



Company

Overview

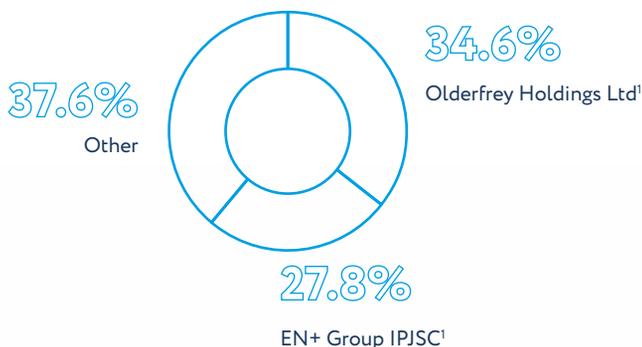
- 4 Company profile
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- 8 Key 2019 events
- 10 Business model
- 16 Production flow

COMPANY PROFILE

The Norilsk Nickel Group (the Group, Nornickel, or the Company) includes MMC Norilsk Nickel (parent) and its subsidiaries.

Nornickel is Russia’s leading metals and mining company, the largest palladium and high-grade nickel producer in the world, and a major producer of platinum and copper. Nornickel also produces cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium, and sulphur.

Shareholding structure as of 31 December 2019



1/ Indirect ownership via controlled entities.

0.28%

Nornickel share in the index of MSCI Emerging Markets as of the end of 2019

7.2%

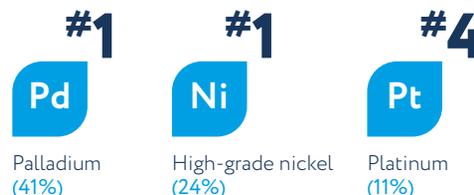
Nornickel share in the index of MSCI Russia as of the end of 2019

Nornickel’s shares are listed on the Moscow Exchange and are included in its Blue Chip Index.

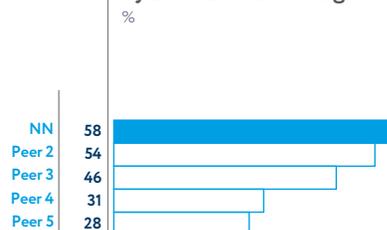
Its American Depositary Receipts (ADRs) are traded on the US OTC market, as well as on the OTC markets of the London, Berlin, and Frankfurt stock exchanges.

INDUSTRY RANKING

Nornickel’s share of the global metals market²



Global industry leadership by 2019 EBITDA margin³



THE GROUP’S ASSETS

IN RUSSIA

- Polar Division
- Medvezhy Ruchey (100% stake)
- Kola MMC (100% stake)
- GRK Bystrinskoye (50.01% stake)

IN FINLAND

A nickel refinery facility Norilsk Nickel Harjavalta (100% stake)

Nornickel operations focuses on the exploration, mining and processing of minerals, as well as the production and sale of base and precious metals.

C

COMPETITIVE ADVANTAGES

Nornickel boasts a world-class resource base with unrivalled exposure to valuable minerals and extremely rich in core metals such as nickel, copper, and Platinum Group Metals (PGMs).

10

mines

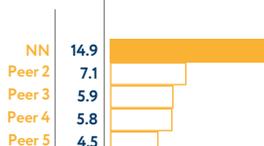
>80

years

of resources at the current production rate

Dividend yield in 2019⁴

%



⁴/ Recommended dividend to average ADR/share price (Bloomberg) for the reporting year. The peer group includes Anglo American, BHP, Glencore and Rio Tinto

PROVEN AND PROBABLE RESERVES

757
mln t

Ni
6.7 mln t

Cu
11.9 mln t

PGMs
120 moz

MEASURED AND INDICATED RESOURCES

2,193
mln t

Ni
15.2 mln t

Cu
23.2 mln t

PGMs
260 moz



For more details about our mineral resource base, please see p. 64

#4

Rh

Rhodium (9%)

#8

Co

Cobalt (3%)

#11

Cu

Copper (2%)

²/ Based on refined metal (including tolling) output for palladium, nickel, platinum, and rhodium and based on contained metal production for copper and cobalt.

³/ The peer group includes Anglo American, BHP, Glencore, Rio Tinto, and Vale.



For more details on industry ranking, please see p. 42

IN SOUTH AFRICA

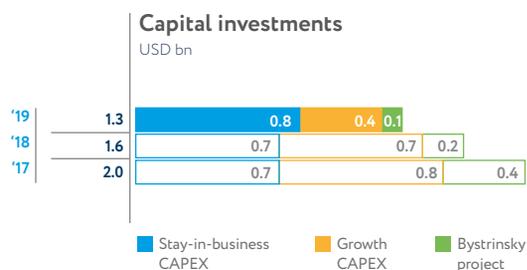
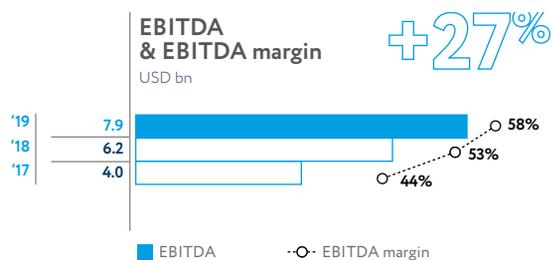
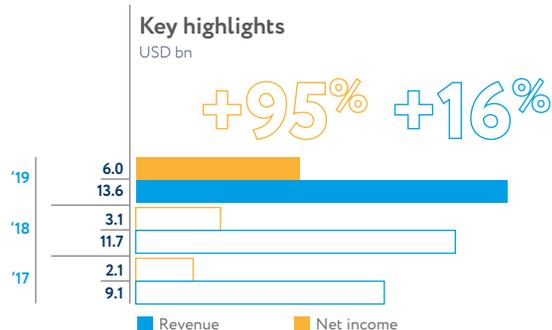
The Group owns 50% of Nkomati, which operates a nickel mine of the same name



For more details on assets, please see p. 94-101, with the structure of core assets available on p. 320

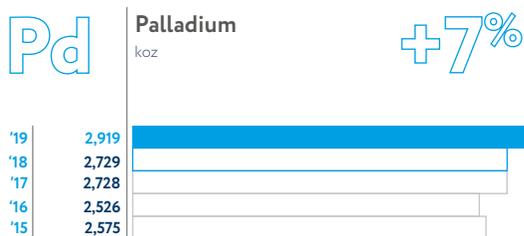
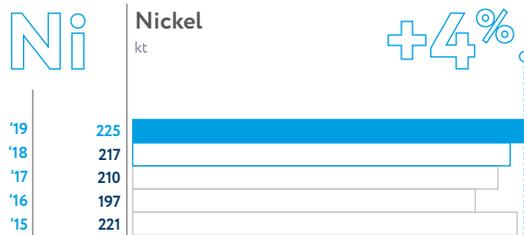
PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS



1/ Dividends paid in the calendar year.
2/ Recommended dividend to average ADR price (Bloomberg) for the calendar year.

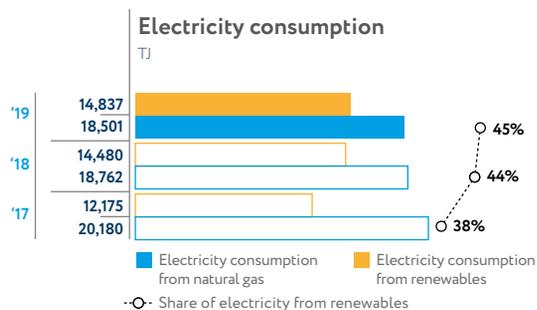
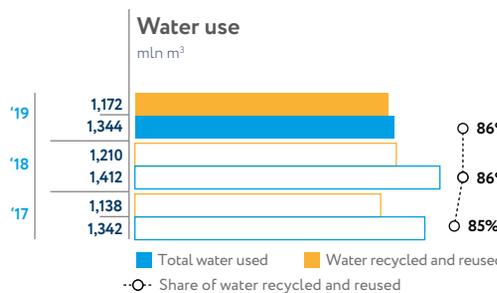
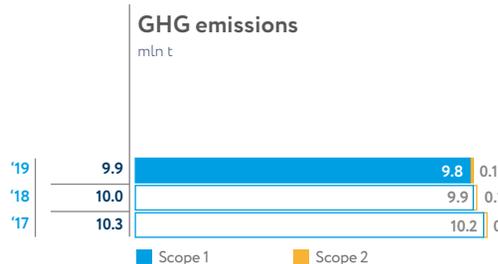
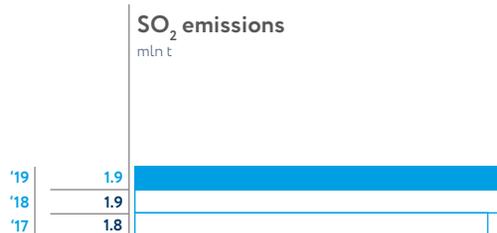
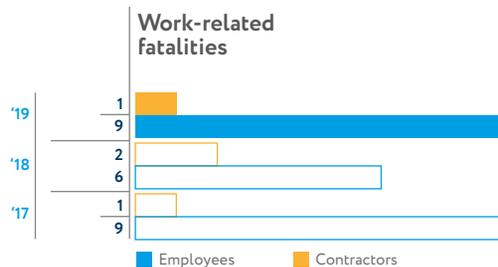
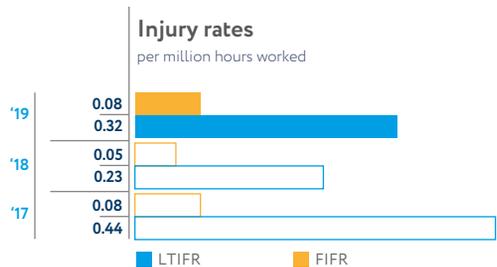
OPERATING HIGHLIGHTS (from own feedstock)



For more details on financial highlights, please see **p. 108**



SUSTAINABILITY HIGHLIGHTS



ESG PERFORMANCE



SIGNATORY TO THE UN GLOBAL COMPACT SINCE 2016

Since 2016



RATED B, UPDATED IN DECEMBER 2019

«B»



CONSTITUENT OF THE FTSE4GOOD EMERGING INDEX SCORE OF 3.0 OUT OF 5.0 UPDATED IN JUNE 2019

3.0 / 5.0



SCORE OF 37 IN 2019 (UPGRADED FROM 27)

37 ↑27



RATED AVERAGE PERFORMER, SCORE OF 67 OUT OF 100, UPDATED IN 2019

67 / 100



GOVERNANCE SCORE: 4
ENVIRONMENTAL SCORE: 2
SOCIAL SCORE: 2

UPDATED IN OCTOBER 2019 (1 is low risk, and 10 is high risk)

KEY 2019 EVENTS

FOR THE REPORTING 2019 YEAR

January

Moody's upgraded Nornickel's credit rating to "Baa2", investment grade, and changed the outlook from "Stable" to "Positive". As a result, Nornickel was assigned investment-grade credit ratings by all three major international rating agencies, including S&P Global and Fitch.

Baa2



April

Nornickel won the gold award in the Business Transformation Category at SAP Quality Awards 2019 in the CIS region for its project to roll out SAP ERP across its operations in the Norilsk Industrial District. This is Nornickel's largest business automation project and one of SAP's largest Russian projects in terms of organisational and functional scope.

March

Nornickel took final investment decisions for two attractive growth projects – expansion and retrofit of the 3rd stage of Talnakh Concentrator and the South Cluster development. The two projects' combined CAPEX (for 2019-2022) is estimated at around RUB 90 bn (approximately USD 1.4 bn).

As Krasnoyarsk hosted the 2019 Winter Universiade, Nornickel supported this major international sporting event, acting as its general partner. Nornickel's contribution to the success of the student games was highly praised by international sports federations, participating countries, the local organising committee, and Russia's leadership while also earning the Company a number of prestigious awards.

investment decisions for two attractive growth projects

1.4

USD bn

June

The General Meeting of Shareholders refreshed the Board of Directors, with a majority of the Board comprised of independent directors for the first time in Nornickel's history.

November

Nornickel was ranked No. 1 in the Top 50 Most Attractive Employers ranking published by Forbes Russia.

Nornickel's Corporate Integrated Quality and Environmental Management System (CIMS) successfully passed its second surveillance audit for compliance with ISO 9001:2015 and ISO 14001:2015.

At Nornickel's annual Capital Markets Day in London, the Group's senior management unveiled Nornickel's 10-year strategic vision and a new comprehensive environmental programme.

September

Bystrinsky GOK was commissioned. The GRK Bystrinskoye's EBITDA for 1H 2019 was USD 160 mln, for FY 2019 – USD 349 mln.

October

Nornickel successfully completed a USD 750 mln Eurobond issue, maturing in 2024 and achieving the lowest coupon on record for this type of debt at 3.375% p.a.

Eurobond issue

750
USD mln

BUSINESS MODEL



GLOBAL ASSET MAP

NORILSK NICKEL HARJAVALTA

Finland

Share in total production

Ni 27% Cu 3% PGMs 2%

KOLA MMC

Kola Peninsula

Share in total production

Ni 73% Cu 17% PGMs 62%

POLAR DIVISION AND MEDVEZHNY RUCHEY

Taimyr Peninsula

Share in total production

Cu 71% PGMs 36%

NKOMATI

South Africa

The Group owns

50%

of Nkomati, which operates a nickel mine of the same name

In 2019, the Group and its operating partner, African Rainbow Minerals, reached an agreement to scale down production at Nkomati Nickel Mine during 2020. As part of this process, the partners will elaborate in due course a plan contemplating the cessation of the mining operations and the placing of the mine in care and maintenance.

WHAT WE DO



GRK BYSTRINSKOYE

Zabaykalsky Region

Share in total production

Cu 9%

Greenfield project

Nornickel's new copper, gold and iron concentrate project launched in 2019



HONEYMOON WELL

Australia

Nornickel holds a licence to develop the Honeymoon Well project, which includes deposits of disseminated nickel sulphide ores.

The asset is slated for sale.

WHERE WE OPERATE

Proven and probable reserves

673
mln t

Polar Division and Medvezhy Ruchey

Taimyr Peninsula



Proven and probable reserves

85
mln t

Kola MMC

Kola Peninsula



Ore output:
26 Mtpa
Reserve life:
30 years

Sales

In 2019, Nornickel maintained its long-standing reputation as a reliable supplier of high-quality products, shipping products to 37 countries and products registered for delivery against contracts at the London Metal Exchange and the Shanghai Futures Exchange.

Sales network:

- **Metal Trade Overseas A.G.**
Switzerland, Zug
- **Norilsk Nickel Asia Ltd.**
China, Hong Kong
- **Norilsk Nickel Metals Trading (Shanghai) Co., Ltd.**
China, Shanghai
- **Norilsk Nickel USA**
USA, Pittsburgh



Transport assets

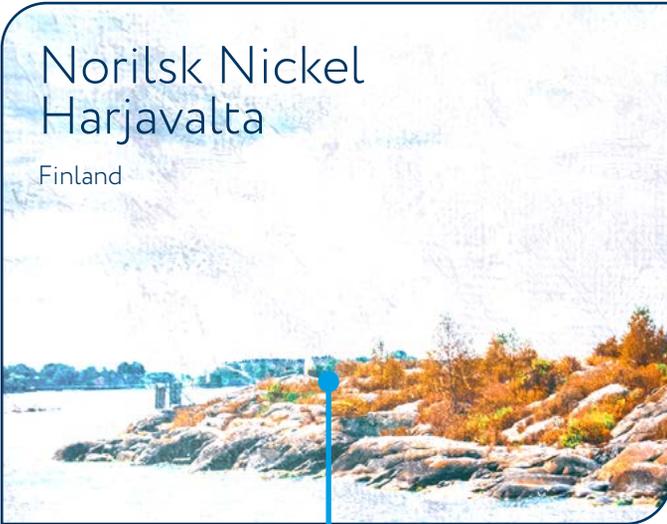
Nornickel owns a modern transport infrastructure capable of handling most challenging freight logistics tasks and ensuring continuity and sustainability of operations. It includes sea, river, rail and aircraft fleets as well as logistics hubs



1/ According to the Russian classification (A + B + C1 + C2).

Norilsk Nickel Harjavalta

Finland



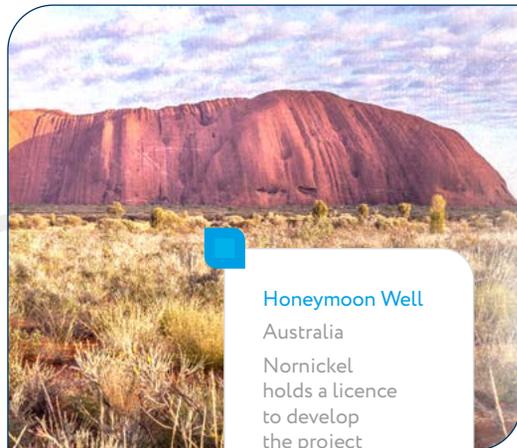
Proven and probable reserves

316
mln t¹

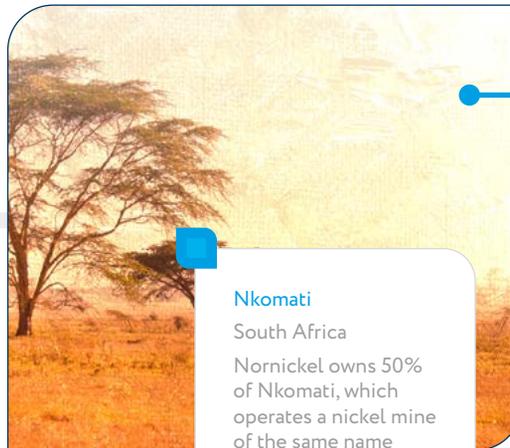
Ore output: 10 Mtpa

GRK Bystrinskoye

Zabaykalsky Region



Honeymoon Well
Australia
Nornickel holds a licence to develop the project



Nkomati
South Africa
Nornickel owns 50% of Nkomati, which operates a nickel mine of the same name

OTHER MINING ASSETS

OTHER NON-METALLURGICAL ASSETS

Proven and probable reserves

8
mln t

International assets

Energy assets

Nornickel owns an integrated network of energy assets, comprising four gas fields, three thermal power plants, and two hydropower plants as well as gas pipelines and power lines, all located within the Norilsk Industrial District

WHAT WE DO

REVENUE FROM METAL SALES, USD MLN

Ni

nickel

Cu

copper

Pd

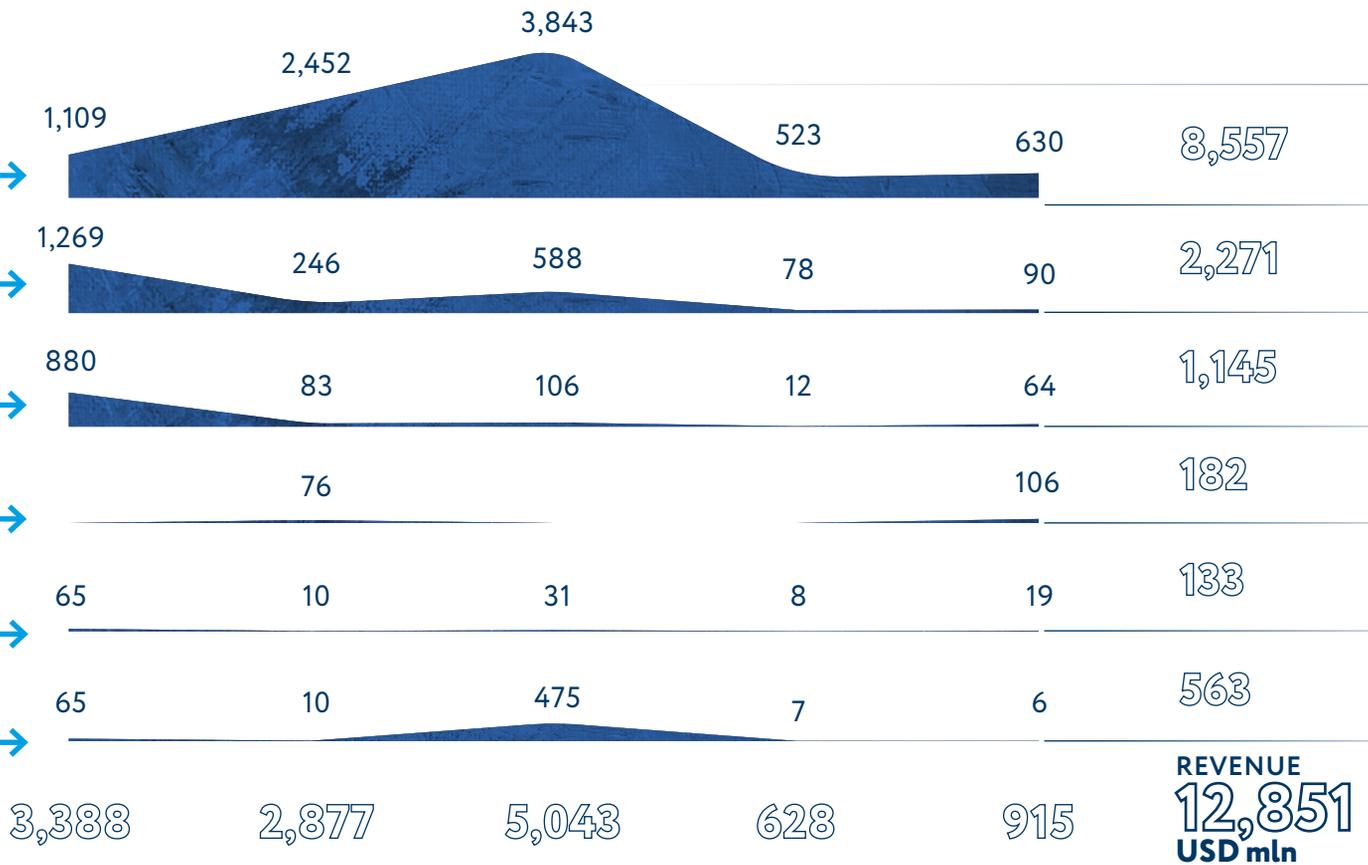
palladium

Pt

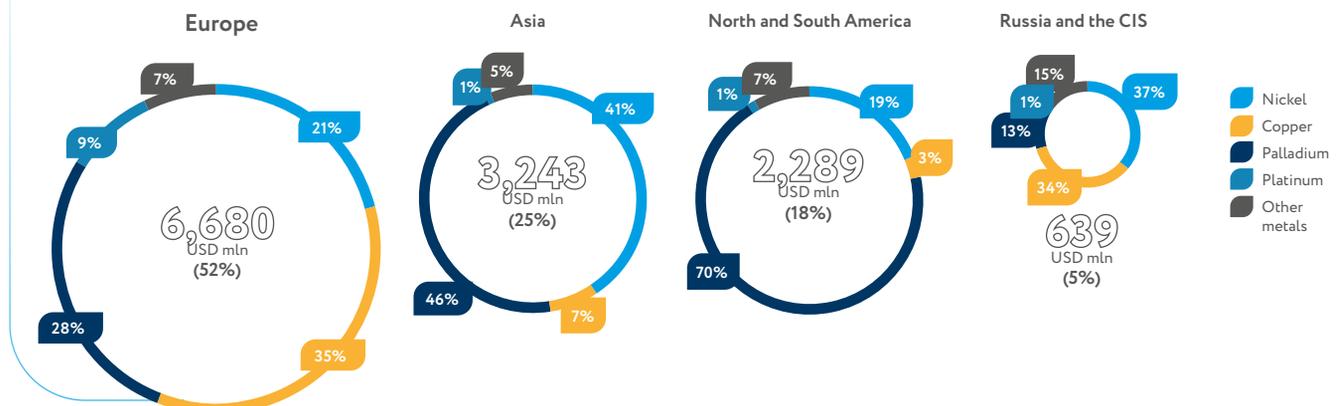
platinum

Other metals

Total



GROUP REVENUE FROM METAL SALES TO END USERS



VALUE CREATION FOR STAKEHOLDERS



SHAREHOLDER RETURNS

Dividends paid in 2019

4.1
USD bn

Dividend yield in 2019

14.9%



SOCIAL PERFORMANCE

LTIFR in 2019

0.32

Average monthly pay

2,000
USD

Tax payments

3
USD thousand

Social investments

278
USD mln



ENVIRONMENTAL PERFORMANCE

GHG emissions
(Scope 1 + 2)

9.9
mln t

Percentage of reused
and recycled water

87%

Share
of renewables

45%

Percentage
of non-hazardous waste

96%

EBITDA
7,923
USD mln

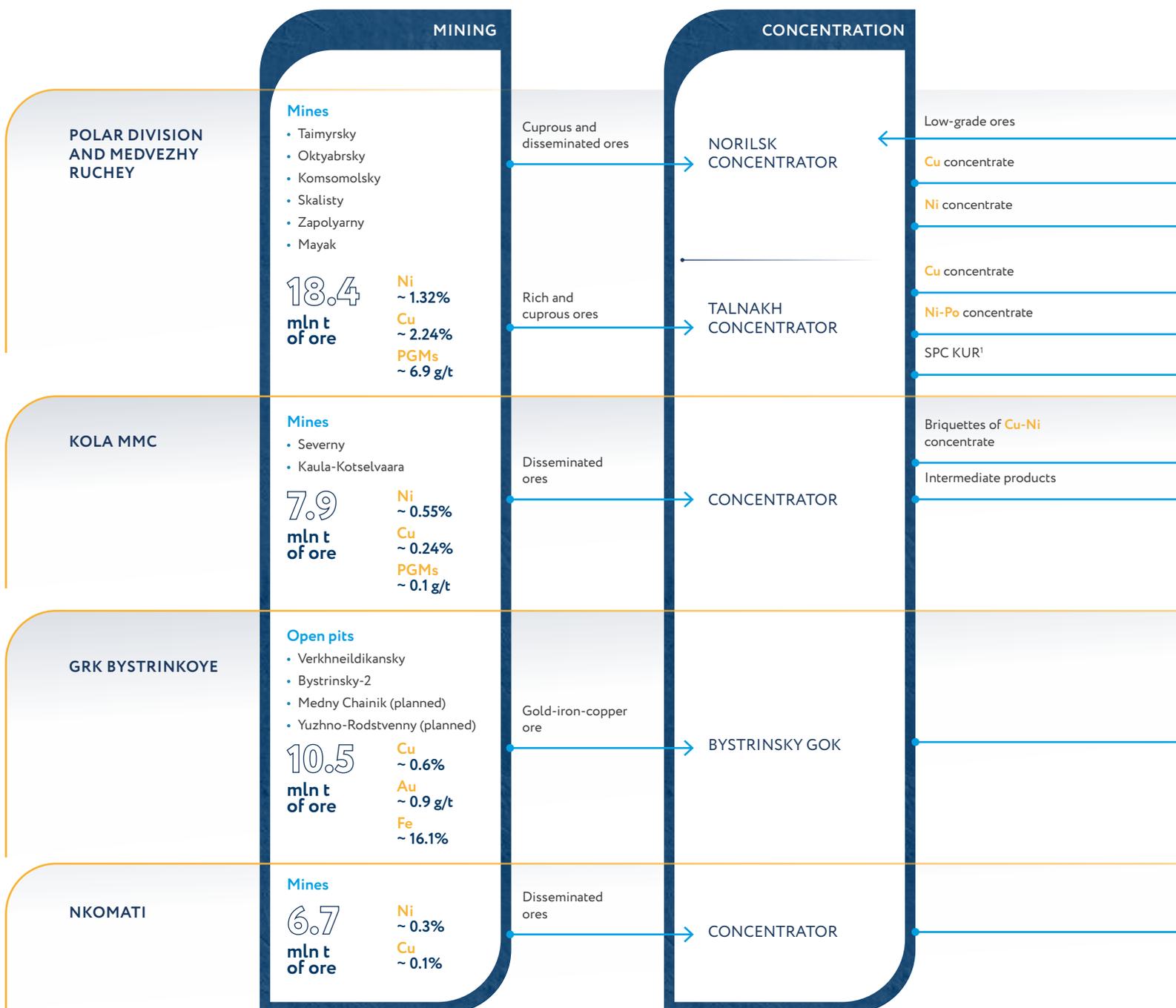
NET PROFIT
FOR THE YEAR
5,966
USD mln

Global Palladium Fund L.P.

Financial platform to engage major holders of existing palladium stockpiles and boost industrial demand for palladium

PRODUCTION FLOW

FOR THE REPORTING 2019 YEAR



NORILSK NICKEL HARJAVALTA

Ni matte from Kola MMC

Crushed converter matte from Kola MMC

From 3d parties feed

¹/ SPC KUR – Stored pyrrhotite concentrate from Kayerkansky Open Pit Coal Mine.

