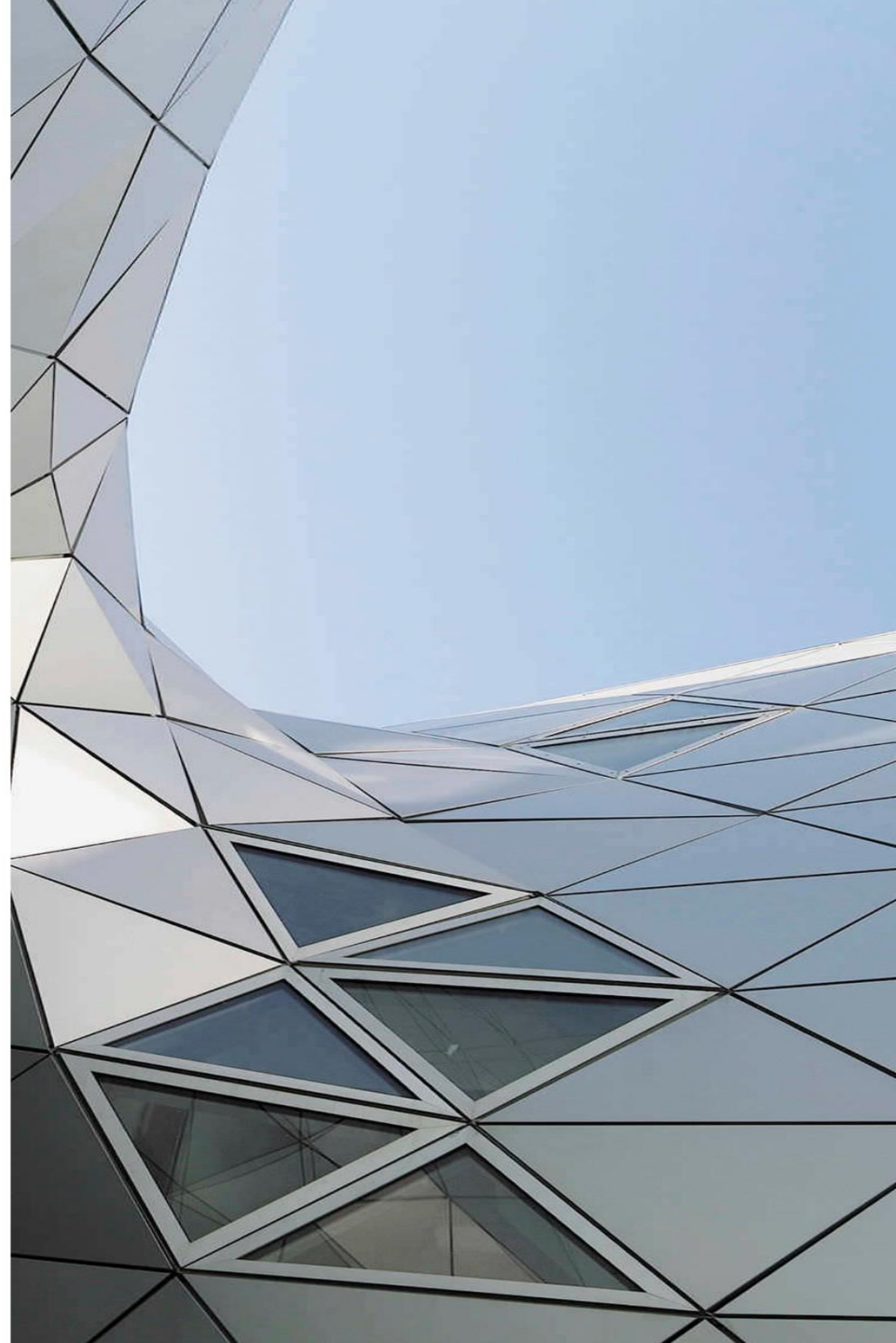




1Q 2020

Market and Business Update

April 2020



THIS DOCUMENT AND ITS CONTENTS ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA, JAPAN OR ANY JURISDICTION WHERE SUCH DISTRIBUTION IS UNLAWFUL.

This presentation may contain “forward-looking statements”, which are statements related to the future business and financial performance and future events or developments involving the En+ Group. Such forward-looking statements are based on the current expectations and certain assumptions of the En+ Group’s management, and, therefore, should be evaluated with consideration taken into of risks and uncertainties inherent in the En+ Group’s business. A variety of factors, many of which are beyond the En+ Group’s control, can materially affect the actual results, which may differ from the forward-looking statements.

This presentation includes information presented in accordance with IFRS, as well as certain information that is not presented in accordance with the relevant accounting principles and/or that has not been the subject of an audit. En+ Group does not make any assurance, expressed or implied, as to the accuracy or completeness of any information set forth herein. Past results may not be indicative of future performance, and accordingly En+ Group undertakes no guarantees that its future operations will be consistent with the information included in the presentation. En+ Group accepts no liability whatsoever for any expenses or loss connected with the use of the presentation. Please note that due to rounding, the numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Information contained in the presentation is valid only as at the stated date on the cover page. En+ Group undertakes no obligation to update or revise the information or any forward-looking statements in the presentation to reflect any changes after such date.

This presentation is for information purposes only. This presentation does not constitute an offer or sale of securities in any jurisdiction or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities of the En+ Group. If this presentation is provided to you in electronic form, although reasonable care was used to prepare and maintain the electronic version of the presentation, En+ Group accepts no liability for any loss or damage connected to the electronic storage or transfer of information.

Market overview

- In 1Q 2020 global primary aluminium demand dropped by 6.4%, while the worldwide supply of primary aluminium continued to grow in 1Q20 increasing by 3.5% year-on-year to 16.12 million tonnes, mostly driven by Chinese growth of 4.1%.
- As a result the global market demonstrated a 1.7 million tonnes surplus during 1Q 2020 keeping aluminum prices and premiums under pressure.
- In 1Q 2020, the average electricity spot price on day-ahead market in second price zone accounted for 906 RUB/MWh (down 11.7% y-o-y) resulted from increase in HPPs generation, a change in consumption structure as well as transmission constraints on the transit between East and West Siberia. The power consumption in the Russian power system decreased 3.5% from the beginning of the period of self-isolation due to new coronavirus infection.

Operational Performance

- Despite challenging market conditions, the Group delivered a resilient operational performance in 1Q 2020:
 - Aluminium production increased 1.3% y-o-y to 940 kt, aluminium sales increased 2.0% y-o-y to 914 kt, while the average aluminium realised price decreased 4.4% y-o-y to USD 1,864 per tonne.
 - The share of VAPs in the Metals segment's aluminium sales increased to 46% in 1Q 2020 from 29% in 1Q 2019, with VAP sales increasing 62.9% y-o-y to 421kt.
 - The Group's Power segment total electricity production increased 10.9% y-o-y to 21.3 TWh, while the Group's Power segment hydro power output increased 15.5% y-o-y to 16.4 TWh.

Virus response

- In mid-March the Group introduced distance working. On-duty staff who need to work on site are being provided with a full range of virus protection tools.
- En+ Group purchased and supplied 800,000 medical masks to the Ministry of Health of the Irkutsk Region for distribution to medical institutions and social services organizations.
- The Group launched an initiative to deliver free food supplies to 16,000 of its retired former employees, many of whom are considered high-risk for infection and are therefore unable to leave their homes during the coronavirus pandemic.

1Q 2020 Operational Highlights

		1Q 2020	1Q 2019	Change	
Sales and production	Total aluminium production, kt	940	928	1.3%	▲
	Total aluminium sales, kt	914	896	2.0%	▲
	VAP share	46%	29%	17 pp	▲
	Total electricity production ¹ , TWh	21.3	19.2	10.9%	▲
	• HPPs, TWh	16.4	14.2	15.5%	▲
	• CHPs, TWh	4.9	5.1	(3.9%)	▼
	Heat production, mn Gcal	10.1	10.5	(3.8%)	▼
Macro	LME QP component ² , USD/t	1,708	1,849	(7.6%)	▼
	VAP upcharge over commodity (VAP products only), USD/t	167	173	(3.5%)	▼
	Average electricity spot prices ³ in 2nd price zone, Rb/MWh	906	1,025	(11.7%)	▼
	• Irkutsk region, Rb/MWh	866	1,000	(13.4%)	▼
	• Krasnoyarsk region, Rb/MWh	824	983	(16.1%)	▼
	Average Exchange Rate, RUB/USD	66.38	66.13	0.4%	▲

Note: Due to rounding, numbers may not add up precisely to the totals provided, percentages may not precisely reflect the absolute figures, and percent change calculations may differ.

Source: Company data, Bloomberg.

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

(2) 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 speciality.

(3) Day ahead market prices, data from ATS and Association "NP Market Council". The prices average electricity spot prices are calculated as an average of the prices reported in the Monthly Day Ahead Prices Overview by Association "NP Market Council".

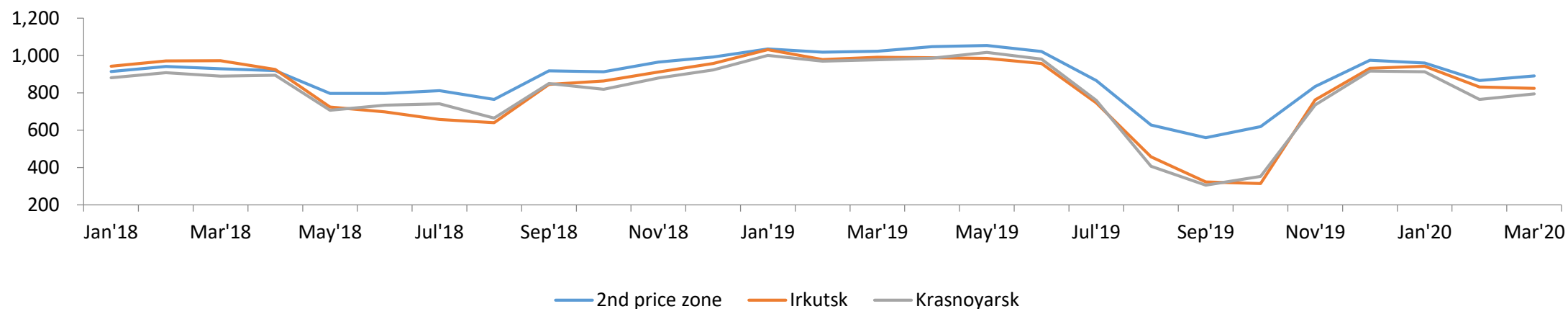
Power supply and demand in Siberia¹

TWh	1Q'20	1Q'19	Change
Production in Siberia	59.6	58.9	+1.2%
HPPs production	27.1	23.6	+15.0%
Consumption	59.9	59.5	+0.7%

Average electricity spot prices²

Average market price, RUB/MWh	1Q'20	1Q'19	Change
2 nd price zone	906	1,025	-11.7%
Irkutsk region	866	1,000	-13.4%
Krasnoyarsk region	824	983	-16.1%

Electricity spot prices², Rb/MWh



Capacity prices³

th. RUB/MW/month	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2 nd price zone	189	182	186	190	191	225	264	267	279	303

(1) System Operator of the Unified Power System, incl. February 29, 2020.

(2) Day ahead market prices, data from ATS and Association "NP Market Council".

(3) According to Russian regulations in the power industry, capacity price is defined by supply-demand balances, set in real terms and linked to CPI-1% till 2017 and CPI-0.1% since 2018.

Water Inflows as a Driver to Increase HPP Generation

Overview

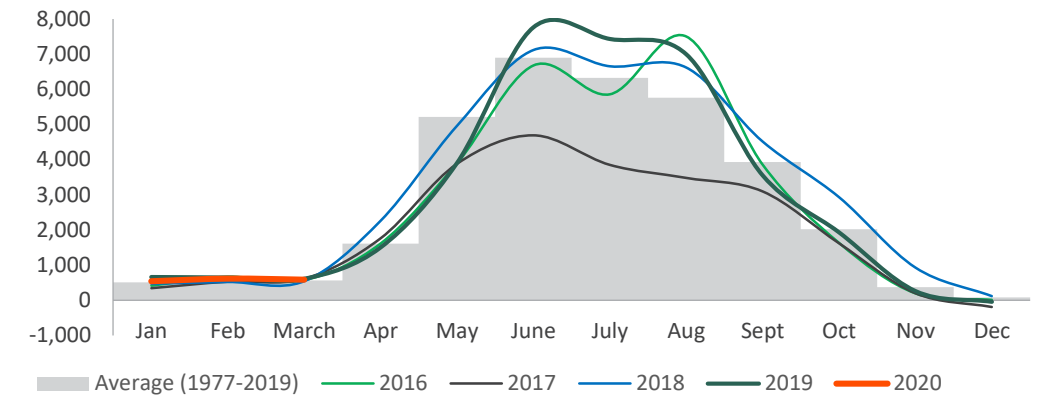
- The Group's Angara cascade HPPs (Irkutsk, Bratsk and Ust-Ilimsk HPPs) increased power generation to 11.8 TWh in 1Q 2020 (up 21.6% y-o-y) due to increased water reserves in the reservoirs of HPPs on Angara cascades (up 1.3 TWh compared to long-term average as at 1 April 2020) as well as increased water levels in the Bratsk reservoir, which reached 397.33 meters as at 1 April 2020 vs. 395.94 meters at 1 April 2019.
- The Group's Krasnoyarsk HPP's total power generation increased to 4.7 TWh in 1Q 2020 (up 4.4% y-o-y). The increase in the generation levels was a result of higher water levels in the Krasnoyarsk reservoir and a forced drawdown. The latter was made by the instructions of Russian authorities as the hydrological forecast estimates a higher than normal inflow in the Krasnoyarsk reservoir in April 2020 of 1,000 – 1,800 cubic meters or 97-175% of norm and 2Q 2020 of 2,800 – 3,600 cubic meters or 95-123% of norm.

Water level (m)

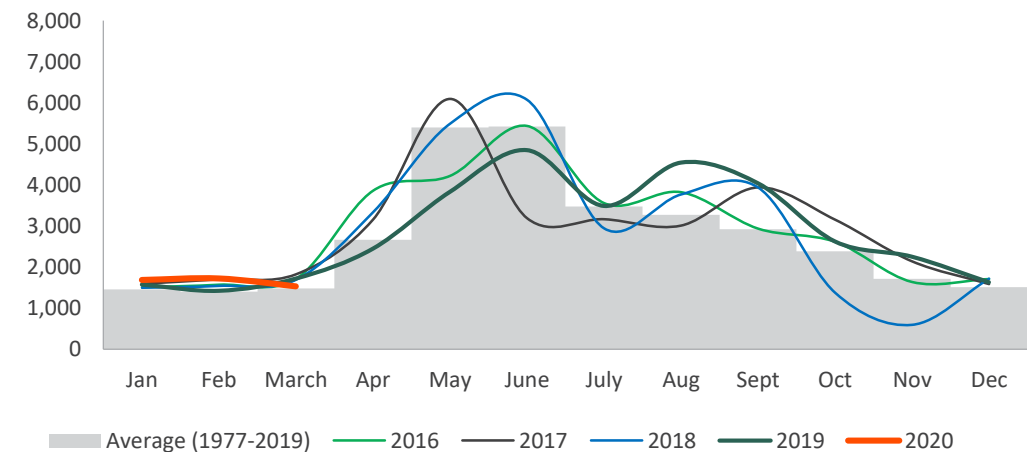
	Normal	Minimum	31.03.2020	31.03.2019
Irkutsk HPP	457.00	455.54	456.23	456.32
Bratsk HPP	402.08	392.08	397.34	395.94
Ust-Ilimsk HPP	296.00	294.50	294.84	294.86
Krasnoyarsk HPP	243.00	225.00	231.61	232.43

(1) Hydro production and water inflows data for Angara cascade include Irkutsk, Bratsk and Ust-Ilimsk HPPs.

Water inflows, Angara cascade¹ (m³ per sec.)



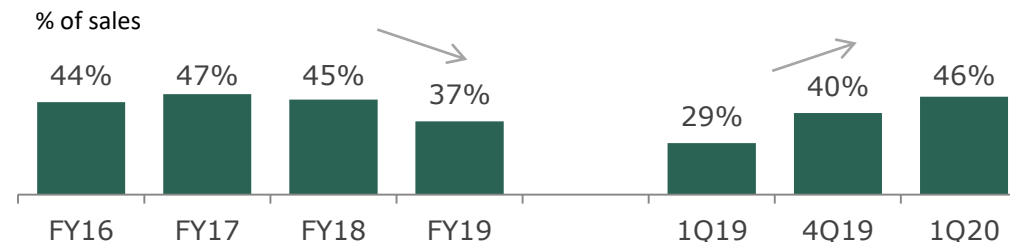
Water inflows, Yenisey cascade / KHPP (m³ per sec.)



Aluminium Price and Sales Structure in 1Q 2020

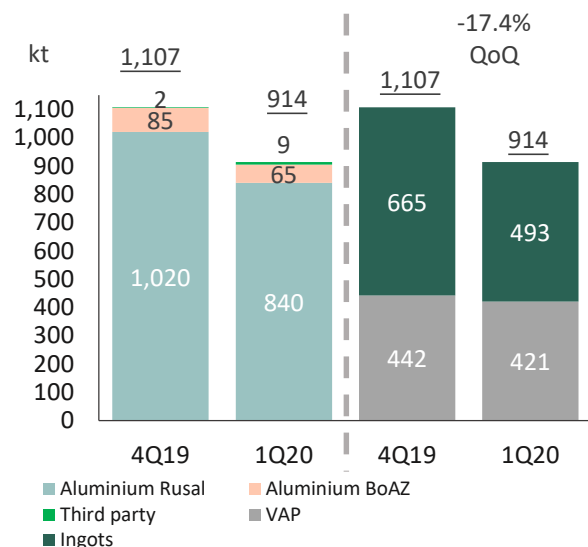
- Aluminium production in 1Q20 totaled 940 thousand tonnes (-0.9% QoQ);
- In 1Q20, aluminium sales amounted to 914 thousand tonnes (-17.4% QoQ). This sales reduction is attributable mostly to a high comparative base of commodity sales from earlier accumulated stocks and intensified shipments to domestic customers in 4Q19. These factors have both increased volumes in 4Q19 and caused optimization of metal in pipeline in the beginning of 2020 that have impacted sales in January;
- In 1Q20, the regional sales geography remained largely unchanged compared to the previous quarter with European destination (55%) still dominating the mix. Although in 1Q20 Russia&CIS sales slightly decreased in share to 22%, while Asia sales increased in share to 15%;
- In 1Q20, the average aluminium realized price decreased by 0.5% QoQ to USD1,864/t. The London Metal Exchange (“LME”) QP component decreased by 1.3% QoQ to USD 1,708/t. This was offset by the realized premium, which went up 8.8% to USD 156/t amid higher share of VAP in the total sales mix (46% in 1Q20 vs 40% in 4Q19) and higher average commodity premium.

VAP share in sales

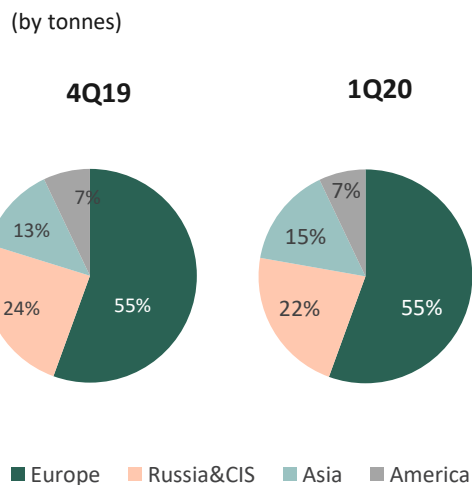


- Sales of VAP in 1Q20 decreased only by 4.7% QoQ, to 421 thousand tonnes, demonstrating the recovery of VAP share in total sales mix to 46%, almost reaching 47% share, level registered in 2017, before the OFAC Sanctions.

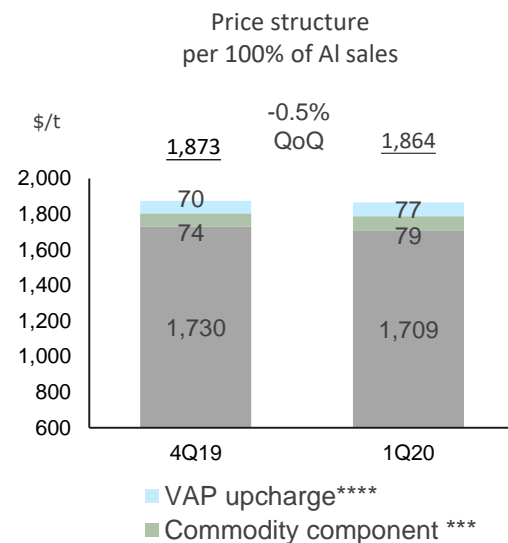
Aluminium sales



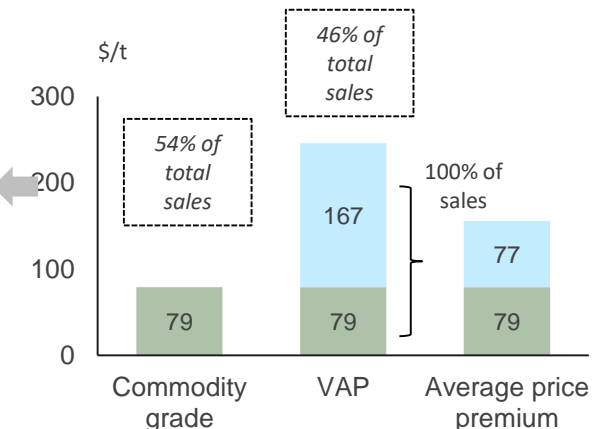
Sales geography



1Q 2020 realised price structure

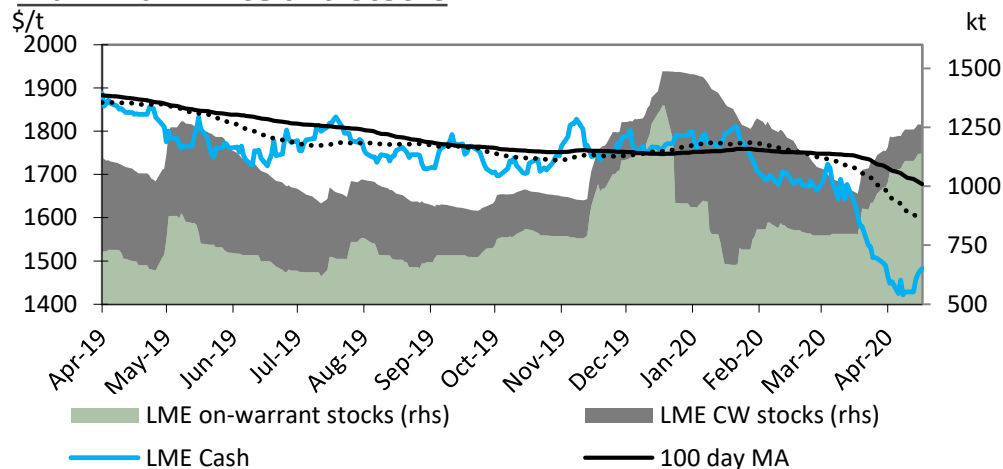


Premium structure over LME component*

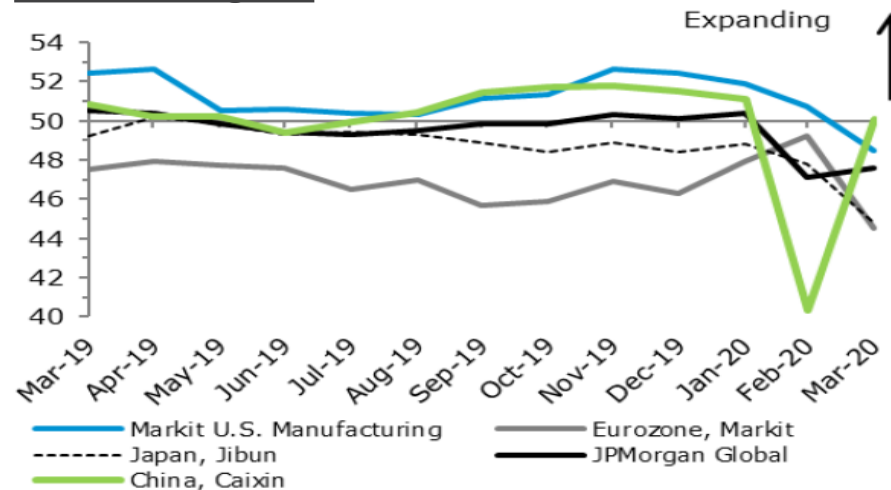


Aluminium market: prices and premiums remain suppressed

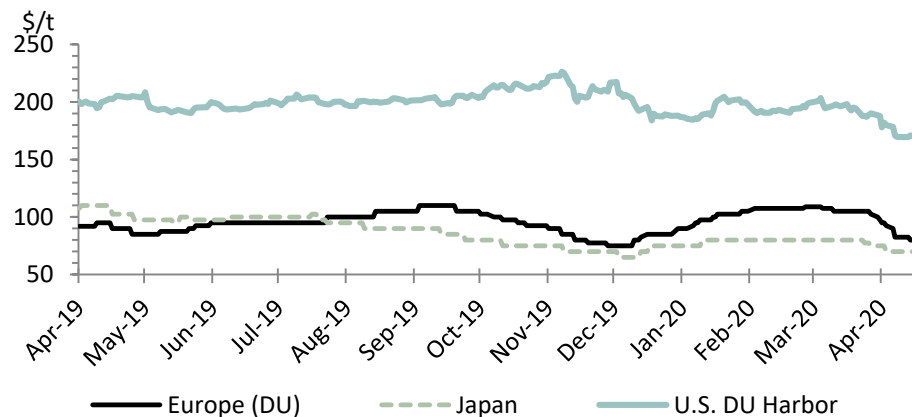
Aluminium Price and Stocks



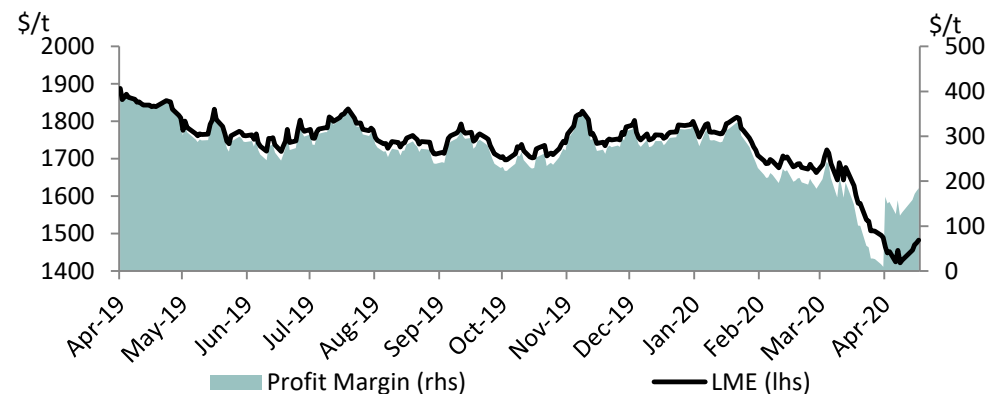
Manufacturing PMI



Regional market premiums



Profit Margin of Aluminium Smelters



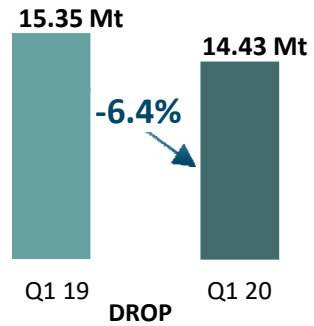
- Regional market premiums gradually woe on the back of sluggish final demand
- Even though the PMI indicator rose in March, only three consecutive months of a steady growth of PMI might suggest that manufacturing is getting back on its feet
- Anti-dumping measures in row did not affect export volumes of Chinese semis manufacturers, which keep trying to occupy all available niches on the market.

Global aluminium demand to contract by 2.6 Mt

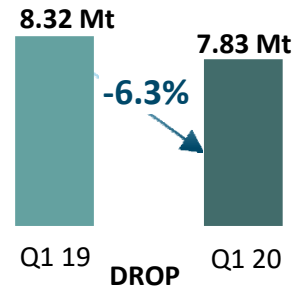
COVID-19 outbreak has changed completely the market outlook 2020. Current price environment gives a preference to primary aluminium in comparison with scrap. Primary aluminium will gain some share from scrap this year. As a result global market was a 1,7 million tonnes surplus during 1Q 2020 keeping under pressure aluminum prices and premiums.

PRIMARY DEMAND CONTRACTION IN Q1 2020...

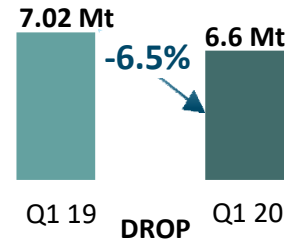
GLOBAL



CHINA



EX-CHINA



MOST AFFECTED SECTORS*

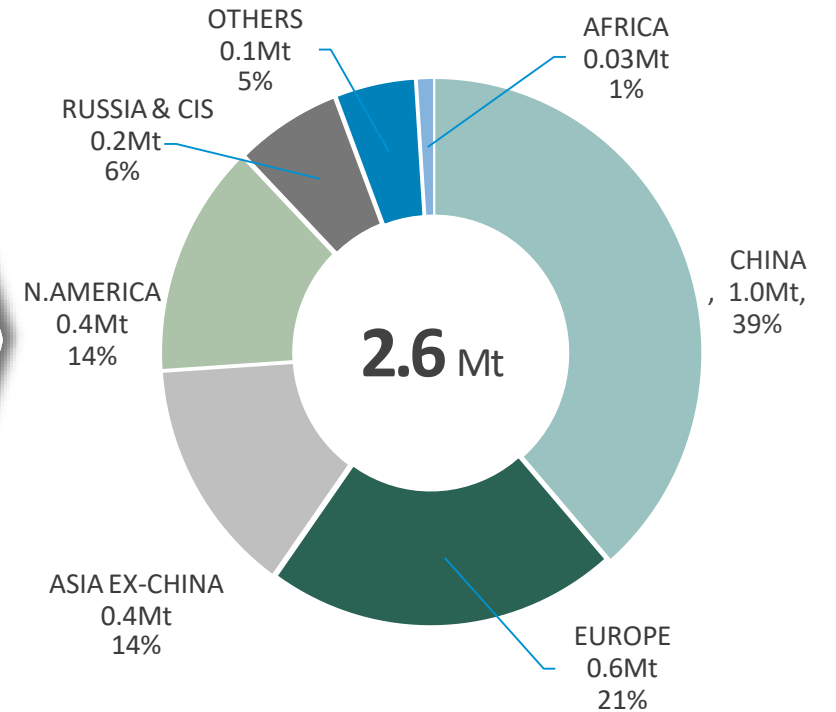
TRANSPORTATION SECTOR

The Transportation sector is the most affected sector amid wide-spread suspensions of car factories of key automotive producers in the China, Europe, USA and others. The launch of new models, including EVs, is delayed until the end of the virus outbreak.

PACKAGING SEGMENT

Packaging segment is growing due to ongoing process of replacing plastic bottles on aluminium cans and due to additional demand, related to quarantine consumer behavior and COVID-19 medical treatment.

...RESULTS IN FULL YEAR DEMAND CONTRACTION IN 2020 BY REGION



* Among aluminium end-user industries

Source: CRU, Rusal analysis

Business is preparing to restart after lockdown

EUROPE IS TAKING STEPS TO END THE LOCKDOWN

- Austria, Denmark and Norway have announced easing of the quarantine measures
- Spain, Italy, Germany and Switzerland are discussing to ease lockdown in May
- Spain allowed some of the construction businesses to resume work



HIGH VAP STOCKS WERE ACCUMULATED IN EUROPE IN MAR-APR

- Approximately 15-20% of annual demand
- Destocking will continue at least until August
- It means VAP orders in May-June may fall sharply

20%



CHINA RECOVERS FAST, DOMESTIC DEMAND IS A MAIN DRIVER

- Manufacturing PMI turned into expansion zone in March 2020
- Car sales recovered significantly from a month ago in March, rising 361.1% to 1.43Mio units, with the car production jumping 399.2% to 1.4Mio units
- Property sales grew 136.2% in March vs February 2020



EUROPEAN OEMs ARE PREPARED TO RESUME PRODUCTION

- HYUNDAI CZECH, FCA, RENAULT SLOVENIA, OPEL AND DENCŐ HUNGARY have restarted production last week
- DACIA, TOYOTA, DAIMLER, HONDA, BMW on hold at least till the end of April, first week of May



LOW LME PRICES CAUSE ALUMINIUM OUTPUT CURTAILMENTS

- might suspend production at ISAL smelter due to unprofitable performance and high power costs – capacity 184kt
- to fully curtail Ferndale smelter by July 2020 – capacity 230Kt
- has shut one potline (Line 4) at Tiwai Point – capacity 31Kt

RioTinto

ALCOA

NZAS

RUSSIAN MARKET MAY SUFFER HARD

- In Russia corona crisis accompanied by oil crisis result in purchasing power decrease
- The peak is in May-June with the overall drop in production by 30-40%
- Recovery period will not begin until October



-40%



SOUTH EUROPEAN EXTRUDERS RESTART PRODUCTION

- Some extruders in Italy and Spain have restarted last week, but at reduced rates
- HYDRO EXTRUSIONS resumes production at several plants



Hydro

RE MELTERS RESUME OPERATIONS

ALU IBÉRICA S.L.

- Alu Iberica (former Alcoa's casthouse) reopens its aluminum plants in LA Coruna and Aviles – capacity 140Kt

SIGN OF RECOVERY IN N.AMERICA UNLIKELY TO SEE BEFORE MID OF MAY

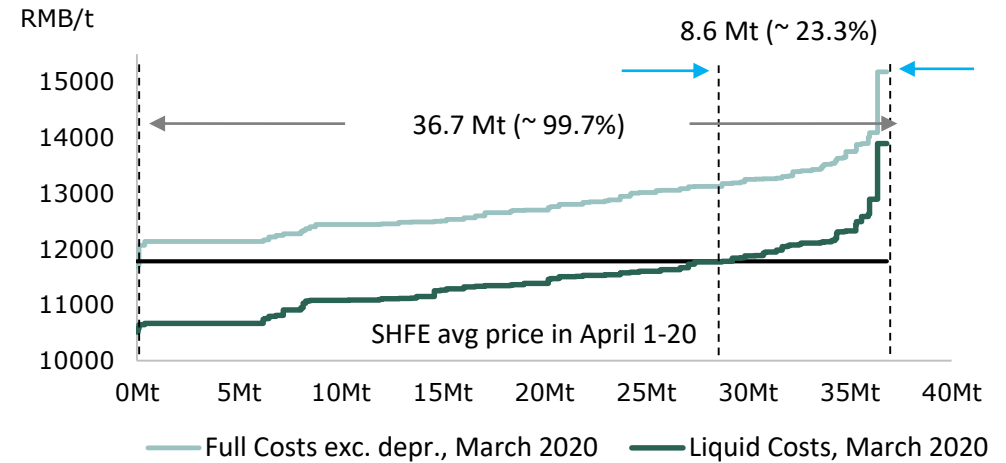
- Ford, Honda, Fiat Chrysler aim to restart U.S., Canada auto production in May
- Two weeks ago nearly two-thirds of construction firms (59%) reported a variety of problems causing project delays or disruptions, up from 45% a week before



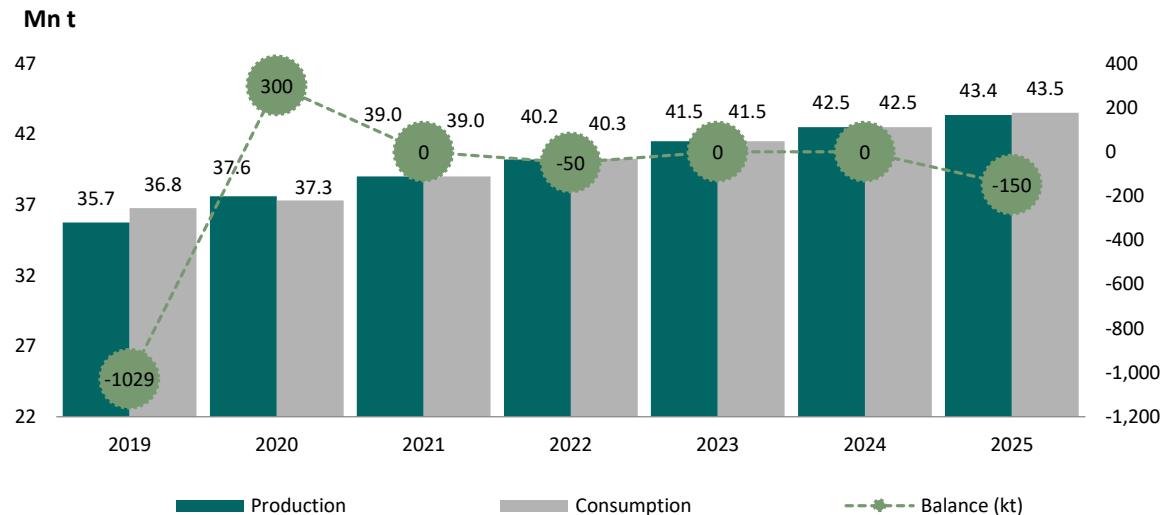
Chinese Aluminium Market to Stay in Surplus in 1H 2020

- Chinese aluminum sector affected by virus and seasonality factor showed growth of aluminum inventories by 1.0 mln tonnes in 1Q 2020 as a result of continued production growth and weak demand. Since the beginning of April stocks began to decline amid recovering downstream activity and production cuts.
- The loss ratio of China's aluminum smelting industry stood at ~ 23% in terms of liquid costs and 99.7% in terms of full costs exc depreciation at an average aluminum price as of RMB 11,783/t in April 1 -20. Closures of aluminum smelting capacity enlarged to 622 ktpy by the middle of April.
- Chinese aluminum market to be in surplus for 2020 after deficit in 2019. This should cap aluminum price growth in 1H20.

Chinese smelters costs



Chinese aluminum balance



Source: CRU, LME, companies data, RUSAL analysis

Chinese regional stocks

