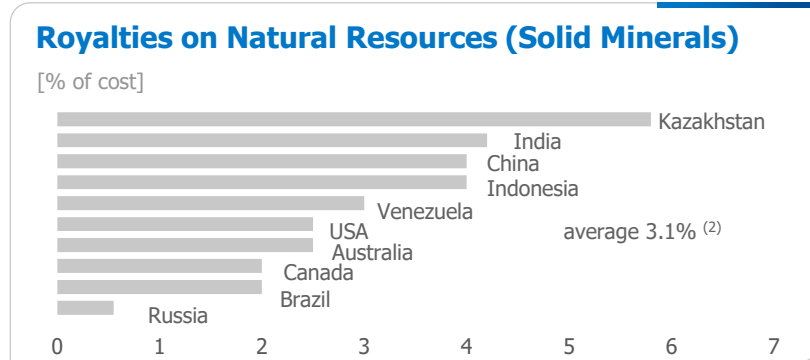
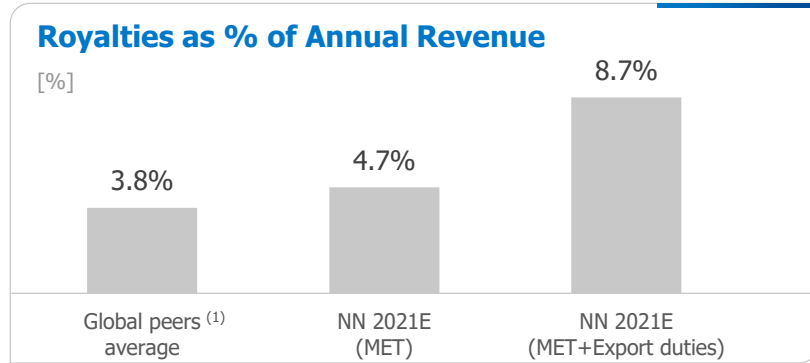
Cash Finance Costs Declined to a Record Low

- A 45% y-o-y reduction to USD139 million in 1H 2021 as the result of continued improvement of debt portfolio structure and early repayment of several debt facilities with uncompetitive interest rates in 2H 2020 and 1H 2021



Note: 1. In 2016-2018, gross and net debt includes only financial lease liabilities, starting from 2019 it additionally includes other lease liabilities recognized under IAS 16
 2. The metric presented is based on all-in effective interest rate including all cost components of debt instruments (without lease liabilities) as at the end of the relevant period (debt instruments denominated in currencies other than the US dollar are swapped for US dollar funding positions)

Impact of Changes in Taxation on the Company's Competitive Position Globally



Recent Changes in Taxation:

- 3.5x increase in Mineral Extraction Tax (MET) effective from 1 January 2021
- Introduction of nickel and copper export duties of 15% of realized price with a minimum floor effective from 1 August 2021

Impact from the Taxation Charges:

- MET – evening out with global peers in terms royalties paid as % of revenue
- Expected impact of export duties of circa USD0.5 billion in 2H 2021
- Cumulative effect of MET hike and customs duties will drive the Company royalties as % of revenue not just well above its global peers, but also other countries, which are major miners of solid minerals

Source: Company data, Goldman Sachs Research. Note: 1. Peer group includes global diversified mining companies (BHP, Rio Tinto, Vale, Glencore, Anglo American) Royalties and revenues estimated on the basis of 2020 annual reports, 2. Data for the year 2020 extracted from the document "The main directions of budgetary, tax and customs-tariff policy for 2021 and for the planning period of 2022 and 2023"

Operations and Strategy Update



Recovery of Oktyabrsky and Taimyrsky Mines (1/2)

Overview

- On February 24th, the two underground mines of Norilsk Division: **Oktyabrsky Mine (5 mtpa)**, which mines rich, cuprous and disseminated ores, and **Taimyrsky Mine (4.3 mtpa)**, which mines rich ores, were temporary suspended due to the increased inflow of natural groundwater
- 2021E production losses were estimated at 30kt of Ni, 55kt of Cu and 470koz of Pd+Pt
- The water inflow has been contained in the mine ventilation cross level, which has been shut off, as well as adjacent underground workings
- **No risk of loss of reserves** or reduction of mine life has been identified

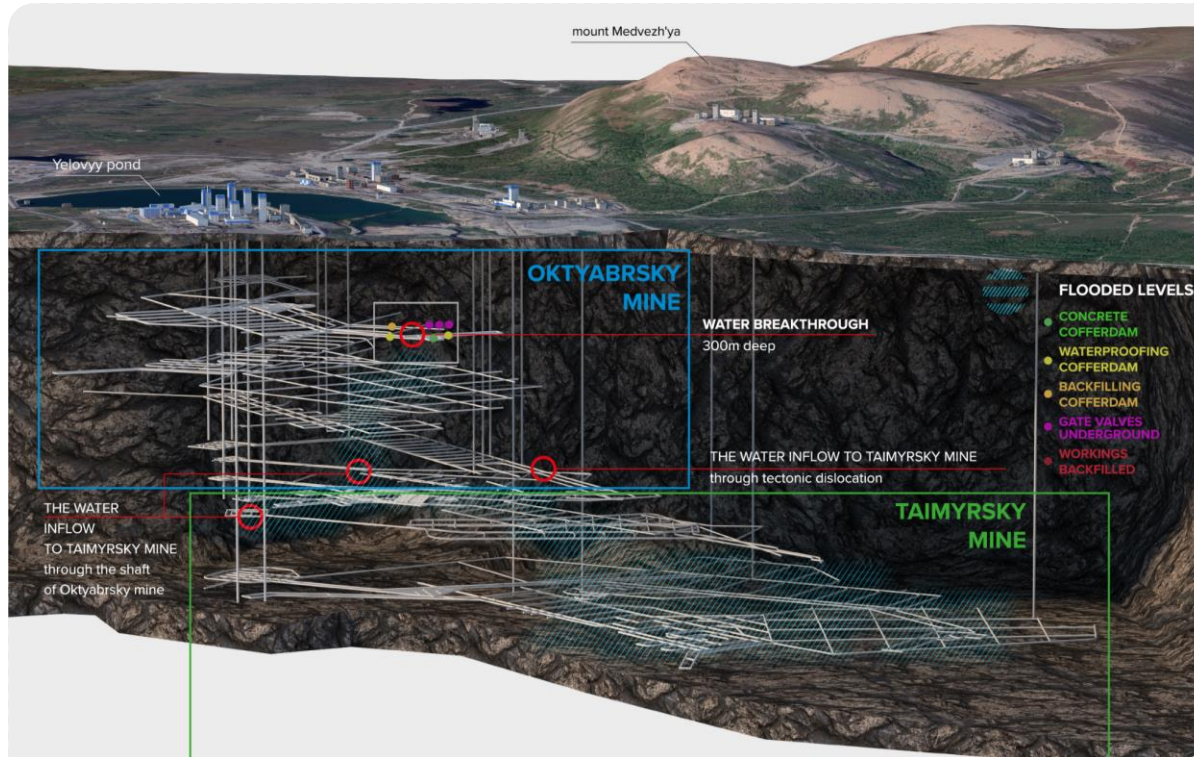
Recovery of mining operations

- February – March, waterproofing cofferdams were installed, the neighboring workings were backfilled with hardening mixture and water was drained
- March 27th, the water inflow to the mines was effectively stopped, drainage of water continued
- May 13th, the Oktyabrsky mine recovered to full capacity
- July 20th, the Taimyrsky mine has been restored to 80% capacity ⁽¹⁾ and expected to return to full capacity by the end of this November

Risk mitigation

Additional drilling and seismic exploration are scheduled for a more accurate determination of the location of underground water bodies

Recovery of Oktyabrsky and Taimyrsky Mines (2/2)



Recovery of Norilsk Concentrator (1/2)

Overview

- **Norilsk Concentrator (9.2 mtpa throughput in 2021E)** includes disseminated ore (5.2 mtpa) and cuprous ore (4.0 mtpa) circuits, which process disseminated ore mined at the South Cluster and cuprous ore from Talnakh deposit, respectively
- On February 20th, the building of the ore reloading facility of secondary crushing unit, part of the disseminated ore circuit, collapsed during repairs causing 3 fatalities
- Three repair workers died due to gross violations of safety rules and instructions and management negligence; the plant's director and chief engineer have been immediately dismissed as zero tolerance towards fatalities has been reinstated

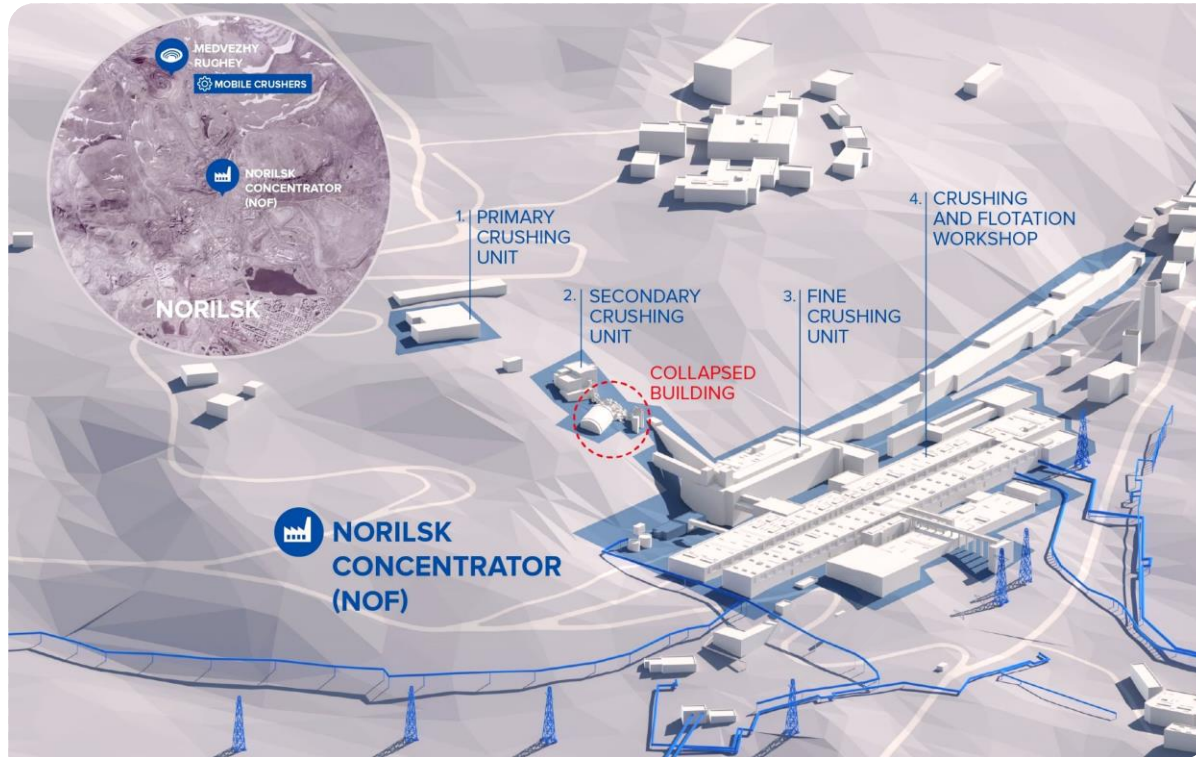
Recovery of concentrating operations

- The technical audit of the Norilsk Concentrator has been completed, with the construction defects identified by the audit have been fixed by now
- The copper circuit resumed operations on March 15th and is now recovered to 100%, while the disseminated ore circuit to just over 50% of its nameplate capacity
- The Concentrator is expected to return to full capacity in early October

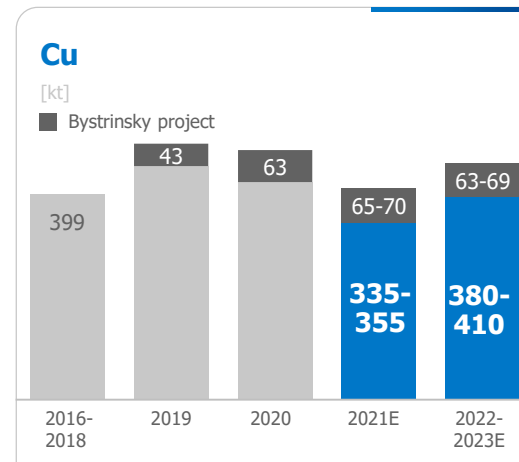
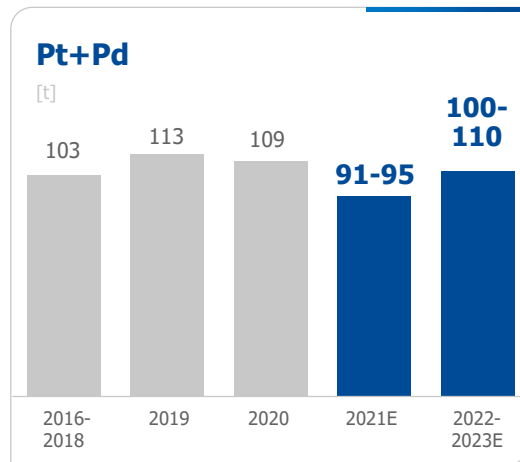
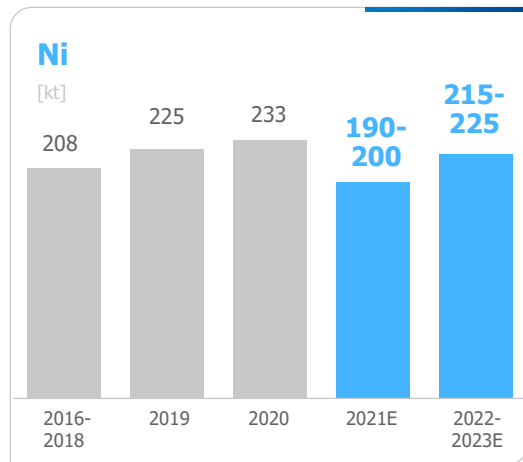
Risk mitigation

- Zero tolerance for violations of industrial safety reiterated
- A reassessment of risks and the development of additional corrective industrial safety measures while conducting repairs, maintenance and operation of equipment
- Complete revamp of the Concentrator is considered as a strategic option – construction of a new plant at a nearby site

Recovery of Norilsk Concentrator (2/2)



Production Guidance for 2021-2023⁽¹⁾



- 2021 production guidance has been reduced due to temporary suspension of two underground mines as a result of their flooding at Norilsk Division and the Norilsk Concentrator as a result of an industrial incident in 1H 2021. Production losses estimated in 2021E as approximately 30kt of Ni, 55kt of Cu and 470koz of Pd and Pt combined. Both mines and the Concentrator are recovering production and are expected to operate at full capacity already towards the end of 2021.
- In 2022-2023, Ni and PGM volumes to decline moderately due to the planned furnaces maintenance at Nadezhda Smelter.
- In 2021-2022, Cu production is expected to decline temporarily due to secondary feedstock depletion (Rostec concentrate) production to recover by 2024-2025 driven by increase in mined ore volumes.

Bystrinsky Update

- One of the largest greenfield projects in the Russian mining industry (50.01% owned by Nornickel)
- Ore reserves: 340.5 Mt @ Cu ~0.7%; Fe ~22.5%; Au ~0.87 g/t⁽¹⁾
- Reserve life – 34 years
- Target capacity achieved in 2Q 2020
- 1H 2021 EBITDA: USD566 mn

Operating Performance Outlook

		2021E	2022E
Ore ⁽²⁾	Mt	10.4	10.5
Cu in conc.	Kt	65-70	63-69
Au in conc.	Koz	230-235	210-240
Fe in conc.	Mt	1.2-1.3	1.2-1.4

Note: 1. According to the Russian classification (A+B+C1+C2), 2. Processed ore



South Cluster Project

- Large-scale, long life (25+ years) brownfield asset at the bottom of the global PGM cost curve
- O/P and U/G operations leverage synergies from existing infrastructure
- FS and detailed engineering completed
- Tender procedures to select project contractors completed
- Open-pit ore mining to commence in 2H 2021
- Target capacity scheduled by 2027-2028
- Capex: USD0.8 bn

Target Annual Capacity

Ore	Mt	9
PGMs	Koz	750-850
Ni	Kt	13+
Cu	Kt	20+



Upgrade of Talnakh Concentrator: Phase-3

Project overview

Capacity expansion to process additional ore production volumes ("South Cluster")

Project update

- Concrete-steel construction works in progress
- Tender procedures for long-lead equipment items
- Tailing dam construction in progress
- Capex: USD1 bn

Project timeline

Ramp-up: 2023-2024

+8 Mtpa

Additional capacity

+4% to 7%

- Expected improvement in metal recoveries
- Expected annual EBITDA impact of +USD150 mn



Expansion of Nadezhda Smelter: New 3rd Furnace

Project overview

- Target: increase total throughput and provide a back-up capacity when either of two existing furnaces is shutdown for maintenance
- Fits into the Nadezhda Smelter's existing production site
- New line to be fully integrated in Sulphur Programme 2.0 (gases to be captured and SO₂ neutralized)

Project update

Basic engineering / design solutions completed

Project timeline

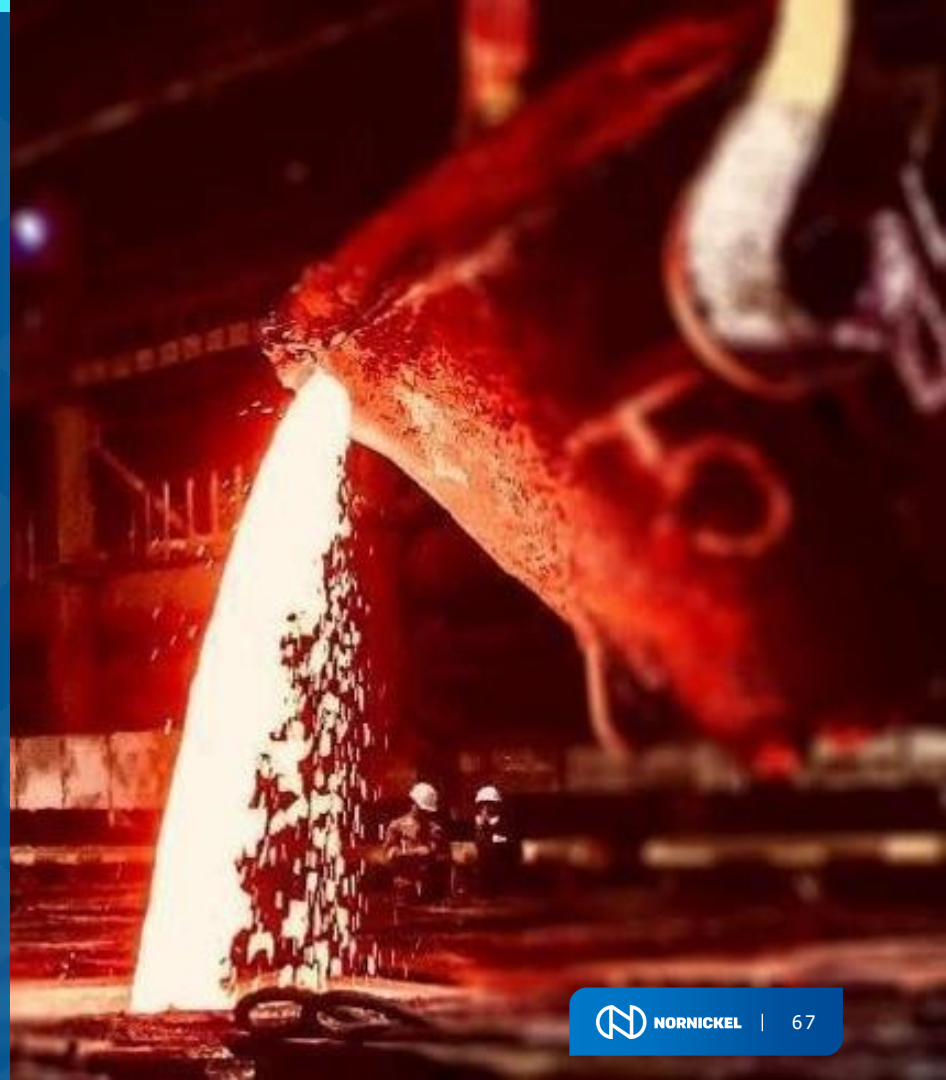
Expected launch: 2025

+850 Ktpa

Additional throughput capacity

+30%

Additional smelting of Ni concentrate



New Copper Refinery: Modern Environmentally- Friendly Technology

Project overview

- New copper refining hub based on a modern efficient technology of «roasting-leaching-electrowinning» at Kola Division
- Fully environmentally compliant

Project update

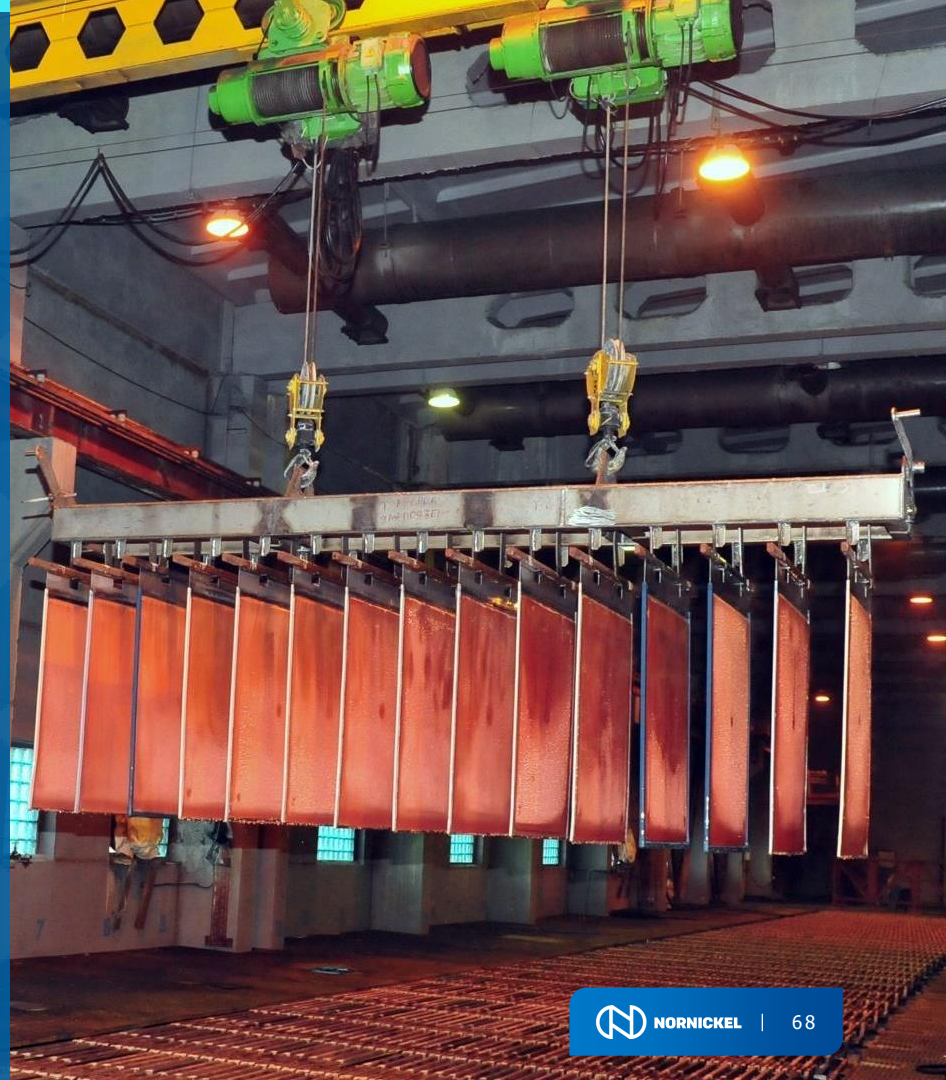
Investment decision granted in June 2021

Project timeline

- 2022-2024 – production flows to be redirected to Norilsk Division, with optionality of partial sales to third-parties
- 2025 – expected launch

+150 Ktpa

Additional copper
refining capacity



Energy Infrastructure Modernization and Development Programme

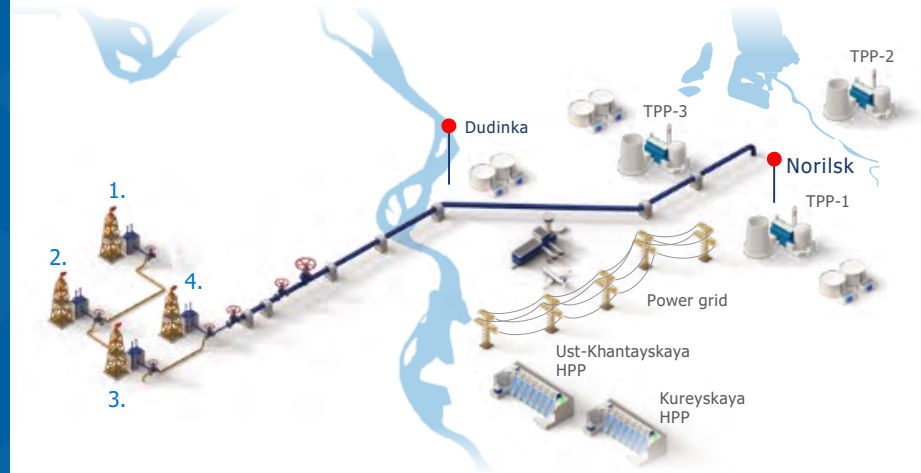
Programme Rationale

- Supporting the long-term production growth
- Securing reliable natural gas supply of Norilsk Industrial District
- Providing the long-term heat and electricity supply with best-in-class energy efficiency standards
- Ensuring industrial safety and roll-out of physical risk mitigation programme

Core Projects

- Gas wells drilling programme
- Upgrade of gas booster stations
- Gas pipeline renovation (263 km Messoyakhskoye-Norilsk) and extension (70 km Pelyatkinskoye-Messoyakhskoe)
- 4 new automated gas distribution stations
- New power-generating units at thermal power plants 2 and 3
- Replacement of 7th (out of total 7) power-generating unit at hydro power plant
- Grid modernization (760 km of 110 and 220 kW power lines)

**CAPEX
USD4+ bn**



1. Pelyatkinskoye Gas Condensate Field
2. Severo-Soleninskoye Gas Condensate Field
3. Yuzhno-Soleninskoye Gas Condensate Field
4. Messoyakhskoye Gas Field

60%



**NEW
by 2030**

Norilsk Nickel Started Production of Carbon-Neutral Nickel

- The first batch of carbon-neutral products **totals 5 kt of nickel cathodes** produced by the Group's Kola Division
- The carbon-neutral nickel will be tokenised on Atomyze, a Blockchain platform, and the tokens will be listed on the Vienna Stock Exchange by Nornickel's EU-based Global Palladium Fund
- Replacement of hydro turbines and thermal power generation units, upgrade of heating systems and power equipment as well as improvement of insulation allowed Nornickel **to reduce CO₂ emission by 47kt over 2019-2020**, which has been independently **verified by Ernst & Young (EY)**
- Further CO₂ emission reduction initiatives scheduled in 2021-2025 will make it possible to produce in total up to **10 kt of carbon-neutral nickel in 2021 and up to 60 kt per year in 2025**

8.1 t

of CO₂ per tonne of finished product – carbon footprint of nickel produced in accordance with international standards ISO 14040 and 14044

47 kt

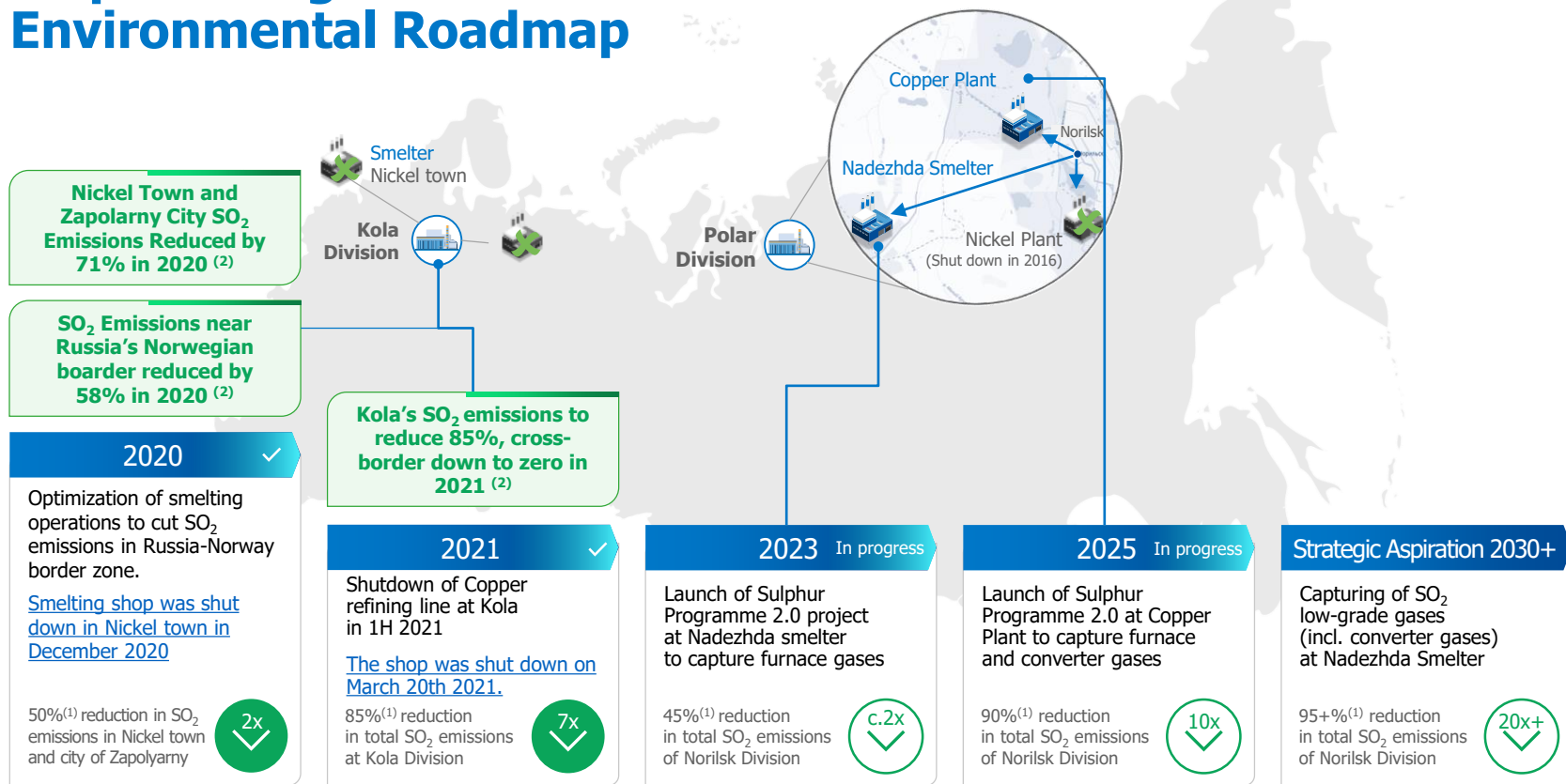
reduction of carbon dioxide emissions by Nornickel Group in 2019-2020, as confirmed by Ernst & Young (EY)



CARBON NEUTRAL



Sulphur Programme 2.0: Environmental Roadmap



Notes: 1. As compared to "base" year (2015), 2. 2020 vs 2015

Sulphur Programme 2.0: Construction in Progress

- **Nadezhda Smelter (Norilsk Division)**

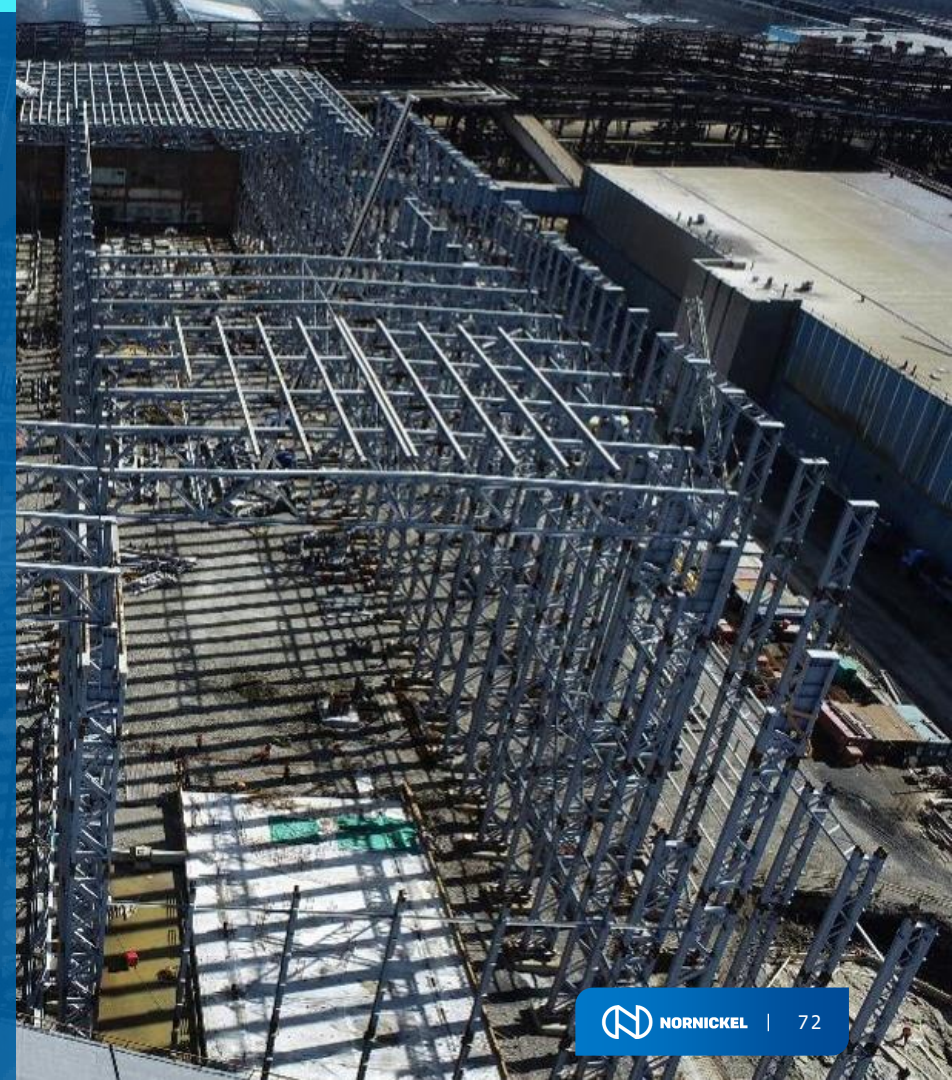
Flagship project to capture furnace gases and build sulfuric acid neutralization facilities and necessary infrastructure:

- All key contracts signed
- Piling, steel works, gypsum storage dam raising – in progress
- Project design allows for an expansion of the smelter's capacity (construction of a 3rd furnace)

- **Copper Smelter (Norilsk Division)**

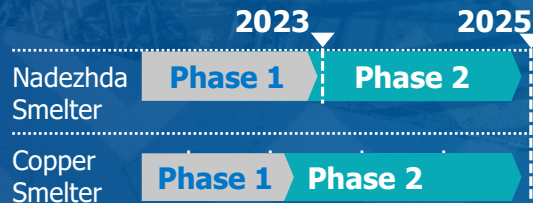
Project aims to capture 99-99.5%+ of SO₂ (in line with global benchmarks) and includes construction of a new continuous converting unit and acid neutralization line:

- Phase 1: Gas cleaning unit reconstruction – in progress
- Phase 2: Basic engineering / design completed
- Construction to commence in 2H2021

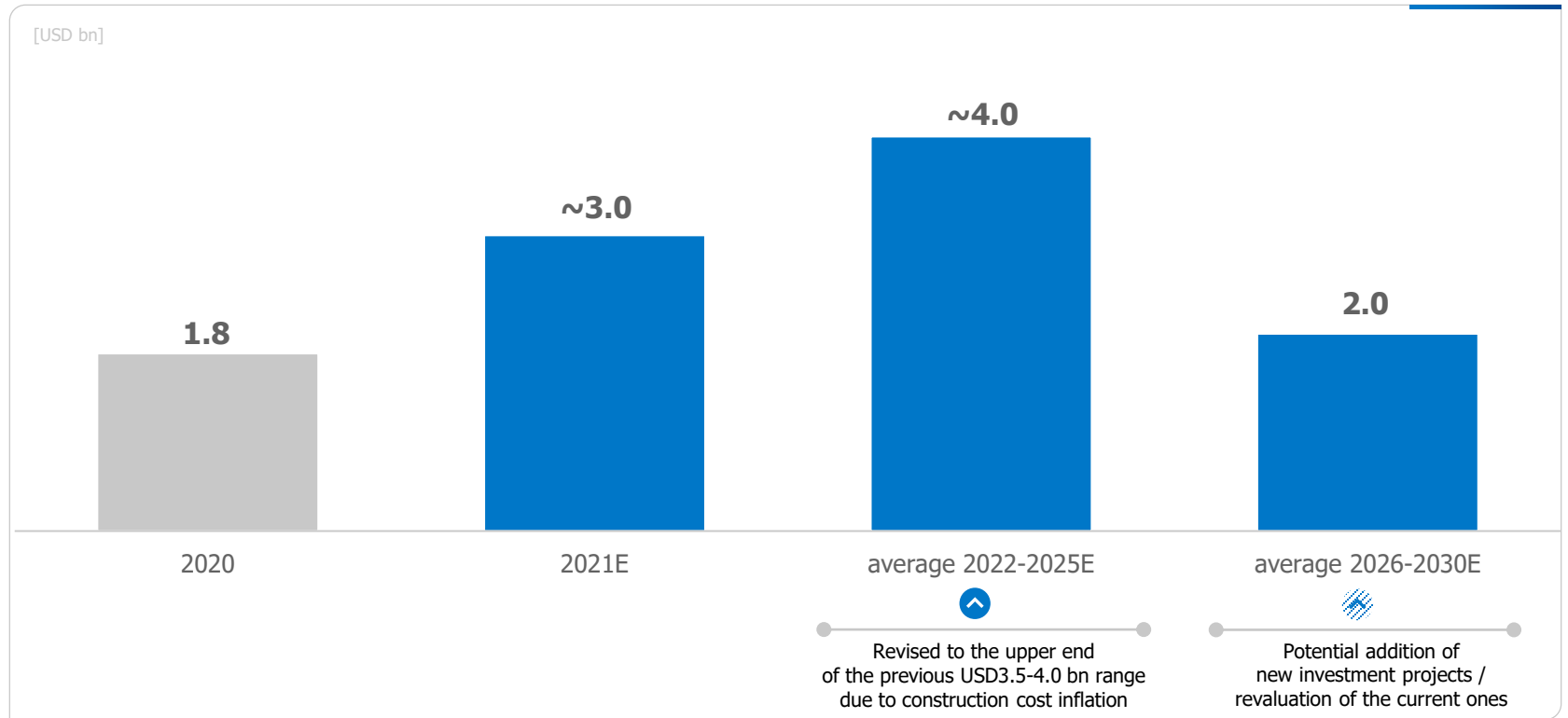


USD4.1-4.3 bn

Total capex estimate



CAPEX Guidance Update



Short-term Outlook

Ni

After a temporary marginal deficit in 2021, market to develop a surplus in 2022 as the rapid expansion of Indonesian NPI will outpace demand recovery driven by growth of stainless in Indonesia and battery sectors

Cu

Market to remain balanced in 2021-2022 as improvement of broader economic conditions, energy infrastructure expansion and decarbonization agenda to support demand

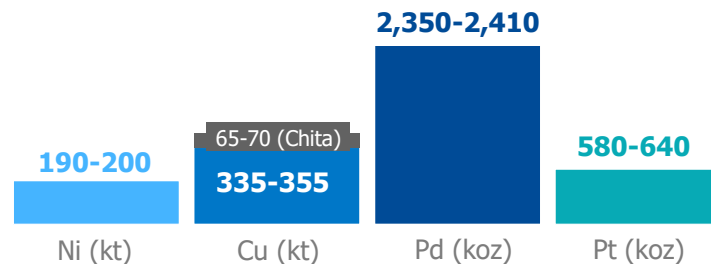
Pd

Market deficits expected in 2021-2022 as global auto industry continues strong recovery, supply losses in Russia will be offset by higher refined metal output in Africa and recycling, and substitution with platinum is still very limited

Pt

Market to remain in structural surplus as the recovery in automotive, jewellery and other areas of industrial demand will lag behind the supply expansion

2021 Metal Production Guidance ⁽¹⁾



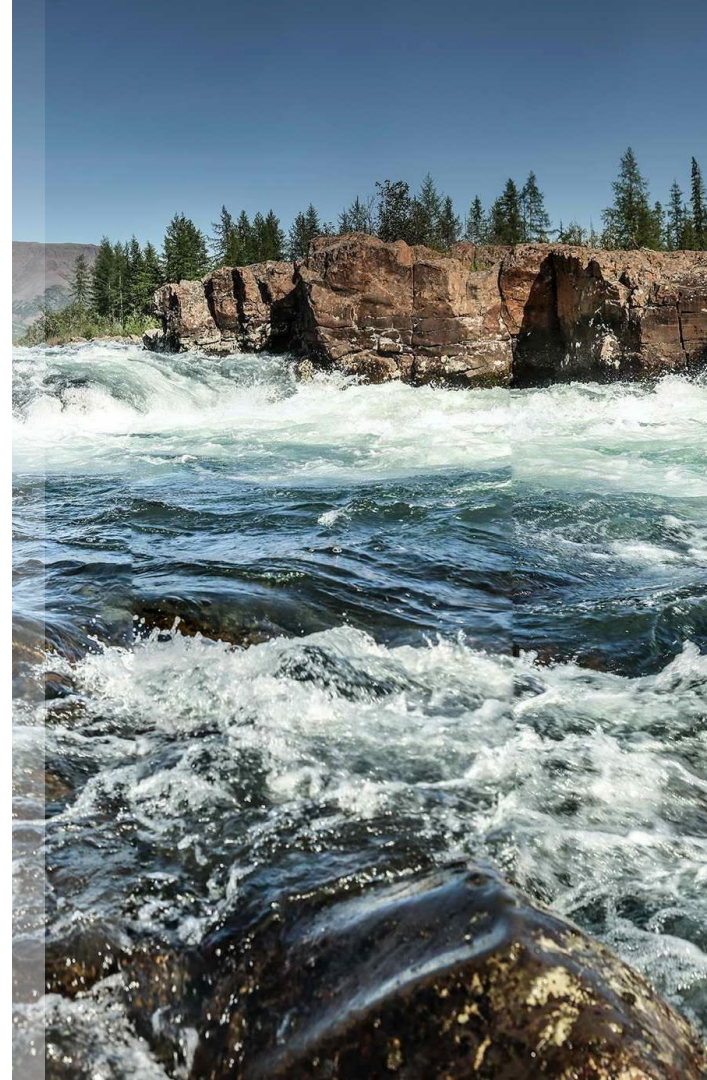
Financial Outlook for 2H 2021:

- **EBITDA:** negative impact of circa USD0.5bn from new export duties
- **Working Capital:** approximately USD1.0 billion
- **CAPEX:** approximately USD3.0 billion ⁽²⁾

Note: 1. Metal production guidance from Russian feed including Bystrinsky GOK

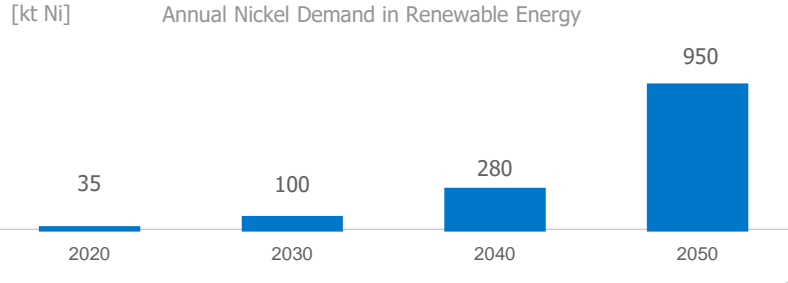
2. Assuming 2021 average exchange rate USD/RUB 74.9

Appendix

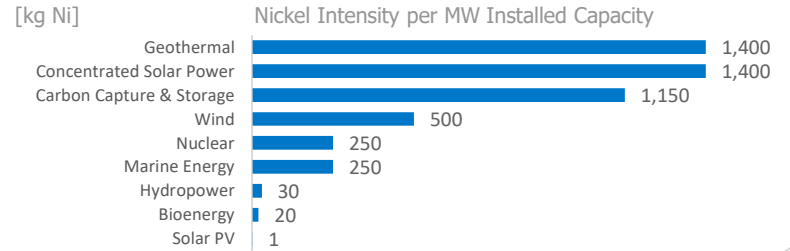


Renewable Power Generation and Storage to Drive Base Metals Demand

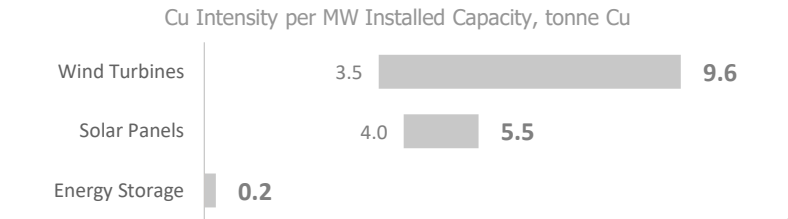
Ni Demand in Renewables to Reach 1Mt by 2050...



...Driven by Wind Power and Concentrated Solar Power

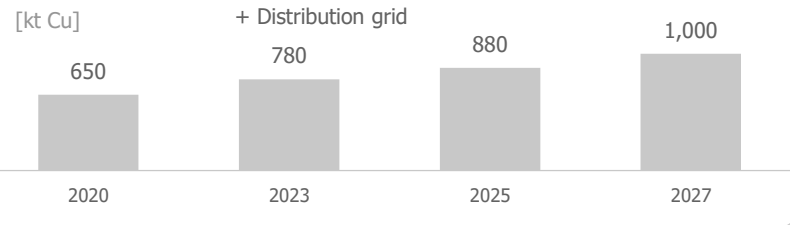


Wind & Solar Are the Main Usages for Cu in Renewables...

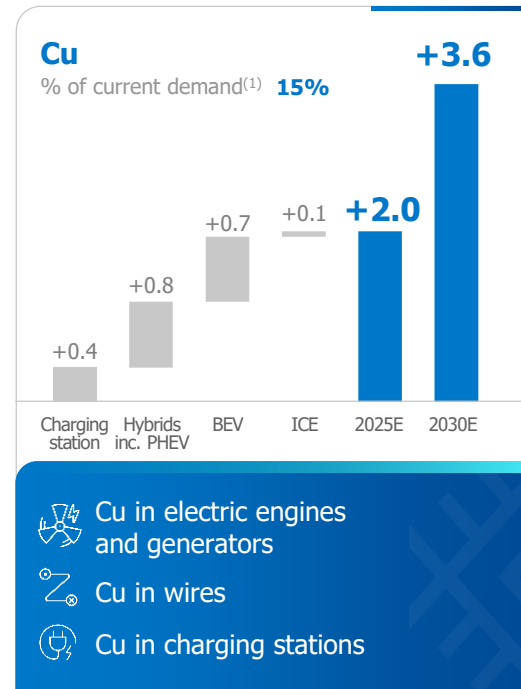
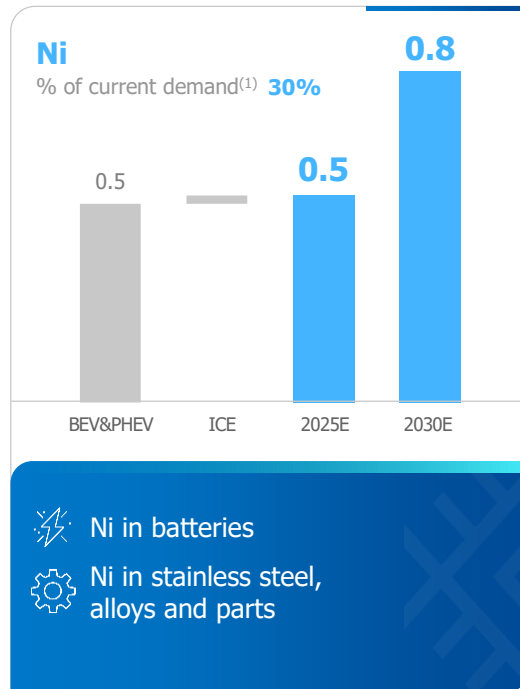
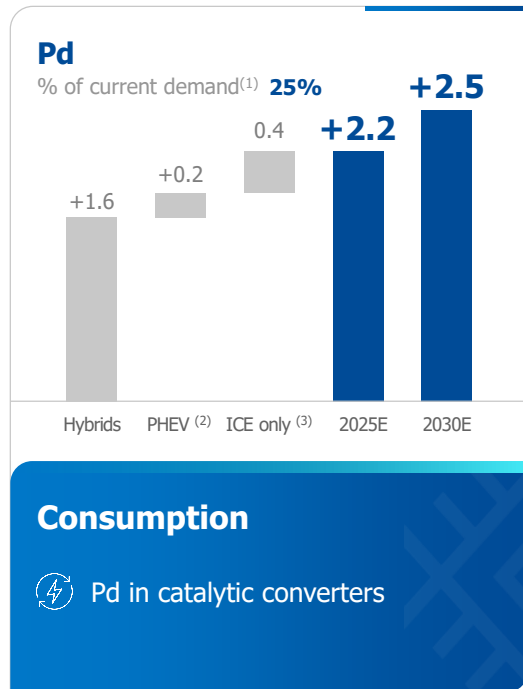


...and Will Require up to 1 million tonnes Cu by 2027

...and Will Require up to 1 million tonnes Cu by 2027



Auto Driven Metal Demand Growth in 2030E vs 2020



Based on the forecast of 19% BEV share and 110 million light-duty vehicles annual production in 2030

Sources: Company estimates, LMCA

Notes: 1. Based on consumption of palladium (physical), nickel and copper for 2020, 2. Plug-in hybrid electric vehicles, 3. Internal combustion engines, 4. Battery electric vehicles

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