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EN+ GROUP FY 2021 FINANCIAL RESULTS

31 March 2022 — EN+ GROUP IPJSC (the “**Company**”, “**En+ Group**” or the “**Group**”) announces its financial results for the year ended 31 December 2021.

- In late February and March 2022, some countries and organisations announced new packages of sanctions against the public debt of the Russian Federation, Russia’s central bank, a number of Russian banks and certain Russian-government related entities and institutions plus personal sanctions against a number of individuals as well as certain other restrictions, resulting from commencement of military operation in Ukraine. The Company is not subject to these sanctions. There has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the rouble against the US dollar and the euro. The quantitative effect of these events cannot be accurately estimated at the moment with any degree of confidence.
- Due to all these circumstances, the Group may potentially face difficulties in supply of equipment, which may lead to the postponement of investment projects. The likely necessity of having to replace foreign currency credit facilities with debt nominated in RUB may negatively affect the financial position of the Company due to high interest rates in the local RUB market caused by general instability and the key rate set by the Bank of Russia at 20%. The recently announced intention by the Russian Government to change regulation of domestic metals’ sales prices may have an adverse effect on the Company’s profitability.
- On 1 March 2022, the Group announced that due to unavoidable logistical and transport challenges on the Black Sea and surrounding area, it had been obliged to halt temporarily production at the Nikolaev Alumina Refinery located in Nikolaev Region, Ukraine. Output of this refinery in 2021 amounted to 1.8 million tonnes of alumina. In addition, on 20 March 2022 the Australian government imposed an immediate ban on exports of alumina and aluminum ores, including bauxite, to Russia. This action will affect, among other things, the alumina export from Australia that comprises almost 20% of RUSAL’s total alumina demand.
- Currently, the Company’s management is evaluating the effect of all of the above and analysing the possible impact of a variety of micro- and macroeconomic conditions on the Company’s future financial position and results of operations in 2022 and onwards. Further announcements will be made if and when it is necessary or required.
- In March, two members of the Board of Directors (the “Board”) resigned: Joan MacNaughton, who served as an independent director of the Company, and Lord Barker, who served as the Executive Chairman of the Board. Christopher Bancroft Burnham, formerly the Company’s Senior Independent Director and former Undersecretary-General of the United Nations, has been elected as Chairman of the Board.
- In 2021, En+ maintained a stable operating performance: aluminium production was broadly unchanged y-o-y, totalling 3,764 kt, sales of value added products¹ (VAP) increased 18.1% y-o-y; electricity production² increased 10.0% y-o-y and hydro power³ output increased by 12.1%.
- Reflecting the improved pricing environment, Adjusted EBITDA increased to USD 3,992 million from USD 1,861 million, driven by a 45.4% y-o-y increase in London Metal Exchange (LME) aluminium prices, as well as an increase in electricity production y-o-y of 10.0%. EBITDA margin reached 28.3% compared to 18.0% in 2020. Free cash flow was USD 1,705 million.

¹ VAP includes alloyed ingots, slabs, billets, wire rod and special purity aluminium.

² Excluding Onda HPP (installed capacity 0.08 GW), located in the European part of the Russian Federation, leased to RUSAL since October 2014.

- A worldwide increase in inflation had a negative impact on manufacturing companies throughout the year, with raw materials prices raised significantly. As a result, cost of sales increased 17.5% y-o-y.
- The Group's Metals segment, represented by UC RUSAL, successfully launched the first phase of the world's most advanced low-carbon aluminium production plant, the Taishet aluminium smelter in Siberia.
- In 2021, the Group conducted a deep analysis to develop its decarbonisation strategy and published its report on the Pathway to Net Zero, followed by a webinar for investors. The Company will continue to report on its progress with regard to achieving Net Zero targets.

USD million (except %)	FY21	FY20	chg, %
Revenue	14,126	10,356	36.4%
Primary aluminium and alloys sales ³	9,766	6,969	40.1%
Alumina sales	610	533	14.4%
Electricity sales	1,525	1,169	30.5%
Heat sales	465	426	9.2%
Other	1,760	1,259	39.8%
Adjusted EBITDA ⁴	3,992	1,861	114.5%
<i>Adjusted EBITDA margin</i>	<i>28.3%</i>	<i>18.0%</i>	<i>10.3 pp</i>
Net profit	3,534	1,016	247.8%
<i>Net profit margin</i>	<i>25.0%</i>	<i>9.8%</i>	<i>15.2 pp</i>
Net debt ⁵	8,581	9,826	(12.7%)
Free cash flow ⁶	1,705	968	76.1%
LME aluminium price per tonne	2,475	1,702	45.4%

Chris Burnham, Chairman of the En+ Group, said:

"During the COVID-19 pandemic we supported our customers, employees and communities and will continue to do so in these unprecedented times. It is clear that many new challenges lie ahead and we are encouraged by the strength of our resilient business and the determination of our people. Due to the tragic developments in Ukraine, we have had to temporarily halt the production at the Nikolaev Alumina Refinery. Our priority is to ensure the safety of all our employees there and as soon as it becomes possible to safely operate our plant there, we will immediately do so. Meanwhile we will continue to secure stability of supply for our customers and to support our employees and their families."

Consolidated results

Revenue

In 2021, revenue increased by 36.4% y-o-y to USD 14,126 million, reflecting a 41.4% increase in the weighted-average realized aluminium price per tonne, driven by an increase in the LME aluminium price, and a 10.0% increase in electricity production volumes.

³ Consolidated data.

⁴ Adjusted EBITDA for any period represents the results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment for the relevant period.

⁵ The sum of loans and borrowings and bonds outstanding less total cash and cash equivalents as at the end of the relevant period.

⁶ Calculated as operating cash flow less net interest paid and less capital expenditure adjusted for payments from settlement of derivative instruments, less restructuring fees and other payments related to issuance of shares and plus dividends from associates and joint ventures.

EBITDA

In 2021, the Group's Adjusted EBITDA increased 114.5% y-o-y to USD 3,992 million, mainly reflecting the revenue impacts described above, despite increased inflationary pressure on production costs. The Group's Adjusted EBITDA margin reached 28.3%.

Net profit

Net profit increased by 247.8% in 2021 to USD 3,534 million (USD 1,016 million in 2020), noting that net profit in 2020 included provisions made in respect of environmental costs by Norilsk Nickel in 2020. In 2021, the Group recognised a gain in the amount of USD 492 million resulting from RUSAL's participation in Norilsk Nickel's buyback. Otherwise, the underlying increase was driven mainly by the same factors that influenced the increase in Adjusted EBITDA, as well as an increase in the share of profit obtained by the Group from its associates and joint ventures. In 2021, the share of profit obtained from Norilsk Nickel accounted for USD 1,762 million compared to USD 930 million in 2020.

Capital expenditure

The Group's capital expenditure amounted to USD 1,513 million in 2021 (up 34.1% y-o-y).

The Power segment's capital expenditure accounted for USD 321 million in 2021, as compared to USD 237 million in 2020. The Metals segment's capital expenditure amounted to USD 1,192 million in 2021 as compared to USD 897 million in 2020. See below for more detail on capital expenditure spent in each segment.

Debt position

The Group's net debt as of 31 December 2021 decreased by 12.7% as compared to 31 December 2020, and amounted to USD 8,581 million. The net debt attributable to the Metals segment decreased by 14.6% y-o-y, to USD 4,749 million as of 31 December 2021. The net debt attributable to the Power segment decreased by 10.1% y-o-y and accounted for USD 3,832 million as of 31 December 2021.

Free cash flow

In 2021, the Group's free cash flow increased by 76.1% to USD 1,705 million from USD 968 million in 2020, mainly reflecting a higher cash flow from operating activities.

Power segment FY 2021 financial results

USD million (except %)	FY21	FY20	chg,%
Revenue	3,138	2,697	16.4%
Sales of electricity	1,453	1,262	15.1%
Sales of capacity	500	434	15.2%
Sales of heat	417	393	6.1%
Other	768	608	26.3%
Adjusted EBITDA	1,172	993	18.0%
Adjusted EBITDA margin	37.3%	36.8%	0.5 pp
Net profit	374	257	45.5%
Net profit margin	11.9%	9.5%	2.4 pp
Net debt	3,832	4,263	(10.1%)
USD/RUB rates			
Rate as at the reporting date	74.29	73.88	0.6%
Average rate for the period	73.65	72.15	2.1%

Power segment's revenue increased by 16.4% y-o-y to USD 3,138 million in 2021, mainly driven by an increase in electricity sales volumes and an increase in capacity and electricity prices y-o-y.

Revenue from electricity sales increased by 15.1% y-o-y to USD 1,453 million in 2021. The increase was mainly driven by improved electricity generation volumes, which increased by 10.0% y-o-y to 90.4

TWh in 2021, as well as improved electricity prices. In 2021, the average electricity spot price on the day-ahead market in the second price zone, increased 7.1% y-o-y to 934 RUB/MWh.

Capacity sales increased by 15.2% y-o-y to USD 500 million in 2021, heat sales increased 6.1% y-o-y to USD 417 million in 2021, reflecting growth in capacity and heat prices.

The Power segment's Adjusted EBITDA in 2021 increased to USD 1,172 million (up 18.0% y-o-y). The improvement was mainly driven by the increase in electricity generation volumes and electricity and capacity sales prices.

Overall, in 2021, the Power segment's net profit increased to USD 374 million from USD 257 million in 2020.

In 2021, capital expenditure by the Group's Power segment amounted to USD 321 million (up 35.4% y-o-y). Maintenance capex accounted for 52% of total capital expenditure. The increase was mainly attributable to the partial rescheduling of works from the previous year and the beginning of our CHP modernisation programme. The Group's Power segment continued to invest in technical connections to its power supply infrastructure and improving the efficiency of the Group's CHPs, further progressing the HPP 'New Energy' modernisation programme.

In 2021, the Company launched a new hydroelectric unit at the Irkutsk HPP and began works on the next hydroelectric unit replacement. The Company replaced one runner and started works for replacement of another runner at the Bratsk HPP. Two new runners were delivered to the Krasnoyarsk HPP and technical re-equipment works began.

In 2021, the Company delivered equipment and started construction and installation work under the CAC projects for CHP-6 in Bratsk and Novo-Irkutsk CHP, equipment was supplied to replace three turbo generators for CHP-10. In 2022, the Company is planning to complete the replacement of the main equipment at CHP-6 in Bratsk and Novo-Irkutsk CHP.

The Power segment's net debt decreased by 10.1% y-o-y to USD 3,832 million as at 31 December 2021, from USD 4,263 million as at 31 December 2020, mainly resulting from scheduled repayments of existing debt and improvement in cash and cash equivalents. In 2021, net repayment of the Power segment's debt, amounted to USD 431 million.

Metals segment FY 2021 financial results

USD million (except %)	FY21	FY20	chg,%
Revenue	11,994	8,566	40.0%
Sales of primary aluminium and alloys	9,966	7,088	40.6%
Sales of alumina	610	533	14.4%
Sales of foil and other aluminium products	515	381	35.2%
Other	903	564	60.1%
Adjusted EBITDA	2,893	871	232.1%
Adjusted EBITDA margin	24.1%	10.2%	13.9 pp
Net profit	3,225	759	324.9%
Net profit margin	26.9%	8.9%	18 pp
Net debt	4,749	5,563	(14.6%)

The Metals segment's revenue increased by 40.0% to USD 11,994 million as compared to USD 8,566 million for 2020. The increase was due to growth of the average aluminium realized price to USD 2,553/t (up 41.4% y-o-y), which was driven both by the LME QP component⁷ (up 38.9% y-o-y to USD

⁷ QP (quotation period) prices differs from the real time LME quotes due to a time lag between LME quotes and sales recognition and due to contract formula specialty.

2,303/t) and the average realized premium component⁸ (up 70.4% y-o-y to USD 250/t). Sales of VAP increased by 18.1% to 2,034 thousand tonnes. The share of VAP sales in total sales has recovered to 52% (vs 44% in 2020).

Revenue from sales of primary aluminium and alloys increased by USD 2,878 million, or by 40.6%, to USD 9,966 million in 2021, as compared to USD 7,088 million in 2020, primarily due to increase in the weighted-average realized aluminium price per tonne driven by an increase in the LME aluminium price (to an average of USD 2,475 per tonne in 2021 from USD 1,702 per tonne in 2020), while sales volumes remained almost flat in the compared periods.

Revenue from sales of alumina increased by 14.4% to USD 610 million in 2021 from USD 533 million in 2020 due an increase in the average sales price by 18.2%, which was partially offset by a 3.0% decrease in the alumina sales volume.

Revenue from sales of foil and other aluminium products increased by USD 134 million, or by 35.2%, to USD 515 million in 2021, as compared to USD 381 million in 2020, due to an increase in revenue from sales of aluminium wheels by 58.6% together with an increase in sales of foil by 28.3% between the comparable periods.

Revenue from other sales, including sales of other products, bauxite and energy services increased by 60.1% to USD 903 million in 2021 as compared to USD 564 million for the previous year, due to a 54.3% increase in sales of other materials (such as aluminium powder 68.6%, silicon by 100.6%, hydrate by 103.7%, anode blocks by 26.7%) that was a result both by the increase in sales volumes along with the increase in average sales price.

Adjusted EBITDA increased to USD 2,893 million in 2021, as compared to USD 871 million in 2020. The factors that contributed to the decrease in Adjusted EBITDA were the same factors that influenced the operating results of the Company.

The Metals segment's profit in 2021 increased to USD 3,225 million from USD 759 million in 2020. The increase was driven mainly by the same factors that influenced the increase in EBITDA, as well as an increase in the share of profit obtained by the Group from its associates and joint ventures (2020 results were affected by provisions made in respect of environmental costs by Norilsk Nickel) and a one-off gain from the partial disposal of investment in an associate resulting from participation in the Norilsk Nickel buyback.

In 2021, the Metals segment's capital expenditure amounted to USD 1,192 million (up 32.9% y-o-y), with maintenance capex amounting to 67% of this total. The Metals segment continued its investment in key development projects as per its strategic priority of preserving its competitive advantages of vertical integration into raw materials and product mix enhancements. Among the core projects are the Taishet aluminium smelter and the Taishet anode plant.

In December 2021, the Company successfully launched the first phase of the world's most advanced low-carbon aluminium production plant, Taishet Aluminium Smelter (TaAZ) in Siberia. TaAZ is the third low-carbon aluminium smelter to be built by RUSAL, with an overall cost of more than \$1.69 billion, creating over 1,000 local jobs. Once fully operational, the smelter is expected to produce 428.5 thousand tonnes of low-carbon aluminium per year during its first phase.

The Metals segment's net debt decreased 14.6% y-o-y to USD 4,749 million as at 31 December 2021 (USD 5,563 million as at 31 December 2020).

In January 2021, the Metals segment entered into a new three-year sustainability-linked pre-export finance facility for up to USD 200 million. The interest rate is subject to a sustainability discount or premium depending on the Company's fulfilment of the sustainability key performance indicators (KPIs). The proceeds were used to refinance the principal outstanding under the existing debt.

⁸ The average realised premium includes Commodity premium and VAP upcharge.

In 2021, the Company repaid a RUB 88.5 billion loan from Sberbank ahead of schedule. The loan backed by shares of PJSC MMC Norilsk Nickel, was drawn in 2010 and extended in 2020 with final maturity in December 2027. It consists of USD and RUB tranches with current outstanding amounts of USD 2.1 billion and RUB 18 billion respectively. According to the payment schedule amortisation is starting from September 2024.

In February 2022, the Company completed the scheduled repayment of Eurobonds in the amount of USD 512 million out of its own funds.

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About EN+ GROUP IPJSC

En+ Group is a leading international vertically integrated aluminium and hydropower producer. The Company combines power plants with a total installed capacity of 19.5 GW (including 15.1 GW of hydro power assets), and 4.2 Mt of annual aluminium production capacity (through a controlling stake in UC RUSAL plc, the world's largest aluminium producer outside of China in 2021) which is the major consumer of En+ Group's hydroelectricity.

The information presented in this announcement only reflects the position of the Company during the review period from 1 January to 31 December 2021, unless otherwise specified.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made.