



Moscow, March 29, 2021 — Norinickel, the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper, announces that its Board of Directors discussed the company's long-term investment programme to 2030, and invited the shareholders to continue consultations on the dividend targets proposed by the management.

The management has presented to the Board of Directors an investment programme to 2030 with a total capital expenditure budget of approximately RUB 2 tn (approximately USD 27 bn at current exchange rate). The investment programme includes the following major complex projects: a comprehensive environmental programme, construction of new mining as well as concentrating and metallurgical facilities, modernisation of the energy infrastructure, and a complex upgrade of existing production assets. The long-term programme is split into two phases: the first phase capex of approximately RUB 1.3 tn (approximately USD 17 bn) over 2021-2025, and the second phase capex of approximately RUB 0.7 tn (about USD 9 bn) over 2026-2030. The main specific projects of this programme were presented at the Company's Capital Markets Day in December 2020, and include the following key targets for 2030:

- Increase of ore production in the Norilsk Industrial Area (Norilsk Division and South Cluster project) by 80% vs 2017 to 30-32 mtpa;
- Increase of nickel equivalent metal output by 30-40%;
- A 20-fold reduction of sulphur dioxide emissions in the Norilsk Division;
- A 7-fold reduction of sulphur dioxide emissions at Kola MMC already in 2021.

In addition to the projects aiming at a drastic reduction of sulphur dioxide emissions, the comprehensive environmental program also includes a number of other key projects, such as a waste collection and land rehabilitation in the Norilsk region, construction of new treatment and rehabilitation facilities, application of new technical solutions, cleaning the pollution caused by environmental incidents as well as ensuring safe operation of the tailing facilities.

Taking into consideration the forthcoming increase in capital investments, the management has proposed to the Board of Directors a financial model, which assumes that free cash flow (calculated as EBITDA less capital expenditures, taxes and interest expenses) will be distributed among shareholders. The target range for the free cash flow distribution has been proposed at 50-75%, which, according to the management, will ensure Norinickel's sustainable financial model in the long term.

The Board of Directors has taken a note of the long-term investment programme and invited the shareholders to continue discussions on dividend targets based on the distribution of free cash flow to ensure a sustainable financial model for the Company.

Sergey Malyshev, Senior Vice President, Chief Financial Officer, commented: "The Company is entering an active capital investments expansion phase already this year. According to our plans, annual capex should more than double against the last few years. Metals markets are very volatile, and as a result, the Company's EBITDA has fluctuated over two times during the current commodity cycle alone, from less than USD 4 bn to about USD 8 bn a year. Given such a high volatility of financial performance, as well as planned growth in capex, taxes and social obligations, the management believes that the transition to a dividend pay-out based on the distribution of free cash flow to shareholders will support Norinickel's financial stability during the active phase of the scheduled investment cycle. When making our estimates, we considered the interests of a wide range of our stakeholders and believe that our proposal will facilitate a balanced distribution of capital, which takes into account the interests of our shareholders and the government's position. Nevertheless, the decision on the exact amount of dividend payments and dividend targets of course remains the prerogative of our shareholders. We are counting on them taking a reasonable position, which, in our opinion, will not only allow Norinickel to maintain its investment appeal, but also support its leadership in social responsibility among Russian mining companies".

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ABOUT THE COMPANY

MMC Norilsk Nickel is a diversified mining and metallurgical company, the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper. The company also produces cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium, sulphur and other products.

The production units of Norilsk Nickel Group are located at the Norilsk Industrial District, on the Kola Peninsula and Zabaykalsky Krai in Russia as well as in Finland and South Africa.

MMC Norilsk Nickel shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges, ADRs are traded over the counter in the US and on the London, Berlin and Frankfurt Stock Exchanges.