

PRESS RELEASE

November 18, 2019



NORNICKEL

Public Joint Stock Company "Mining and Metallurgical Company "NORILSK NICKEL"
(PJSC "MMC "Norilsk Nickel", "Nornickel" or the "Company")

NORNICKEL HOSTS 2019 ANNUAL CAPITAL MARKETS DAY: EXPANDING THE HORIZONS OF SUSTAINABLE GROWTH

London – on November 18, 2019 Nornickel, the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper, hosted its annual Capital Markets Day.

The Company's management has presented operating and financial updates, progress in the implementation of strategic projects, commodity markets outlooks and provided its strategic vision until 2030.

10-year strategic vision

Owing to its unique commodity basket and the world's best Tier-1 mining resources, Norilsk Nickel believes that it is best positioned to support the world's shift to clean mobility. Cars' hybridization and electrification and global tightening of emissions standards are the two megatrends that anticipated to drive significantly higher the demand for the core Norilsk Nickel products through 2030. In addition, owing to the technological breakthrough program the knowledge of our vast resource base has materially improved, which enabled a smooth transition to a longer-term planning:

- A strategic ambition has been set for Taimyr operation, holding more than 2 billion tonnes of ore in mineral resources, to increase mined ore volumes by 75% to 30 million tonnes per annum;
- 2030 strategic ambitions for the annual production of core metals have been set as follows: 15-30% growth of nickel production to 250-280kt, copper – 20-40% growth to 520-560kt, and combined palladium and platinum growth of 30-95% to 160-205 t;
- Long-term strategic ambitions assume successful development of recently approved South Cluster mining project, realization of new brownfield projects at the core Talnakh deposit, further upgrades and debottlenecking of downstream assets, and phased development of Arctic Palladium JV, that has been confirmed as a Tier-1 asset, but pending the final investment decision and due corporate approvals.

The management estimates that Norilsk Nickel products in 2030 can supply enough PGMs to produce 25-40 million auto catalytic converters, which combined would lead to a reduction of 170-270 million tons of air pollution over catalysts' life cycle. In addition, we believe that we could supply enough nickel to produce 3.5-5.5 million nickel-rich EV battery packs, which could reduce global CO2 emissions by 50-100 million tonnes over EV's life cycle.

Holistic environmental programme

The Company has adopted a new comprehensive environmental program, 'Sulfur programme 2.0' that now aims at achieving best-in-class industry standards for sulfur capturing. The Company considers its Sulphur Programme 2.0 as a staged journey, with

the following milestones set for Polar Division in terms of SO₂ reduction (compared to base year 2015):

- almost 2x (or 45%) by 2023;
- 10x (or 90%) by 2025;
- 20x (or 95%+) by 2030+ as a strategic aspiration and subject to a new project.

For Kola operations, SO₂ reduction targets have been set as follows:

- 2x (50%+) by 2020;
- 7x (85%) by 2021;
- complete eradication of pollution in the cross-border area by 2021.

In terms of climate change, the Company already has one of the lowest carbon footprints among mining majors as renewables account for more than 40% of its electricity consumption with the balance coming from low-carbon natural gas. The management intends to continue working on transition to international standards in sustainability reporting enhancing disclosure in climate change-related topics.

Sustainability of the financial model during peak investments period

To support growth and comprehensive environmental program, the Company announced a new long-term capital investments outlook, split in 3 phases. At Phase-1 of scaling up construction works CAPEX is steadily growing from USD 2.5-2.8 billion in 2020 to USD 3.0-3.4 billion in 2021, reaching an investment peak of an average up to USD 3.5-4 billion per annum in the period of 2022-2025. In 2026-2030, CAPEX is scheduled to decrease back to historical average level of less than USD 2 billion per annum.

Active phase of major investment projects execution will require rebalancing of the Company's capital distributions. As maintaining conservative balance sheet and the investment grade credit rating remains the priority for the management, the Company believes that dividends should moderate in 2023-2025. Once the new projects enter cash generation phase post 2025, dividends should recover, with the target being to maintain industry leading shareholder returns through the 10-year cycle.

Commenting on new strategic plan Nornickel's President Vladimir Potanin said,

"Diligent execution on our long-term strategy combined with supportive commodity tailwinds helped us to deliver outstanding total shareholder returns in the last six years, well ahead of our peers. Now it is time to make a next step and advance further with pursuing our long-term growth ambitions, but also take on more ambitious environmental targets. We firmly believe in the critical role that Norilsk Nickel will play in enabling the world to get greener and mobility to get cleaner. However, we also believe that in such world it will be not less important of how green we will be ourselves".

Available links:

[The Strategy Day presentation](#)

[The webcast of the event](#)

This announcement contains inside information in accordance with Article 7 of EU Regulation 596/2014 of 16 April 2014.

Full name and position of person making the announcement - Vladimir Zhukov,
Vice - president, Investor Relations

ABOUT THE COMPANY

PJSC «MMC «NORILSK NICKEL» is a diversified mining and metallurgical company, the world's largest producer of palladium and high-grade metal 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.

PJSC «MMC «NORILSK NICKEL» shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges. PJSC «MMC «NORILSK NICKEL» ADRs are traded over the counter in the US and on the London, Berlin and Frankfurt Stock Exchanges.

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