

## SALES STRATEGY

Sales, along with production, have traditionally been a key value adding part of Nornickel's business.

When it comes to nickel products, the sales strategy focuses on achieving a balance between supplies to stainless steel manufacturers and other industries. Electric vehicles and batteries are a priority segment in the nickel consumption structure, as its growth rates suggest that in a few years time it will become a key source of demand, second only to stainless steel.

Therefore, the Company is running a programme to support high-growth applications of nickel applications, primarily in the battery sector. Cooperation with the growing battery sector relies on our wide range of nickel products, high reliability of supplies, availability of the Company's own global sales platform and a long track-record of partnering with automotive manufacturers and chemical companies. The Company also maintains an ongoing, proactive dialogue with new leading players. All these factors make Nornickel well-positioned to become a key element in the battery components value chain.

In the battery segment, the Company is set to support the electric vehicles market and related value chains, build long-term partnerships with key industry players, and expand the market and its accessibility for nickel and cobalt products. Nornickel's sales team is closely monitoring changes in the technical requirements for nickel and cobalt products in the sector. The Company is actively engaging major players in the battery segment, as evidenced by its agreement with BASF, signed in 2018. Under the agreement, pilot production facilities were launched, commencing supplies of test product batches for certification by consumers in 2019.

In the alloys and special steels sector, we seek to maximise the benefits of our product portfolio and improve product quality to boost our share in high-quality, premium segments.

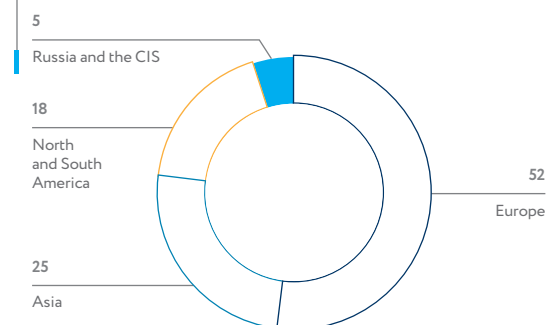
In the electroplating sector, Nornickel is optimising its product offering to better meet customer needs and acquire new customers in China and other markets. The Shanghai Futures Exchange completed the approval procedure for the NORNICKEL brand of electrolytic nickel produced by Kola MMC, with a registration certificate expected to be issued early in 2020.

In 2019, the London Metal Exchange (LME) added the NORILSK I brand of electrolytic cobalt produced by Kola MMC to its list of brands approved for LME delivery.

As the world's largest producer of palladium, the Company continues to implement its strategy of entering into direct long-term contracts with end consumers to ensure sustainable and strong demand for platinum group metals.

One of Nornickel's priorities is to ensure stable supply of palladium as the world palladium market remains significantly undersupplied. As the leading supplier of this metal, the Company's strategy includes a number of measures to ensure long-term stability of the palladium market, including greenfield and brownfield expansion project such as the South Cluster.

Sales by region (%)



### The Company's product distribution diagram

