[Link to financial statement]

EN+ GROUP FY 2018 FINANCIAL RESULTS

28 March 2019 — EN+ GROUP PLC (the **"Company", "En+ Group"** or together with its subsidiaries **"the Group"**) announces operational and financial results for the year ended 31 December 2018.

On 6 April 2018, the Office of Foreign Assets Control (**"OFAC"**) of the Department of the Treasury of the United States of America designated the Company and its subsidiaries, UC Rusal plc and JSC Eurosibenergo (the **"Subsidiaries"**) as sanctioned entities (the **"Sanctions"**). The Company and its Subsidiaries were subsequently subject to the Sanctions for the remainder of 2018. These Sanctions led to certain negative changes to ordinary levels of operational and financial performance of the Group. On 27 January 2019, OFAC announced the removal of the Sanctions subject to and conditional upon the satisfaction of a number of conditions including, but not limited to, certain changes in the Group's shareholder structure and corporate governance framework. The disclosure regarding the terms of removal can be found on the Company's website https://www.enplusgroup.com/.

Highlights for the year ended 31 December 2018 and recent developments:

- Group revenue increased 2.3% USD 12.4 billion
  - Aluminium production increased 1.3% to 3.75 million tonnes
  - Electricity production increased 7.0% year on year (y-o-y) to 73.2 TWh; hydro power output increased by 6.2% to 58.3 TWh (80% of total power output)
- Adjusted EBITDA[1] grew by 2.0% to USD 3.3 billion
- Net profit increased by 32.7% to USD 1.9 billion, driven by an increased share of profit from associates and joint ventures
- Net debt[2] decreased by 8.8% to USD 11,094 million as of 31 December 2018 (USD 12,164 million as at 31 December 2017)
- Following the removal of the Sanctions on 27 January 2019:
  - The Company's ownership and voting structures significantly changed, including the change of control of the Group and the increase by Glencore plc of its share ownership to 10.55% pursuant to the terms of the first stage of a securities exchange agreement;
  - The composition of the Company's Board of directors has changed significantly, so that it is now composed of eight independent directors out of twelve members in total. On February 8, 2019 Lord Barker was appointed Executive Chairman of the Board and Christopher Burnham was appointed Senior Independent Director;
- The new Board has established two new committees: Health, Safety and Environment Committee and Regulation and Compliance Committee, in addition to the existing Audit and Risk, Remuneration and Nominations and Corporate Governance committees

[1] 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.
[2] Net debt – the sum of loans and borrowings and bonds outstanding and deferred liability for acquisition of PJSC Irkutskenergo (the Group's subsidiary) shares less total cash and cash equivalents as at the end of the relevant period.

Lord Barker of Battle, the Company’s executive chairman said:

“2018 presented unprecedented challenges for the En+ Group but this strong set of full year results demonstrates the commitment and professionalism of our 100,000 employees, the resilience of our business model and the quality of our world class assets. The Group is now embarked on a new chapter in its development with a truly independent Board and exemplary corporate governance.

However, lower global aluminium prices this year now present further challenges. The group is well placed to carefully navigate this period too, while remaining focused on the long term opportunity to lead the global sector towards a new era of low-carbon aluminium powered by clean hydropower energy.”

Vladimir Kiriukhin, CEO of En+ Group, commented:

“I’m pleased to report, that, despite significant corporate headwinds and global negative aluminium market sentiment, the Group has achieved an increase in both revenue and EBITDA year-on-year.

We remain wholly committed to our stated strategy of embedding innovation, efficiency and sustainability throughout the Group, ensuring rigorous cost control and utilising our strong cash generation to invest in our businesses and deleverage. Moreover, our enhanced corporate structure, reinforced by a world-class Board, allows for amplified participation in the global metals and mining industry and opens prospects for international cooperation with industry leaders.

The Group’s management is focused on delivering attractive, sustainable shareholder returns. While the unprecedented challenges faced by the Company have resulted in the Board not recommending a dividend for 2018, the Group re-iterates its commitment to the previously announced long-term dividend policy and to maximizing shareholder value. In a normalized trading environment, we will endeavour to return to shareholders the entirety of UC RUSAL dividends received as well as 75% of the Energy segment’s Free Cash Flow. The Group has emerged from 2018 ideally placed to capitalise on a market that increasingly recognises the critical value of renewable power and clean aluminium.”

Consolidated financial results

USD million (except %)	**12M’18**	**12M’17**	**chg,%**
Revenue	12,378	12,094	2.3%
Primary aluminium and alloys sales[3]	8,165	8,169	(0.05%)
Alumina sales	975	769	26.8%
Electricity sales	1,329	1,319	0.8%
Heat sales	461	462	(0.2%)
Other	1,448	1,375	5.3%
Adjusted EBITDA	3,287	3,223	2.0%
Adjusted EBITDA margin	*26.6%*	*26.6%*	-

[3] After intercompany eliminations

Net profit	*1,862*	*1,403*	*32.7%*
Net profit margin	*15%*	*12%*	*3 pp*
Net Debt[4]	11,094	12,164	(8.8%)
Free cash flow[5]	877	1,258	(30.3%)

Revenue

Revenue increased by 2.3% to USD 12,378 million (USD 12,094 million in 2017). The growth was primarily due to 32.5% increase in the average alumina prices, which was partially offset by a decrease in the alumina sales volumes by 4.4%. Revenue from sales of primary aluminium and alloys was almost flat due to a 7.2% increase in the average aluminium price[6] on the London Metals Exchange (**"LME"**) from USD 1,968 per tonne in 2017 to USD 2,110 per tonne in 2018, which was offset by a 7.2% decrease in primary aluminium and alloys sales volumes.

EBITDA

The Group's Adjusted EBITDA grew by 2.0% to USD 3,287 million, primarily because of higher LME prices and rouble depreciation, which were partially offset by an increase in the Metals segment's cost of sales. The Group's Adjusted EBITDA margin for 2018 was flat y-o-y at 26.6%.

Net profit

The Group's net profit increased by 32.7% to USD 1,862 million (USD 1,403 million in 2017). The growth was driven by a 52.7% increase in share of profit from associates and joint ventures and decrease of net financial expenses, following a positive change in the fair value of derivative financial instruments for 2018, as compared to a significant net loss on this item for 2017.

Capital expenditures

The Group's capital expenditures amounted to USD 1,015 million before intersegmental elimination (up 2.5% y-o-y).

The Energy segment's capital expenditures stood at USD 181 million in 2018, an increase of 22.3% over 2017. The Metals segment's capital expenditures were broadly flat at USD 834 million.

[4] Net debt – the sum of loans and borrowings and bonds outstanding and deferred liability for acquisition of PJSC Irkutskenergo (the Group's subsidiary) shares less total cash and cash equivalents as at the end of the relevant period.

[5] Calculated as operating cash flow less net interest paid and less capital expenditure adjusted for payments from settlement of derivative instruments plus dividends from associates and joint ventures.

[6] Aluminium price per tonne quoted on the LME represents the average of the daily closing official LME prices for each period.

Free cash flow

En+ FCF on a consolidated basis decreased to USD 877 million due to lower operating cash flow of Metals segments. The operating cash flow of Metals segment decreased by 60%, while in Energy segment it increased by 9.1%.

Dividends

The Board of Directors has a clear dividend policy for the Group. As announced in 2Q 2017, this implies the payment on at least a semi-annual basis of dividends, which will be equal to the sum of:

- 75% of Free Cash Flow of the Energy segment, subject to a minimum of USD 250 million per annum; and
- 100% of dividends received from UC RUSAL

However, due to the exceptional challenges faced by the Company during 2018, the Board has taken the prudent decision not to recommend payment of a dividend for the 2018 financial year.

Strategic outlook

The Group anticipates global aluminium demand to recover in 2019 as the short-term impact of trade wars and supply shocks that occurred in the second half of 2018 diminish. It is expected that customers will gradually adapt to the new circumstances where markets outside of China remain in heavy deficit, economic activity continues positively and limited new supply enters the market. As such, global aluminium demand is expected to rise by approximately 3.7% y-o-y in 2019.

The Group is planning to maintain stable aluminium production of 3.8 million tonnes in 2019. Electricity production is also expected to remain stable at around 70-72 TW·h in 2019.

Based on the current market and global economic outlook, it is expected that the Company will be able to normalise working capital levels over the course of the next twelve months.

Notwithstanding current macroeconomic factors indicating potential price pressure on the top-line and on increases in cash costs in Metals segment, the Group believes that its vertically integrated business model will ensure it remains in the first quartile of the global cash cost curve, providing the business with a stable and sustainable margin outlook. The management believes that En+ Group is strongly positioned to maintain its record of costs running below the broader sector level for the current year.

Debt position

The Group's net debt[7] as of 31 December 2018 reduced by 8.8% compared to 31 December 2017, accounting for USD 11,094 million. The net debt attributable to the Metals segment was down 2.7% to USD 7,442 million and the net debt attributable to the Energy segment was

[7] Net debt – the sum of loans and borrowings and bonds outstanding and deferred liability for acquisition of PJSC Irkutskenergo (the Group's subsidiary) shares less total cash and cash equivalents as at the end of the relevant period

down 19.1% to USD 3,652 million. The Group's net debt reduction is mainly attributable to rouble depreciation and debt repayments.

Energy segment 2018 financial results

USD million (except %)	12M'18	12M'17	chg,%
Revenue	3,147	3,235	(2.7%)
Sales of electricity	1,934	1,928	0.3%
Sales of heat	424	422	0.5%
Other	789	885	(10.8%)
Adjusted EBITDA	1,174	1,147	2.4%
Adjusted EBITDA margin	*37.3%*	*35.5%*	*1.8 pp*
Net profit[8]	211	223	(5.4%)
Net profit margin	*6.7%*	*6.9%*	*(0.2 pp)*
Net debt	3,652	4,516	(19.1%)

The Energy segment's revenue decreased by 2.7%, totalling USD 3,147 million (USD 3,235 million in 2017).

Sales of electricity and heat were almost flat in 2018 compared to 2017 despite depreciation of the rouble[9]. This was offset by an increase in electricity sales volumes, higher weighted average electricity and capacity prices[10], as well as growth in heat tariffs. Other revenue decreased by 10.8% to USD 789 million mainly due to depreciation of the rouble.

The Energy segment's Adjusted EBITDA increased by 2.4% to USD 1,174 million, (USD 1,147 million in 2017), mainly reflecting an increase in electricity and capacity sales volumes on the back of rouble depreciation.

The Energy segment's net profit was slightly down at USD 211 million (USD 223 million in 2017) with the impact of rouble depreciation mostly compensated by an increase in volumes and price increases.

In 2018, capital expenditure by the Group's Energy segment amounted to USD 181 million or RUB 11 billion, which is in line with the long-term historical average of RUB 10-11 billion. Maintenance capex remained stable y-o-y, with investments made into projects for technical connections to power supply infrastructure and on projects to improve CHP efficiency.

[8] Excluding dividends from UC Rusal

[9] In 2018, the average for the period RUB/USD exchange rate increased by 7% to 62.71 compared to 58.35 in 2017.

[10] Electricity sales and prices are referred to the spot market, balancing market, free bilateral market, regulated contracts, retails sales; capacity sales and prices referred to regulated contracts and KOM. KOM is a Russian abbreviation for Competitive Capacity Outtake.

Total capital expenditure for Energy segment are expected to increase in 2019 due to a number of factors:

- Continued modernisation programme of HPPs (The ‘New Energy’ programme)
- Continued investment in CHPs efficiency improvement
- Increased investment in grid infrastructure
- Increased investment in the improvement of coal mining facilities

The ‘New Energy’ programme continues to be a key strategic priority of the Energy segment's investment programme. As part of this programme, from 2022, the Group's HPPs (Krasnoyarsk, Bratsk, Ust-Ilimsk and Irkutsk) will increase their green energy production by 2.3 TWh per year, using the same volume of water. This will enable HPP output to partially replace energy from coal-fired power stations, helping to reduce the Group's CHPs greenhouse gas emissions by approximately 2.8 mnt of CO2, representing c. 11% of the 2018 CHP CO2 emission volume per year.

Metals segment 2018 financial results

USD million (except %)	**12M’18**	**12M’17**	**chg,%**
Revenue	10,280	9,969	3.1%
Sales of primary aluminium and alloys	8,293	8,324	(0.4%)
Sales of alumina	975	769	26.8%
Sales of foil and other aluminium products	346	323	7.1%
Other	666	553	20.4%
Adjusted EBITDA	2,163	2,120	2.0%
Adjusted EBITDA margin	*21.0%*	*21.3%*	*(0.3 pp)*
Net profit	1,698	1,222	39.0%
Net profit margin	*16.5%*	*12.3%*	*4.2 pp*
Net debt	7,442	7,648	(2.7%)

Revenue attributable to the Metals segment increased by 3.1% y-o-y to USD 10,280 million, primarily due to higher average aluminium sales price, premiums and alumina prices.

Revenue from primary aluminium and alloys sales remained almost flat y-o-y in 2018 primarily due to a 7.3% increase in the weighted-average realized aluminium price per tonne driven by an increase in the LME aluminium price (to an average of USD2,110 per tonne in 2018 from USD1,968 per tonne in 2017), which was offset by a 7.2% decrease in primary aluminium and alloys sales volume.

Revenue from sales of alumina increased by 26.8% to USD 975 million in 2018 (USD 769 million in 2017) primarily due to an increase in the average sales price by 32.5%, which was partially offset by a decrease in the sales volumes of 4.4%.

Revenue from sales of foil and other aluminium products increased 7.1% to USD 346 million (USD 323 million in 2017) primarily due to the growth in sales of other aluminium products (in particular due to increased volumes of sales of aluminium wheels[11]).

Revenue from other sales, including sales of other products, bauxite and energy services increased by 20.4% to USD 666 million (USD 553 million in 2017), due to a 14.1% increase in sales of other materials (including anode blocks +18.4%, aluminium powder +23.7% and silicon +23.8%).

Adjusted EBITDA attributable to the Metals segment increased by 2.0% to USD 2,163 million y-o-y, (USD 2,120 million in 2017).

The Metals segment achieved a profit for the period of USD 1,698 million, (USD 1,222 million in 2017), representing 39.0% y-o-y growth; recurring net profit increased by 7.8% y-o-y to USD 1,695 million(USD 1,573 million in 2017).[12] The growth was driven by the increase of LME prices together with the increase in share of profit from associates and joint ventures.

The 2018 average realized price increased to USD 2,259/t (7.3% y-o-y). The LME component reached USD 2,107/t, which traditionally lags behind LME prices. Commodity grade premium was USD 75/t. Average upcharge per tonne of VAP sales was c. USD 169/t[13].

Capital expenditure at the Metals segment amounted to USD 834 million, broadly flat y-o-y (USD 842 in 2017).

The Metals segment continued its investment into key development projects in line with strategic priorities, including the preservation of its competitive advantages of vertical integration into raw materials and continued product mix enhancements:

- Bauxite self-sufficiency: Dian-Dian bauxite deposit, 1st stage (capacity of 3 Mtpa) was launched in June 2018
- Alumina capacities expansion: the Friguia alumina refinery complex (a bauxite mine and alumina refinery) was restarted in June 2018 (after full ramp up production will increase up to 600 ktpa)
- Aluminium capacity expansion: Taishet aluminium smelter (1st line, 428.5 ktpa);
- Carbon materials self-sufficiency:
    - Volgograd anode plant (up to 105 ktpa of baked anodes) with own calcined coke capacity was launched in August 2018
    - Taishet anode plant (1st stage) - construction of anode baking furnace with a capacity of up to 217.5 ktpa of baked anodes - is expected to be launched in December 2019

[11] Increase in revenue may be attributed to the low comparison base: assets engaged in wheels production, were acquired only in April 2017.

[12] Recurring Net Profit for any period is defined as the Net Profit adjusted for the net effect of derivative financial instruments, net of tax and the net effect of impairment of non-current assets.

[13] Both Commodity grade premium and Average upcharge per tonne of VAP sales exclude effect of sales of secondary alloy.

The BEMO project continues to utilise its own project financing facilities to fund its ongoing construction projects and does not require capital contributions from its joint ventures partners at this time.

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About EN+ GROUP PLC

***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 3.9 Mt of annual aluminium production capacity (through a controlling stake in UC RUSAL plc, the world's largest aluminium producer outside of China in 2018) which is the major consumer of En+ Group's hydroelectricity.*

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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.