PRESS RELEASE

NORNICKEL

Public Joint Stock Company «Mining and Metallurgical Company «NORILSK NICKEL»
(PJSC «MMC «NORILSK NICKEL», «Nornickel», the «Company», the «Group»)

NORNICKEL REPORTS FULL YEAR 2020 AUDITED CONSOLIDATED IFRS FINANCIAL RESULTS

Moscow, February 16, 2021 — Nornickel the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper, reports audited consolidated IFRS financial results for the full year ended December 31, 2020.

FY2020 HIGHLIGHTS

- Consolidated revenue increased 15% y-o-y to USD 15.5 billion owing to higher prices of palladium and rhodium as well as the scheduled ramp-up of Bystrinsky project;
- EBITDA decreased 3% y-o-y to USD 7.7 billion due to the USD 2 billion environmental provision related to the reimbursement of environmental damages caused by the fuel spill in Norilsk industrial district, expenses related to containment of COVID-19 spread and increase of inventory of saleable metals;
- CAPEX increased 33% y-o-y to USD 1.8 billion owing to the execution of mining projects at Talnakh deposit, development of South Cluster, increased capital repairs of energy infrastructure, investments into improvement of industrial safety as well as the launch of an active construction phase of the Sulfur project;
- Net working capital decreased 28% to USD 0.7 billion mainly driven by the depreciation of the Russian rouble and changes in income tax payable, which was partly compensated by increase of inventory of saleable metals;
- Free cash flow increased 36% y-o-y to USD 6.6 billion driven by higher revenue and scheduled ramp-up of Bystrinsky project;
- Net debt was down 33% y-o-y to USD 4.7 billion. Net debt/EBITDA ratio decreased to 0.6x as of December 31, 2020. The Company's financial stability was confirmed by investment grade credit ratings from all three major rating agencies;
- On May 29, 2020, diesel fuel leaked from the emergency fuel tank at the heat and power plant №3 (HPP-3) due to sudden sinking of support posts based in permafrost. By now, the main phase of the clean-up operations has been completed;
- On September 10, 2020, the Federal Service for Supervision of Natural Resources ("Rosprirodnadzor") filed a claim with the Arbitration Court of the Krasnoyarsk region seeking compensation from the Company of damages caused to the environment in the amount of RUR 147.78 billion (or approximately USD 2 billion);
- In September 2020, the Company successfully placed a 5-year USD 500 mln eurobond offering with a record low annual coupon rate of 2.55%;
- In December 2020, in line with its complex environmental programme the Company shut down a smelter at Nickel town (Kola GMK), which resulted in the complete elimination of sulphur dioxide emissions in the cross-border area with Norway and alongside other environmental initiatives should enable a reduction of sulphur dioxide emissions in the Murmansk region by 85% by the end of 2021.
- In response to coronavirus, the Company provided a comprehensive support to safeguard the health and safety of its employees and regional communities s. In total, the Group spent USD 157 million net of VAT to prevent and combat spread of COVID-19;
- Starting from 2021, Mineral Extraction Tax has been increased 3.5x for certain minerals, including ores mined by Norilsk Nickel.

RECENT DEVELOPMENTS

- In January 2021, investment tokens backed by physical metal were issued using EU-registered financial vehicle listed on Deutsche Börse and London Stock Exchange;
- On February 5, 2021, Arbitration Court of Krasnoyarsk Kray announced that it decided to award diesel spill damages claimed by Rosprirodnadzor in the amount of RUB 146.2 bn (USD 1 979 million at the exchange rate as of December 31, 2020). The Company has set up a provision that fully covers both the damages and the expenses related to liquidation of incident consequences and rehabilitation of disturbed area;
- On February 12, 2021, the Company made an early repayment of exchange-traded bonds in the amount of RUB 15 billion (USD 203 million at the exchange rate as of 31 December 2020).

KEY CORPORATE HIGHLIGHTS

USD million (unless stated otherwise)	**2020**	**2019**	**Change,%**
Revenue	15,545	13,563	15%
EBITDA[1]	7,651	7,923	(3%)
EBITDA margin	49%	58%	(9 p.p.)
Net profit	3,634	5,966	(39%)
Capital expenditures	1,760	1,324	33%
Free cash flow[2]	6,640	4,889	36%
Normalized net working capital[2,5]	712	985	(28%)
Net debt[2]	4,705	7,060	(33%)
Net debt, normalized for the purpose of dividend calculation[4]	3,469	4,952	(30%)
Net debt/12M EBITDA	0.6x	0.9x	(0.3x)
Net debt/12M EBITDA for dividends calculation	0.5x	0.6x	(0.1x)
Dividends paid per share (USD)[3]	26.3	26.3	0%

1) A non-IFRS measure, for the calculation see the notes below.
2) A non-IFRS measure, for the calculation see an analytical review document ("Data book") available in conjunction with Consolidated IFRS Financial Results on the Company's web site.
3) Paid during the current period
4) Normalized on interim dividends (at the rate of the Board of Directors meeting date) and deposits with maturity of more than 90 days
5) Normalized on receivables from the registrar on transfer of dividends to shareholders

MANAGEMENT DISCUSSION AND ANALYSIS

The President of Nornickel, Vladimir Potanin, commented on the results,

"In 2020, our Company faced a number of major challenges that required a maximum effort from all employees, and I want to emphasize that we have managed to overcome them. The coronavirus pandemic has not only led to an unprecedented global economic recession and, therefore, a substantial drop in demand for our metals, but also affected our operating model, our personnel, their families and other stakeholders. However, the timely support that we have provided to regional governments, regional healthcare systems and socially vulnerable communities as well as safeguarding measures, which have been introduced for our employees, allowed us to pass the peak of the pandemic without any material impact on our operations.

In the end of May 2020, we experienced a major environmental incident related to the leak of diesel fuel in Norilsk industrial area. The Company immediately started a comprehensive clean-up operation, with the main phase of which being completed by the end of 2020. We are currently developing the most effective approach for the rehabilitation of the damaged ecosystem in close cooperation with all stakeholders and taking into consideration the recommendations of the Great Norilsk Expedition organized by the Russian Academy of Sciences with a support from Nornickel.

The Company has drawn an important lesson from this incident and dramatically reviewed its approach to environmental risk management, water stewardship, biodiversity restoration and climate change, having set specific targets in each of these areas.

The Company intends to increase its investments into industrial safety and an upgrade of energy infrastructure, gradually substituting the use of diesel fuel with natural gas that has a lower carbon footprint. We also confirm our commitment to reach the targets set in our Sulfur programme and dramatically reduce our adverse impact on the environment. As part of this programme, we shut down a Kola MMC's smelter at Nickel town that along with other initiatives should enable a reduction of sulfur dioxide emissions at Kola peninsula by 85% by the end of 2021.

We delivered strong financial results in 2020. Our revenue increased 15% to USD 15.5 billion driven by higher prices of palladium and rhodium and the ramp up of Bystrinsky project. EBITDA was down 3% to USD 7.7 billion due to a large environmental provision related to the damages caused by the fuel spill, COVID-related expenses and temporary build-up of metal inventory. Capital expenditures in rouble terms increased more than 50%, while in dollar terms they were up 33% to USD 1.8 billion.

Our net debt decreased more than 30% with net debt/EBITDA ratio falling to 0.6x. Financial stability of the Company was confirmed by investment grade credit ratings from all three major global rating agencies"

HEALTH AND SAFETY

The lost time injury frequency rate (LTIFR) decreased 38% y-o-y in 2020 from 0.32 to 0.20, reaching historical lows and remaining below the global mining industry average. At the same time, the number of lost time injuries dropped 32% (from 44 to 30) and total recordable fatal accidents decreased 11% y-o-y (from 9 to 8) driven the by the roll out of cardinal basic safety rules and improvement of management systems. Each fatal accident has been reported to the Board of Directors and has been thoroughly investigated in order to prevent fatalities in future. The Company's management considers the health and safety of employees with a zero fatality rate as the key strategic priority and continues to implement a wide range of initiatives to prevent occupational injuries.

In May 2020, an independent consultant conducted an annual audit of the current level of the occupational safety culture of the Company as well as changes in its HSE systems over the past year. According to this audit, the Company's integral score was increased to 3.0 points from 2.8 as of May 2019 (1.4 points in 2014).

METAL MARKETS

Nickel in 2020: nickel price showed a surprising resilience averaging USD 13,789 per tonne with almost no change from last year despite a rising surplus; global demand for Class I Ni decreased 15% driven by the coronavirus-related lockdowns, while the global supply increased as the ramp-up of Indonesian NPI capacities more than offset reduced NPI output in China and supply cuts elsewhere; as a result exchange stocks increased by 75kt to 265 kt by the year-end.

Nickel price started the year 2020 with a considerable slump falling below USD 11,000 per tonne in the end of March as the outbreak of COVID-19 forced the governments across the globe to impose social lockdowns in attempts to contain the pandemic. However, starting from April the metal price entered into a rally reaching 17,500 per tonne by mid-December driven by a combination of positive macroeconomic and sector specific factors as well as investors' speculative demand. A 'V-shape' industrial recovery in China in 2H2020 resulted in a robust growth of nickel-intensive 300 stainless steel series output and increase in nickel ore price amid the export ban on ore in Indonesia and COVID-related mine disruptions in the Philippines. At the same time, investors' speculative demand was fueled by extremely low interest rates and trillion-dollar liquidity injections by major central banks. Additional boost to the investment demand came from Elon Musk's public comments to 'mine more nickel… efficiently and in an environmentally sensitive way' which increased excitement over already widely held view that nickel market is bound into tightness in the long-term as the battery demand rises.

In 2020, average LME nickel price remained almost unchanged against prior year (down 1% vs 2019) at USD 13,789 per tonne.

The COVID-19 affected materially all nickel-consuming sectors in 2020. Apart from the stainless steel nickel consumption in China and Indonesia, which were up 8% and 16%, respectively, owing to the stimulus package launched by the Chinese government in 1Q2020, all other major stainless-producing regions recorded a material decline. EMEA was down 11% y-o-y, USA – 16%, India – 30%, Japan – 20%, South Korea – 8% and Taiwan – 20%.

Nickel consumption in non-stainless applications (including specialty steels, standard alloys, superalloys and plating) decreased 13% owing to the contraction of end-use demand in aerospace, automotive and oil and gas industries. The only exception was the battery industry that has been the fastest growing nickel consumer in the past couple of years. In 2020, the battery demand for nickel increased over 10% on the back of strong NEV sales in Europe (+114% y-o-y in January-November 2020) and recovery in China (+62% y-o-y in July-November 2020) after 12 consecutive months of decline following the cut of government subsidies in 2019.

In 2020, global nickel production increased 5% (or by 114 kt) to 2.5 mln tonnes stemming from the rapid ramp-up of NPI capacities in Indonesia, which added over 220 kt of new supply (+63%) more than offsetting reduced NPI production in China (down 12% or 72 kt). The combined nickel supply from South Africa, Canada and Madagascar was down 3% y-o-y due to COVID-related curtailments. Production of ferronickel and nickel oxide decreased 3% and 22%, respectively, while supply of nickel compounds increased by 9%.

In 2020, nickel market surplus expanded to 89 kt on the back of COVID-related demand disruptions and surge in Indonesian NPI production. Combined nickel inventories at LME and SHFE increased by over 40% y-o-y to 265 kt by the year-end reflecting the apparent surplus.

Nickel outlook: neutral in the short-term, but more positive longer-term; we expect market surplus to stay at over 90 kt in 2021; demand to recover by 8% driven by growth of Indonesian stainless and battery sectors; rapid expansion of Indonesian NPI to continue translating into a 8% increase in global supply; the battery sector will remain the major consumption driver in the next 5-10 years as the world is steadily moving towards carbon neutral economy.

In 2021, we expect the primary nickel demand to increase 8% driven primarily by the ramp up of stainless steel production in Indonesia (+36%), a moderate stainless growth in China (+3%) as well as continuously strong increase in consumption by the battery sector (+21%). Other non-stainless industries are expected to increase their nickel demand by 6% following the recovery of the end-use demand.

The Indonesian total nickel output to increase to over 900 kt in 2021 owing to the steady commissioning of new NPI projects, which should more than offset drive further reduction of NPI production in China (-38%) owing to the lack of ore feed. There is a risk of additional supply disruptions of up to 50 kt should VNC and some ferronickel assets get shutdown as their output could be substituted by NPI in stainless sector.

Longer term, the global EV market is expected to maintain double-digit growth rates driven by the roll-out of subsidies in Europe. The total announced capacities of all gigafactories to be opened in Europe by 2030, funded by both European and Asian investors, already amount to over 700 GWh. The negative impact of the pandemic on the global EV industry turned out to be lower than initially anticipated and we maintain the view that the long-term growth in nickel demand will primarily come from the battery sector.

Copper in 2020: mainly balanced market as coronavirus equally affected supply and demand; the rally in copper price in the last nine months of 2020 from March lows was driven by the rapid recovery in Chinese demand, tightness in imported scrap volumes, significant supply disruptions as well as a significant investor demand fueled by global liquidity injections and expectations of copper-intensive transition to a 'green economy'.

Having started the year at USD 6,200 per tonne, copper price was hammered by coronavirus crisis down to USD 4,600 per tonne in March as COVID-19 was spreading from China into the rest of the world. In April, however, copper market started strong recovery as China emerged from lockdown and successfully kickstarted its economy. In 2H20, the rally accelerated as massive stimuli were unleashed by global central banks inflating the prices of physical assets, while manufacturing data from China was improving and successful tests of various COVID-19 vaccines increased the market optimism. In December, copper price reached its highest level since early 2013 of USD 7,964 per tonne, which was supported by supply disruptions in Latin America, introduction of a new policy in China of re-classifying scrap as a raw material and broader optimism on potential US 'Green Deal' infrastructure plan following the victory of Joe Biden in the US presidential elections.

The average LME copper price in 2020 increased 3% to USD 6,181 per tonne.

In 2020, the underlying market fundamentals were negatively impacted by the coronavirus pandemic as the copper market shifted to a moderate surplus. As a result of manufacturing activities across major economies tumbling to their lowest levels in decades, global copper demand down -1,3% y-o-y driven mainly by industrial machinery (-3% YoY), consumer goods (-6% YoY), construction (-5% YoY). China reopened its economy after a 2 month-long lockdown, getting its GDP back to a growth trajectory at 2.3% rate by the end of the year. The economic recovery in China was primarily driven by industrial production and increase in fixed assets investment, both of which contributed significantly to a rebound in copper consumption in 2H20.

The supply was also affected by the pandemic and decreased to 23.3 Mt (-1.4% YoY) but global copper output, according to our estimates, increased slightly by 1,5% to 23.9 Mt in 2020 (from 23.5 Mt in 2019). Mine production decreased to 20,6 Mt (-1,4% YoY).

The negative effect of pandemic on the supply side was rather pronounced just in 2Q20, when coronavirus hot spot migrated to the Western hemisphere causing a flurry of mine disruptions in Chile and Peru, driving a concentrate market into tightness. This was mostly overcome in 2H20, with the total 2020 global copper mine production down marginally (1%), whereas the refined copper output increased 2%.

Overall, copper market in 2020 was balanced with a marginal surplus of 544 kt (less than 2% of total consumption).

Copper outlook: neutral in the short-term as the market will remain balanced in 2021, in our view, with a surplus moderately expanding, as the recovery of supply (+1%) post-COVID should outpace the expected rebound in consumption of 3%; positive in the longer term as copper is a critically important metal for the global transition to a carbon-neutral economy.

We expect the copper market to remain balanced in the near-term. In 2021, on our estimates, global mine production should increase by 3% to 21.3 million tonnes (net of a 5% disruption allowance) driven by the ramp-up of new projects in Peru, Indonesia, China, US, Australia, Zambia, the DRC and other regions.

Further reopening of economies together with expected stimuli to advance carbon-neutral agenda should support copper demand both in the short- and mid-term.

We expect broadly balanced copper market in 2021.

Palladium in 2020: despite COVID-related challenges palladium price increased 43% remaining above USD 2,000 per ounce level owing to a better-than-expected auto sector demand and substantial supply disruptions in South Africa.

In spite of the generally negative market impact of the COVID-19 pandemic, palladium was the best performing commodity in our core metals' basket. After reaching its all-time high of USD 2,795 per ounce on February 27th, palladium price was down almost 45% in March amidst the global spread COVID-19. However, this flash crash was followed by an equally quick recovery supported by better-than-expected rebound of the automotive industry and shutdown of mines in South Africa. Palladium price gained additional positive momentum owing to weakening US dollar and negative real yields in major economies stemming from extraordinary monetary and fiscal measures undertaken by global central banks. By the year-end, palladium price consolidated between USD 2,315 – 2,350 per ounce.

The average LPPM palladium price in 2020 increased by 43% to USD 2,197 per ounce.

In 2020, the deficit of palladium supply was fully offset by the reduction in consumers' inventories as the catalyst fabricators and auto OEMs decided to reduced stocks of raw materials to a minimum level owing to the fall in demand and COVID-19 related uncertainties. Industrial consumption of palladium decreased 13% y-o-y to 9.7 Moz largely due to a decline in automotive demand. At the same time, global automotive sales delivered a better-than-expected results falling "just" 14% vs. initial expectations of as much as -25%. The rebound of automotive industry was led by China (-4%), while the European (-20%) and the US (-15%) markets lost their recovery momentum in September following the tightening of coronavirus restrictions. The decrease in car sales volumes was partly compensated by tightening of environmental legislation across many regions and higher SUV market share in the US requiring higher PGM loadings per vehicle.

Palladium supply decreased 13% to 9.3 Moz mainly owing to a decline in primary production in South Africa (-28%) as well as lower scrap collection (-13%). South African supply was hit by the pandemic and Amplats' Converter Plant (ACP) outages. Following the national lockdown, all South African operations were put on care and maintenance on March 26th, but already in April the operations were re-started and returned to the 85-100% of their capacity by the end of June. Two incidents at Amplats' smelting operations resulted in an increase in the work-in-progress material of up to 1.2 Moz of PGMs. Palladium recycling decreased in 2020 due to a combination of COVID-related lockdowns and lower car sales. Part of the market deficit was covered by ETFs outflows (over 100koz).

Palladium outlook: neutral; the market is expected to be balanced in 2021, in our view, as additional metal demand will be offset by the release of work-in-progress inventory by South African miners and recovery in recycling volumes.

We expect the palladium market to develop a marginal deficit of 0.2 Moz in 2021 as additional metal demand from the recovering automotive industry and other sectors will outweigh the release of work-in-progress inventory by Amplats and higher recycling flows. According to our estimates, the consumption should increase 11% to 10.8 Moz owing mainly to a rebound in automotive demand. We expect the global light vehicle sales to increase 13% to 85 million units from 75 million units in 2020. In an aftermath of the COVID pandemic, we see a clear trend towards increasing popularity of individual mobility, since people would prefer to avoid public transport, taxis and car sharing. Moreover, there is an upside risk for demand, in our view, as the industry could do a massive restocking to recover depleted inventories.

We expect palladium supply to increase 13% to 10.7 Moz owing to the increased production from South Africa as the previously accumulated pipeline stocks will be processed. Palladium recycling volumes are set to expand, we estimate, 14% to 3.5 Moz with more old vehicles being scrapped as new vehicle sales recover.

Among the risks for the palladium market, both on the demand and supply side, we see government-imposed lockdowns and electricity outages in South Africa, processing incidents at major production sites and semiconductor shortage, which is already disrupting production of parts and vehicles around the world.

Platinum in 2020: strong price recovery from March lows driven by the recovery in auto industry, supply disruptions in South Africa and strong investment demand.

Platinum price was relatively stable in January-February trading in the tight range of USD 900-1,000 per ounce before crashing to its lowest level in a decade of USD 600 per ounce in March. However, it recovered quickly to pre-coronavirus levels of USD 800-850 per ounce on the back of lockdown measures introduced in the South African mining industry and the rally in other precious metals. In 2H2020, platinum price continued to increase reaching by the year-end the level of August 2016 of USD 1,050 per ounce, with a support from Amplats incidents and ETFs inflows (+500koz).

The average LPPM platinum price in 2020 increased by 2% to USD 884 per ounce.

Market fundamentals continued to deteriorate as diesel car sales underperformed both gasoline and NEV sales across all markets. Lower diesel car sales were partly offset by higher offtake in heavy-duty diesel vehicles. Closed luxury goods stores and weak consumer confidence severely affected jewelry sales. According to our estimates, jewelry demand contracted by 20% following overall weakness in luxury retail.

In 2020, global platinum supply was down sharply, as the mine disruptions and smelter outages in South Africa led to refined production and recycled volumes decreasing by 29% and 18%, respectively.

Platinum outlook: neutral; we expect that a significant surplus driven by weak industrial demand and inventory release by Amplats may be absorbed by ETFs and retail investors as low interest rate environment and new stimulus from global central banks should drive higher investment demand.

In 2021, we expect platinum market to develop a significant surplus (over 1.0 Moz) as the incremental demand from industrial applications will not be able to absorb increased supply, which will be driven primarily by the work-in-progress material release by South African producers. According to our estimates, the automotive consumption should increase 13% and jewellery demand - 11% on the back of strong recovery in luxury sales in China. Nonetheless, we also expect that a substantial share of this surplus can be purchased by ETF funds and other investors as prospects of more stimulus coming from global central banks should drive higher investment demand for precious metals overall, and platinum, in particular.

According to our assessment, palladium substitution with platinum, albeit being actively communicated to the public by some industry participants, has not been widely implemented and thus has no immediate impact on demand. We regard it as a long-term opportunity. Moreover, refined platinum supply (incl. scrap) is highly dependent on South Africa (which accounted for approximately 60% of the global supply in 2019), where situation is challenged by multi-year underinvestment and electricity supply issues. This feeds, in our opinion, to consumer concerns over the long-term platinum supply availability, which, in its own turn, should result in slower changes in the metal mix used in auto-catalysts.

KEY SEGMENTAL HIGHLIGHTS[1]

USD million (unless stated otherwise)	**2020**	**2019**	**Change,%**
Revenue	**15,545**	**13,563**	**15%**
GMK Group	12,700	13,836	(8%)
South cluster	694	864	(20%)
KGMK Group	8,926	3,115	3x
NN Harjavalta	1,308	1,172	12%
GRK Bystrinskoye	1,004	201	5x
Other mining	137	133	3%
Other non-metallurgical	1,387	1,412	(2%)
Eliminations	(10,611)	(7,170)	48%
EBITDA	**7,651**	**7,923**	**(3%)**
GMK Group	6,171	9,522	(35%)
South cluster	407	475	(14%)
KGMK Group	1,757	58	30x
NN Harjavalta	70	74	(5%)
GRK Bystrinskoye	717	349	2x
Other mining	(14)	(31)	(55%)
Other non-metallurgical	31	31	0%
Eliminations	(556)	(1,770)	(69%)
Unallocated	(932)	(785)	19%
EBITDA margin	**49%**	**58%**	**(9 p.p.)**
GMK Group	49%	69%	(20 p.p.)
South cluster	59%	55%	4 p.p.
KGMK Group	20%	2%	18 p.p.
NN Harjavalta	5%	6%	(1 p.p.)
GRK Bystrinskoye	71%	n.a.	n.a.
Other mining	(10%)	(23%)	13 p.p.
Other non-metallurgical	2%	2%	0 p.p.

1) Segments are defined in the consolidated financial statements

In 2020, revenue of GMK Group segment decreased 8% to USD 12,700 million primarily due to decrease in PGMs sales volumes that was partly compensated by higher palladium prices. PGMs sales volumes decreased due to the launch of direct sales of semi-products to KGMK Group in 1H2019 and higher base effect in 1H2019 owing to the release of work-in-progress inventory, which was exacerbated by decrease in palladium global demand owing to the coronavirus pandemic.

Revenue of South cluster segment decreased 20% to USD 694 million due to the launch of direct sales of semi-products to GMK Group in 1H2019.

Revenue of KGMK Group segment increased three times to USD 8,926 million due to the launch of direct sales of semi-products supplied by GMK Group segment and increase of sales of semi-products to GMK Group and NN Harjavalta.

Revenue of NN Harjavalta increased 12% to USD 1,308 million driven by higher palladium price and increase in sales volumes of semi-products, that was partly compensated by decrease in refined nickel sales volume.

Revenue of GRK Bystrinskoye amounted to USD 1,004 million, which included sales of semi-products since the full commissioning of Bystrinsky project in September 2019.

Revenue of Other mining segment increased 3% to USD 137 million driven by higher realized price of Nkomati nickel concentrate, that was partly compensated by decrease of it's sales volume.

Revenue of Other non-metallurgical segment decreased 2% to USD 1,387 million mostly owing to lower sales volumes from Palladium Fund and decrease in other sales due to depreciation of Russian rouble and negative effect of coronavirus pandemic that was partly compensated by higher palladium price.

In 2020, EBITDA of GMK Group segment decreased 35% to USD 6,171 million primarily owing to accrual of environmental provisions and decrease in revenue. EBITDA of GMK Group segment included profit from the sale of semi-products to KGMK Group segment, which was eliminated from EBITDA of the Group.

EBITDA of South cluster segment decreased 14% to USD 407 million due to decrease in metal sales.

EBITDA of KGMK Group segment increased 30 times to USD 1,757 million primarily owing to the launch of direct sales of semi-products supplied by GMK Group segment.

EBITDA of NN Harjavalta decreased by USD 4 million to USD 70 million primarily driven by increase in transportation expenses due to the launch of semi-products sales to the GMK Group segment.

EBITDA of GRK Bystrinskoye segment increased 2 times to USD 717 million primarily due to higher production volumes since the full commissioning of Bystrinsky project in September 2019.

EBITDA of Other non-metallurgical segment was unchanged and amounted to USD 31 million.

EBITDA of Unallocated segment decreased by USD 147 million and amounted to a negative USD 932 million primarily driven by increase in social expenses.

SALES VOLUME AND REVENUE	2020	2019	Change,%
Metal sales			
Group			
Nickel, thousand tons[1]	221	230	(4%)
from own Russian feed	198	213	(7%)
from 3d parties feed	3	3	0%
in semi-products[3]	20	14	43%
Copper, thousand tons[1,2]	500	479	4%
from own Russian feed	427	433	(1%)
in semi-products[3]	73	46	59%
Palladium, koz[1]	2,634	2,988	(12%)
from own Russian feed	2,604	2,890	(10%)
in semi-products[3]	30	98	(69%)
Platinum, koz[1]	689	714	(4%)
from own Russian feed	684	698	(2%)
in semi-products[3]	5	16	(69%)
Rhodium, koz[1]	58	78	(26%)
from own Russian feed	56	69	(19%)
in semi-products[3]	2	9	(78%)
Cobalt, thousand tons[1]	6	7	(14%)
from own Russian feed	5	7	(29%)
in semi-products[3]	1	–	100%
Gold, koz[1]	386	235	64%
from own Russian feed	192	184	4%
in semi-products[3]	194	51	4x
Average realized prices of refined metals produced by the Group			
Metal			
Nickel (USD per tonne)	13,916	14,355	(3%)
Copper (USD per tonne)	6,221	6,047	3%
Palladium (USD per oz)	2,176	1,524	43%
Platinum (USD per oz)	882	862	2%
Rhodium (USD per oz)	12,056	3,948	3x
Cobalt (USD per tonne)	30,745	26,756	15%
Gold (USD per oz)	1,764	1,393	27%
Revenue, USD million[4]			
Nickel	3,144	3,388	(7%)
including semi-products	342	285	20%
Copper	3,078	2,877	7%
including semi-products	424	257	65%
Palladium	6,365	5,043	26%
including semi-products	147	194	(24%)
Platinum	622	628	(1%)
including semi-products	19	27	(30%)
Rhodium	682	291	2x
including semi-products	6	20	(70%)
Gold	676	328	2x
including semi-products	336	71	5x
Other metals	410	296	39%
including semi-products	224	81	3x
Revenue from metal sales	**14,977**	**12,851**	**17%**
Revenue from other sales	568	712	(20%)
Total revenue	**15,545**	**13,563**	**15%**

1) All information is reported on the 100% basis, excluding sales of refined metals purchased from third parties and semi-products purchased from Nkomati.
2) Includes semi-products, produced by GRK "Bystrynskoe" after ramp-up of Bystrinsky project that was fully commissioned in September 2019.
3) Metal volumes represent metals contained in semi-products.
4) Includes metals and semi-products purchased from third parties and Nkomati. Includes revenue from semi-products, produced by GRK "Bystrynskoe", after ramp-up of Bystrinsky project that was fully commissioned in September 2019.

Nickel

Nickel sales contributed 21% to the Group’s total metal revenue in 2020, down from 26% in 2019. This reduction in nickel share in metal revenue was primarily driven by the different price dynamics of nickel in comparison with other metals within the metal basket.

In 2020, nickel revenue was down 7% to USD 3,144 million. The decline was driven both by the decrease in sales volume (-USD 167 million) and lower realized nickel price (-USD 77 million).

The average realized price of refined nickel decreased 3% from USD 14,355 per tonne in 2019 to USD 13,916 per tonne in 2020.

Sales volume of refined nickel produced from own Russian feed, decreased 7% (or -15 thousand tonnes) to 198 thousand tonnes owing to the temporary accumulation of metal inventory following the weak demand for the metal amidst the coronavirus pandemic.

Sales volume of nickel produced from third-party feed remained unchanged and amounted to 3 thousand tonnes.

In 2020, sales of nickel in semi-products increased 20% to USD 342 million primarily owing to higher sales volume of semi-products.

Copper

In 2020, copper sales accounted for 21% of the Group's total metal sales, increasing 7% (or +USD 201 million) to USD 3,078 million. The increase was driven by both higher sales volume (+USD 123 million) and realized copper price (+USD 78 million).

The average realized price of refined copper increased 3% from USD 6,047 per tonne in 2019 to USD 6,221 per tonne in 2020.

Physical volume of refined copper sales from the Company’s own Russian feed decreased 1% (or -6 thousand tonnes) to 427 thousand tonnes primarily due to lower copper production from concentrate purchased from Rostec.

Revenue from copper in semi-products in 2020 increased 65% to USD 424 million primarily due to the production increase by the Bystrinsky project that was fully commissioned in September 2019.

Palladium

In 2020, palladium accounted for 42% of total metal revenue, increasing 3 p.p. y-o-y. Palladium revenue increased 26% (or +USD 1,322 million) to USD 6,365 million due to higher realized price (+USD 1,954 million) which was partly offset by lower sales volume (-USD 741 million).

The average realized price of refined palladium increased 43% from USD 1,524 per troy ounce in 2019 to USD 2,176 per troy ounce in 2020.

Physical volume of refined palladium sales from the Company’s own Russian feed decreased 10% (or -286 thousand troy ounces) to 2,604 thousand troy ounces in 2020. The decline in sales volume was primarily due to the weak palladium global demand owing to the coronavirus pandemic, as well as the launch of production using a new technology at the Kola MMC and higher base effect in 2019 owing to the release of work-in-progress inventory.

Revenue of palladium in semi-products decreased 24% to USD 147 million in 2020 primarily due to lower sales volume of semi-products resulting from processing of semi-products produced by NN Harjavalta at the Polar division refinery in 2020.

In 2020, revenue from the resale of palladium purchased from third parties amounted to USD 553 million (vs USD 444 million in 2019).

Platinum

In 2020, platinum sales decreased 1% (or -USD 6 million) to USD 622 million and accounted for 4% of the Group's total metal revenue. The decline of sales volume (-USD 21 million) was partly positively offset by the increase in realized platinum price (+USD 15 million).

Physical volume of refined platinum sales from the Company's own Russian feed decreased 2% (or -14 thousand troy ounces) to 684 thousand troy ounces in 2020 primarily due to higher base effect in 2019 owing to the release of work-in-progress inventory.

Revenue of platinum in semi-products in 2020 decreased 30% to USD 19 million primarily due to lower sales volume of semi-products resulting from processing of semi-products produced by NN Harjavalta at the Polar division refinery in 2020.

Other metals

In 2020, revenue from other metals increased 93% (or +USD 853 million) to USD 1,768 million. The main factors were:

- higher revenue from rhodium (+USD 391 million), primarily due to favorable pricing environment in 2020;
- higher revenue from gold (+USD 348 million) and iron ore concentrate (+USD 146 million), primarily due to the ramp-up of Bystrinsky project in September 2019.

OTHER SALES

In 2020, other sales decreased 20% to USD 568 million negatively impacted by the Russian rouble depreciation (-USD 69 million) and lower air transportation service revenue owing to the pandemic.

COST OF SALES

Cost of metal sales

In 2020, the cost of metal sales was unchanged amounting to USD 4,500 million, with the main impacts coming from the following changes:

- Increase in cash operating costs by 2% (or +USD 78 million);
- Increase in depreciation and amortisation by 15% (or +USD 110 million);
- Comparative effect of change in metal inventories y-o-y leading to cost of metal sales decrease of USD 187 million.

Cash operating costs

In 2020, total cash operating costs increased 2% (or +USD 78 million) to USD 3,886 million.

The positive effect of Russian rouble depreciation (-USD 314 million) was partly compensated by inflationary growth of cash operating costs (+USD 69 million), higher mineral extraction tax and other levies (+USD 50 million), higher purchases of refined metals for resale (+USD 44 million) and expenses related to anti-COVID measures (+USD 55 million).

Cash operating costs also increased by USD 156 million y-o-y due to the full commissioning of Bystrinsky project in September 2019.

USD million	**2020**	**2019**	**Change,%**
Labour	1,307	1,295	1%
Materials and supplies	731	712	3%
Purchases of refined metals for resale	482	438	10%
Purchases of raw materials and semi-products	298	402	(26%)
Third party services	276	239	15%
Mineral extraction tax and other levies	248	221	12%
Electricity and heat energy	151	155	(3%)
Fuel	109	101	8%
Transportation expenses	90	78	15%
Sundry costs	194	167	16%
Total cash operating costs	**3,886**	**3,808**	**2%**
Depreciation and amortisation	845	735	15%
(Increase)/decrease in metal inventories	(231)	(44)	5x
Total cost of metal sales	**4,500**	**4,499**	**0%**

Labour

In 2020, labour costs increased 1% (or USD 12 million) to USD 1,307 million amounting to 34% of the Group's total cash operating costs driven by the following factors:

- -USD 129 million – positive effect of the Russian rouble depreciation against US dollar;
- +USD 56 million - indexation of salaries and wages in line with the terms of collective bargaining agreement;
- +USD 44 million - ramp-up of Bystrinsky project that was fully commissioned in September 2019;
- +USD 45 million – hardship payments to employees due to the pandemic.

Materials and supplies

In 2020, expenses for materials and supplies increased 3% (or USD 19 million) to USD 731 million driven by the following factors:

- -USD 72 million - positive effect of the Russian rouble depreciation against US dollar;
- +USD 38 million - ramp-up of Bystrinsky project that was fully commissioned in September 2019;
- +USD 35 million - higher consumption of materials primarily due to increased volume of repairs;
- +USD 5 million - higher materials expenses due to the pandemic;
- +USD 7 million - inflationary growth of materials and supplies expenses.

Purchases of refined metals for resale

In 2020, expenses related to purchase of refined metals for resale increased 10% (or USD 44 million) to USD 482 million owing to the increase in palladium price, which was partly compensated by lower purchase volume.

Purchases of raw materials and semi-products

In 2020, purchases of raw materials and semi-products decreased 26% (or USD 104 million) to USD 298 million mainly driven by lower processed volumes of Rostec concentrate.

Third-party services

In 2020, cost of third party services increased 15% (or USD 37 million) to USD 276 million mainly driven by:

- -USD 24 million - positive effect of the Russian rouble depreciation against US dollar;
- +USD 34 million - ramp-up of Bystrinsky project that was fully commissioned in September 2019;
- -USD 16 million - lower Nkomati production volumes;
- +USD 29 million – increase in repair services;
- +USD 11 million - inflationary growth of third-party services.

Mineral extraction tax and other levies

In 2020, mineral extraction tax and other levies increased 12% (or USD 27 million) to USD 248 million driven by the following factors:

- -USD 23 million - positive effect of the Russian rouble depreciation against US dollar;
- +USD 50 million – primarily increase in payments related to negative environmental impact due to changes in the legislation.

Electricity and heat energy

In 2020, electricity and heat energy expenses decreased by USD 4 million to USD 151 million driven by the following:

- -USD 11 million - positive effect of the Russian rouble depreciation against US dollar;
- +USD 7 million - ramp-up of Bystrinsky project that was fully commissioned in September 2019.

Fuel

In 2020, fuel expenses increased by 8% (or USD 8 million) to USD 109 million driven by the following factors:

- -USD 10 million - positive effect of the Russian rouble depreciation against US dollar;
- +USD 18 million - ramp-up of Bystrinsky project that was fully commissioned in September 2019.

Transportation expenses

In 2020, transportation expenses increased 15% (or +USD 12 million) to USD 90 million driven by the following factors:

- -USD 6 million - positive effect of the Russian rouble depreciation against US dollar;
- +USD 3 million - inflationary growth of expenses;
- +USD 15 million – primarily increase in transportation expenses in Norilsk industrial region.

Sundry costs

In 2020, sundry costs increased 16% (or +USD 27 million) to USD 194 million mainly driven by the commissioning of Bystrinsky project and higher expenses in Norilsk industrial region.

Depreciation and amortisation

In 2020, depreciation and amortisation expenses increased 15% (or USD 110 million) to USD 845 million.

Positive effect of the Russian rouble depreciation amounted to -USD 72 million.

Depreciation charges in real terms increased by USD 182 million mainly due to transfers from construction in progress to production assets including the full commissioning of Bystrinsky project and KGMK.

(Increase)/decrease in metal inventories

Comparative effect of change in metal inventory amounted to -USD 187 million resulting in a decrease of cost of metal sales, primarily driven by accumulation of refined metals owing to coronavirus pandemic in 2020.

COST OF OTHER SALES

In 2020, cost of other sales decreased by USD 109 million to USD 575 million.

The effect of the Russian rouble depreciation was exacerbated by lower air transportation sales due to travel restrictions during the pandemic.

SELLING AND DISTRIBUTION EXPENSES

USD million	**2020**	**2019**	**Change,%**
Transportation expenses	71	53	34%
Marketing expenses	44	45	(2%)
Staff costs	18	15	20%
Other	23	14	64%
Total	**156**	**127**	**23%**

In 2020, selling and distribution expenses increased 23% (or USD 29 million) to USD 156 million primarily due to increase in transportation expenses (USD +18 million) and other expenses (USD +9 million) primarily due to the commissioning of production facilities at Bystrinsky project in September 2019.

GENERAL AND ADMINISTRATIVE EXPENSES

USD million	**2020**	**2019**	**Change,%**
Staff costs	529	601	(12%)
Third party services	134	117	15%
Taxes other than mineral extraction tax and	69	77	(10%)
Depreciation and amortisation	67	69	(3%)
Transportation expenses	18	15	20%
Rent expenses	2	5	(60%)
Other	50	54	(12%)
Total	**869**	**938**	**(7%)**

In 2020, general and administrative expenses decreased 7% (or USD 69 million) to USD 869 million. Positive effect of the Russian rouble depreciation amounted to -USD 90 million. Changes of the general and administrative expenses in real terms were primarily driven by the following:

- -USD 12 million – decrease in staff costs mainly due to decrease of one-off payments related to management bonuses, which was partly compensated by salaries indexation;
- +USD 28 million – increase of third party services primarily related to information security.

OTHER OPERATING (EXPENSES)/INCOME, NET

USD million	**2020**	**2019**	**Change,%**
Environmental provisions	2,242	1	100%
Social expenses	500	224	2x
Change in other provisions	24	39	(38%)
Change in provision on production facilities shut down	(10)	190	n.a.
Net income earned during the pre-commissioning stage	–	(192)	(100%)
Other, net	(19)	41	n.a.
Total	**2,737**	**303**	**9x**

In 2020, other operating expenses increased by USD 2,434 million to USD 2,737 million driven by the following factors:

- +USD 2,241 million – primarily the environmental provision related to the liquidation of diesel fuel leak at the industrial site of the Heat and Power Plant № 3 of Norilsk and compensation for environmental damage;
- +USD 192 million - cease of recognition of net income earned during the pre-commissioning stage generated by GRK "Bystrinskoye" owing to the full commissioning of Bystrinsky project in September 2019;
- +USD 276 million - increase in social expenses including coronavirus relief packages provided to the regions of the Company's operations;
- -USD 200 million - change in provision on production facilities shut down at the Kola GMK.

FINANCE COSTS, NET

USD million	**2020**	**2019**	**Change,%**
Interest expense, net of amounts capitalised	364	340	7%
Changes in fair value of other long-term and other current liabilities	262	64	4x
Fair value (gain)/loss on the cross-currency interest rate swap	182	(199)	n.a.
Unwinding of discount on provisions and payables	61	84	(27%)
Interest expense on lease liabilities	12	12	0%
Other, net	(2)	5	n.a.
Total	**879**	**306**	**3x**

In 2020, finance costs, net increased three times and amounted to USD 879 million primarily due to a change in the fair value of cross-currency interest rate swaps y-o-y, caused by a comparative effect of depreciation of the Russian ruble against the US dollar in 2020 and its appreciation in 2019, and also due to a change in the fair value of other long-term and other current liabilities y-o-y, representing an obligation to exercise a put option in relation to transactions with the owners of non-controlling interests of Bystrinsky GOK.

The average value of total debt increased in 2020, while the effective interest rate of the Company's debt portfolio as of the end of 2020 (2.9% in USD[1]) decreased, as compared to this as of the end of 2019 (4.3% in USD[1]) because of the following factors:

- Loose monetary policies of the Federal Reserve System of the USA and the Bank of Russia, which positively impacted the Company's debt obligations bearing floating interest rates and on the back of which a share of the Company's total debt tied to floating indicators, main of which were 1 Month Libor and Key rate of the Bank of Russia, increased from 38% to 54% for the period from December 31, 2019 to December 31, 2020;
- Refinancing of a syndicated loan facility, originally signed in December 2017, with a group of international banks in February 2020, which resulted in the reduction of the loan's interest rate to Libor+1.40% per annum and the increase of the loan's funding limit from USD 2,500 million to USD 4,150 million;
- Issuance of five-year USD 500 million Eurobonds at a coupon of 2.55% per annum in September 2020; and
- Redemption of USD 1 billion Eurobonds bearing a coupon of 5.55% per annum in October 2020 and early repayment of RUB 60 billion loan at an interest rate of 8.3% per annum in November 2020.

[1] According to management accounts of the Company

INCOME TAX EXPENSE

In 2020, income tax expense decreased 39% y-o-y to USD 945 million driven mostly by the decrease of profit before tax.

The effective income tax rate in 2020 of 20.6% was above the Russian statutory tax rate of 20%, which was primarily driven by recognition of non-deductible social expenses.

The breakdown of the income tax expense:

USD million	**2020**	**2019**	**Change,%**
Current income tax expense	1,685	1,924	(12%)
Deferred tax (benefit)/expense	(740)	(366)	2x
Total	**945**	**1,558**	**(39%)**

The breakdown of the current income tax expense by tax jurisdictions:

USD million	**2020**	**2019**	**Change,%**
Russian Federation	1,648	1,883	(12%)
Finland	11	16	(31%)
Rest of the world	26	25	4%
Total	**1,685**	**1,924**	**(12%)**

EBITDA

USD million	**2020**	**2019**	**Change,%**
Operating profit	6,400	7,036	(9%)
Depreciation and amortisation	943	911	4%
Impairment of non-financial assets	308	(24)	n.a.
EBITDA	**7,651**	**7,923**	**(3%)**
EBITDA margin	**49%**	**58%**	**(9 p.p.)**

In 2020, EBITDA decreased 3% (or -USD 272 million) to USD 7,651 million primarily owing to environmental provisions and additional expenses related to the containment of COVID-19 pandemic, which was partly offset by higher metal revenue.

STATEMENT OF CASH FLOWS

USD million	**2020**	**2019**	**Change,%**
Cash generated from operations before changes in working capital and income tax	**10,254**	**8,226**	**25%**
Movements in working capital	(662)	(307)	2x
Income tax paid	(1,304)	(1,910)	(32%)
Net cash generated from operating activities	**8,288**	**6,009**	**38%**
Capital expenditure	(1,760)	(1,324)	33%
Other investing activities	112	204	(45%)
Net cash used in investing activities	**(1,648)**	**(1,120)**	**47%**
Free cash flow	**6,640**	**4,889**	**36%**
Interest paid	(472)	(460)	3%
Other financing activities	(3,860)	(3,163)	22%
Net cash used in financing activities	**(4,332)**	**(3,623)**	**20%**
Effects of foreign exchange differences on balances of cash and cash equivalents	99	130	(24%)
Net increase in cash and cash equivalents	**2,407**	**1,396**	**72%**

In 2020, free cash flow increased 36% to USD 6.6 billion. Higher cash generated from operating activities was partly offset negatively by more cash used in investing activities.

In 2020, net cash generated from operating activities increased 38% to USD 8.3 billion primarily driven by higher metal revenue as well as the decrease in income tax payments due to lower taxable profit.

In 2020, net cash used in investing activities increased 47% (or USD 528 million) primarily driven by a 33% capital expenditures increase (or USD 436 million). In real terms, capital expenditures increased 51% as flagship investment projects entered active construction stage.

Reconciliation of the net working capital changes between the balance sheet and cash flow statement is presented below.

USD million	**2020**	**2019**
Change of the net working capital in the balance sheet	**273**	**(118)**
Foreign exchange differences	(290)	112
Change in income tax payable	(359)	(26)
Change of long term components of working capital	(95)	(158)
Other changes including reserves	(191)	(117)
Change of working capital per cash flow	**(662)**	**(307)**

Capital investments breakdown by project is presented below:

USD million	**2020**	**2019**	**Change,%**
Polar Division, including:	665	478	39%
Skalisty mine	109	58	88%
Taymirsky mine	97	67	45%
Komsomolsky mine	51	54	(6%)
Oktyabrsky mine	16	27	(41%)
Talnakh Concentrator	38	14	3x
Other Polar Division projects	354	258	37%
Kola MMC	155	221	(30%)
Sulfur project	154	24	6x
South cluster	114	76	50%
Chita (Bystrinsky) project	98	103	(5%)
Other operating projects	563	413	36%
Other non-operating projects	11	9	22%
Total	**1,760**	**1,324**	**33%**

In 2020, CAPEX increased 33% (or USD 436 million) to USD 1.8 billion following higher investments in main industrial sites of the Group – Polar Division and South cluster, including higher investments in mining projects and launch of the active phase of sulfur project. This was exacerbated by sustaining capital expenditures including capitalized repairs and purchase of equipment.

DEBT AND LIQUIDITY MANAGEMENT

USD million	**As of 31 December 2020**	**As of 31 December 2019**	**Change, USD million**	**Change,%**
Non-current loans and borrowings	9,622	8,533	1,089	13%
Current loans and borrowings	12	1,087	(1,075)	(99%)
Lease liabilities	262	224	38	17%
Total debt	**9,896**	**9,844**	**52**	**1%**
Cash and cash equivalents	5,191	2,784	2,407	86%
Net debt	**4,705**	**7,060**	**(2,355)**	**(33%)**
Net debt /12M EBITDA	0.6x	0.9x	(0.3x)	

As of December 31, 2020, the Company's total debt slightly increased, as compared to this as of December 31, 2019, while the share of current loans and borrowings in the Company's total debt decreased from 11% as of December 31, 2019 to 0.12% as of December 31, 2020. The key factors behind significant reduction in the share of current loans and borrowings in the reporting period were redemption of USD 1 billion Eurobonds in October 2020, early repayment of RUB 60 billion loan in November 2020, and drawing of long-term funds totaling USD 1,565 million from a syndicated loan facility, funding limit of which was increased in February 2020 from USD 2,500 million to USD 4,150 million. This effect was also reinforced with a long-term borrowing in the total amount of USD 500 million by way of issuing five-year Eurobonds in September 2020 maturing on September 2025.

The Company's net debt as of December 31, 2020 decreased 33%, as compared to this as of December 31, 2019 due to the increase in cash and cash equivalents by 86% (or +USD 2,407 million) during the reporting period. This is primarily due to the increase in cash generated from operating activities which had a positive impact on Net debt / 12M EBITDA as of the end of 2020, that decreased by 0.3x compared to this as of December 31, 2019 and amounted to 0.6x.

As of December 31, 2020, all three international rating agencies Fitch, Moody's and S&P Global, and Russian rating agency "Expert RA" assigned investment grade credit rating to the Company.

Attachment A

CONSOLIDATED INCOME STATEMENT
FOR THE YEARS ENDED 31 DECEMBER 2020, 2019 AND 2018

US Dollars million

	For the year ended 31 December		
	2020	**2019**	**2018**
Revenue			
Metal sales	14,977	12,851	10,962
Other sales	568	712	708
Total revenue	**15,545**	**13,563**	**11,670**
Cost of metal sales	(4,500)	(4,499)	(4,505)
Cost of other sales	(575)	(684)	(622)
Gross profit	**10,470**	**8,380**	**6,543**
General and administrative expenses	(869)	(938)	(890)
Selling and distribution expenses	(156)	(127)	(92)
Impairment of non-financial assets	(308)	24	(50)
Other operating expenses, net	(2,737)	(303)	(95)
Operating profit	**6,400**	**7,036**	**5,416**
Foreign exchange gain/(loss), net	(1,034)	694	(1,029)
Finance costs, net	(879)	(306)	(580)
Gain from disposal of subsidiaries	19	2	–
Income from investments	73	98	95
Profit before tax	**4,579**	**7,524**	**3,902**
Income tax expense	(945)	(1,558)	(843)
Profit for the year	**3,634**	**5,966**	**3,059**
Attributable to:			
Shareholders of the parent company	3,385	5,782	3,085
Non-controlling interests	249	184	(26)
	3,634	**5,966**	**3,059**
EARNINGS/(LOSS) PER SHARE			
Basic and diluted earnings/(loss) per share attributable to shareholders of the parent company (US Dollars per share)	21.4	36.5	19.5

Attachment B

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020, 2019 AND 2018

US Dollars million

	At 31 December		
	2020	2019	2018
ASSETS			
Non-current assets			
Property, plant and equipment	10,762	11,993	9,934
Intangible assets	222	215	163
Other financial assets	81	223	141
Deferred tax assets	755	98	73
Other non-current assets	327	370	386
	12,147	**12,899**	**10,697**
Current assets			
Inventories	2,192	2,475	2,280
Trade and other receivables	537	362	204
Advances paid and prepaid expenses	79	74	75
Other financial assets	58	51	147
Income tax receivable	7	68	92
Other taxes receivable	444	644	271
Cash and cash equivalents	5,191	2,784	1,388
Other current assets	51	117	97
	8,559	**6,575**	**4,554**
TOTAL ASSETS	**20,706**	**19,474**	**15,251**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	6	6	6
Share premium	1,254	1,254	1,254
Translation reserve	(5,521)	(4,899)	(5,343)
Retained earnings	8,290	7,452	7,306
Equity attributable to shareholders of the parent company	**4,029**	**3,813**	**3,223**
Non-controlling interests	646	474	250
	4,675	**4,287**	**3,473**
Non-current liabilities			
Loans and borrowings	9,622	8,533	8,208
Lease liabilities	203	180	16
Provisions	644	674	365
Trade and other long-term payables	32	37	200
Derivative financial instruments	52	–	61
Deferred tax liabilities	43	60	385
Other long-term liabilities	23	281	185
	10,619	**9,765**	**9,420**
Current liabilities			
Loans and borrowings	12	1,087	209
Lease liabilities	59	44	6
Trade and other payables	1,427	1,706	1,551
Dividends payable	47	1,553	6
Employee benefit obligations	401	393	307
Provisions	2,258	100	77
Derivative financial instruments	93	–	5
Income tax payable	358	36	35
Other taxes payable	329	503	162
Other current liabilities	428	–	–
	5,412	**5,422**	**2,358**
TOTAL LIABILITIES	**16,031**	**15,187**	**11,778**
TOTAL EQUITY AND LIABILITIES	**20,706**	**19,474**	**15,251**

Attachment C

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2020, 2019 AND 2018

US Dollars million

	For the year ended 31 December		
	2020	**2019**	**2018**
OPERATING ACTIVITIES			
Profit before tax	**4,579**	**7,524**	**3,902**
Adjustments for:			
Depreciation and amortisation	943	911	765
Impairment of non-financial assets	308	(24)	50
Loss on disposal of property, plant and equipment	19	19	1
Gain from disposal of subsidiaries	(19)	(2)	–
Change in provisions and allowances	2,464	220	61
Finance costs and income from investments, net	806	208	485
Foreign exchange (gain)/loss, net	1,034	(694)	1,029
Other	120	64	46
	10,254	**8,226**	**6,339**
Movements in working capital:			
Inventories	(119)	48	297
Trade and other receivables	(161)	(122)	102
Advances paid and prepaid expenses	(32)	14	(5)
Other taxes receivable	125	(331)	(15)
Employee benefit obligations	20	62	11
Trade and other payables	(239)	(247)	676
Provisions	(186)	(35)	(28)
Other taxes payable	(70)	304	(97)
Cash generated from operations	**9,592**	**7,919**	**7,280**
Income tax paid	(1,304)	(1,910)	(787)
Net cash generated from operating activities	**8,288**	**6,009**	**6,493**
INVESTING ACTIVITIES			
Purchase of share in associates	(14)	–	–
Purchase of property, plant and equipment	(1,686)	(1,262)	(1,480)
Purchase of intangible assets	(74)	(62)	(73)
Purchase of non-current assets	–	–	(104)
Loans issued	(3)	(3)	(7)
Proceeds from repayment of loans issued	36	54	13
Net change in deposits placed	(4)	78	5
Proceeds from disposal of property, plant and equipment	2	10	3
Net cash inflow/(net cash outflow) from disposal of subsidiaries	28	(20)	–
Interest and other investment income received	67	85	81
Net cash used in investing activities	**(1,648)**	**(1,120)**	**(1,562)**

Attachment C

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2020, 2019 AND 2018 (CONTINUED)
US Dollars million

	For the year ended 31 December		
	2020	**2019**	**2018**
FINANCING ACTIVITIES			
Proceeds from loans and borrowings	2,903	3,212	2,173
Repayments of loans and borrowings	(2,552)	(2,163)	(2,547)
Payments of lease liabilities	(46)	(45)	(9)
Dividends paid	(4,165)	(4,166)	(3,369)
Dividends paid to non-controlling interest	–	(1)	(1)
Interest paid	(472)	(460)	(551)
Net cash used in financing activities	**(4,332)**	**(3,623)**	**(4,304)**
Net increase in cash and cash equivalents	**2,308**	**1,266**	**627**
Cash and cash equivalents at the beginning of the year	**2,784**	**1,388**	**852**
Effects of foreign exchange differences on balances of cash and cash equivalents	99	130	(91)
Cash and cash equivalents at the end of the year	**5,191**	**2,784**	**1,388**

Attachment D

NET WORKING CAPITAL

USD million	**31/12/2020**	**31/12/2019**	**Change**	**incl. effects of foreign exchange differences**
Refined metals and other metal products	547	407	140	(59)
Work-in-process and semi-products	1 075	1 334	(259)	(236)
Materials and supplies, net	570	734	(164)	(123)
Trade and other receivables[1]	505	362	143	(15)
Advances paid and prepaid expenses	79	74	5	(15)
Taxes receivable	451	712	(261)	(98)
Employee benefit obligations	(401)	(393)	(8)	58
Trade and other payables	(1 427)	(1 706)	279	116
Taxes payable	(687)	(539)	(148)	82
Normalized net working capital[1]	**712**	**985**	**(273)**	**(290)**

[1] Normalized on receivables from the registrar on transfer of dividends to shareholders

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

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.

Media Relations:

Phone: +7 (495) 785 58 00

Email: pr@nornik.ru

Investor Relations:

Phone: +7 (495) 786 83 20

Email: ir@nornik.ru