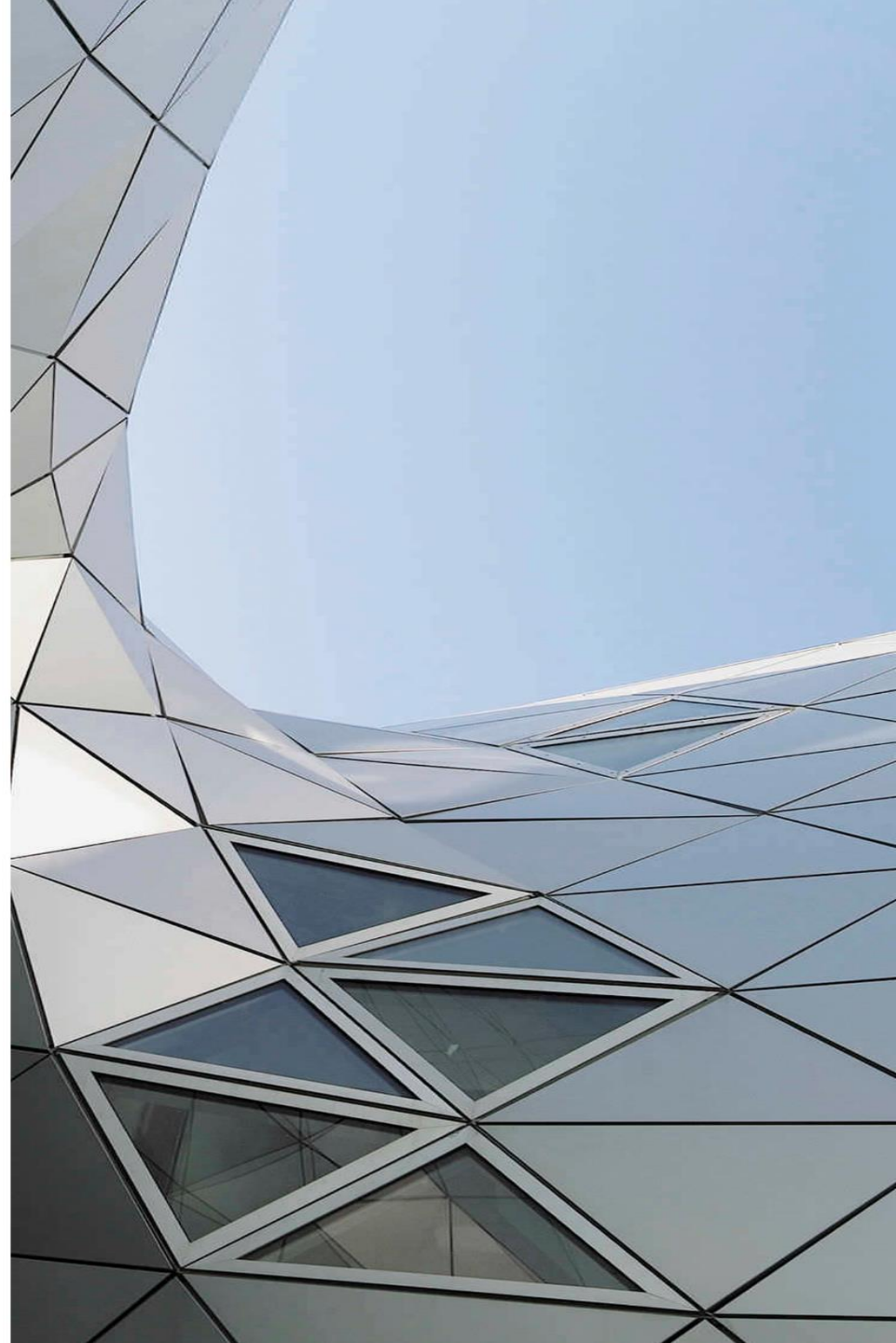




En+
G R O U P

**Resilience and growth
through innovation**

July 2020



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Lord Barker of Battle

Executive Chairman of **En+ Group**



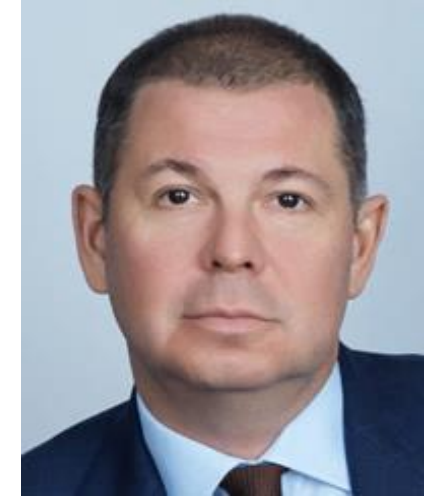
Mikhail Khardikov

Chief Financial Officer of **En+ Group**



Roman Andryushin

Deputy General
Director Marketing & Sales
of **UC RUSAL**



Oleg Mukhamedshin

Deputy CEO, Director for
Strategy,
Business Development and
Financial Markets of **UC RUSAL**

Group's advantages:

Focus on renewable energy further intensified through modernization and new HPP projects

- ✓ **New Energy program** allowed for 836 GWh of additional generation
- ✓ **Favorable hydrological situation** supported a 11.5% growth y-o-y of hydro output
- ✓ **Pipeline of new projects** is set to further increase our leadership in the industry

Development of new production technologies with maximum efficiency and minimal environmental impact

- ✓ **Focus on proprietary technologies** will allow for increased efficiency above industry benchmarks
- ✓ **USD 624 mln** – to be invested by 2024 in a large-scale eco-friendly investment programme at the assets of the Metals segment

Prioritization of the client's needs through delivering customized products

- ✓ **Extension of the VAPs portfolio** – launch of a new foundry complex at the BoAZ
- ✓ **Growing share of VAPs amidst the crisis** – sales increased both in share and total amount

Benefitting from the unique market position and opportunities

- ✓ **Enhancing the ALLOW brand** for the good purpose of meeting current market demands and environmental concerns
- ✓ **Leading the decarbonisation of the industry** – launched Green vision and supportive of LME low-carbon trading initiatives

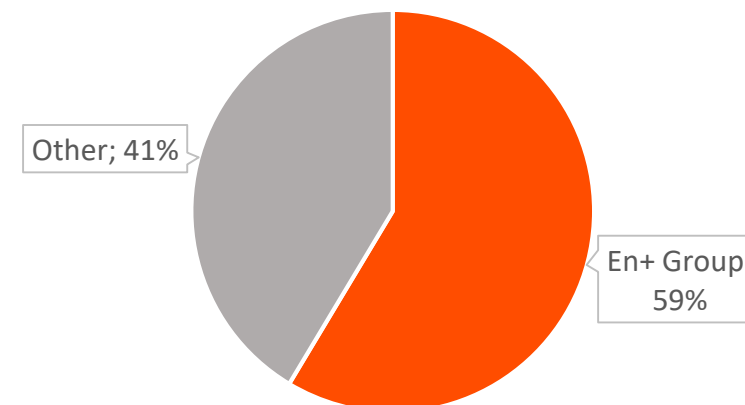
Overview

- The Group's Angara cascade HPPs (Irkutsk, Bratsk and Ust-Ilimsk HPPs) increased power generation to 22.3 TWh in 1H 2020 (up 13.8% y-o-y) due to increased water reserves in the reservoirs (up 1.7 TWh as at 1 July 2020 compared to the long-term average) as well as higher water levels in the Bratsk reservoir, which reached 397.67 metres as at 1 July 2020 vs. 397.20 metres at 1 July 2019.
- The Group's Krasnoyarsk HPP's total power generation increased to 9.7 TWh in 1H 2020 (up 6.6% y-o-y). The increase resulted from higher water levels in the Krasnoyarsk reservoir and a forced drawdown. Inflows to the Krasnoyarsk reservoir in 1H 2020 amounted to 1,930 cubic meters or 121% of norm.

Average electricity spot prices¹

Average market price, RUB/MWh	1H 20	1H 19	Change
2 nd price zone	904	1,033	-12.5%
Irkutsk region	856	989	-13.5%
Krasnoyarsk region	834	989	-15.6%

Hydropower generation in Siberia in 1H20



Power supply and demand in Siberia²

TWh	1H 20	1H 19	Change
Production in Siberia ⁴	103.9	104.6	-0.7%
HPPs production	54.6	46.9	+16.4%
Consumption	105.3	106.6	-1.2%

Strong performance due to favourable hydrological situation, reinforcing En+ Group's leadership in the Russian power market

(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".

New Energy HPP modernization programme

- Key project for 1H2020 – upgrade of the Irkutsk HPP:
 - Replaced runner in May
 - New hydropower unit to be replaced in August, efficiency factor of 94.5% VS 87.9% of the previous unit
 - In September works will start on the next hydropower unit to be modernized
- In 2021 the Group will start replacing runners at the Bratsk HPP

New HPPs in Russia

- Construction of the Segozero HPP
 - Works on site will start in September 2020
 - CAPEX – up to RUB 1.4 bln
 - Power output to commence in 4Q 2022
- Supporting the creation of a new HPP for the Russian railways



Growing hydro portfolio by boosting efficiency of current HPPs and constructing new assets

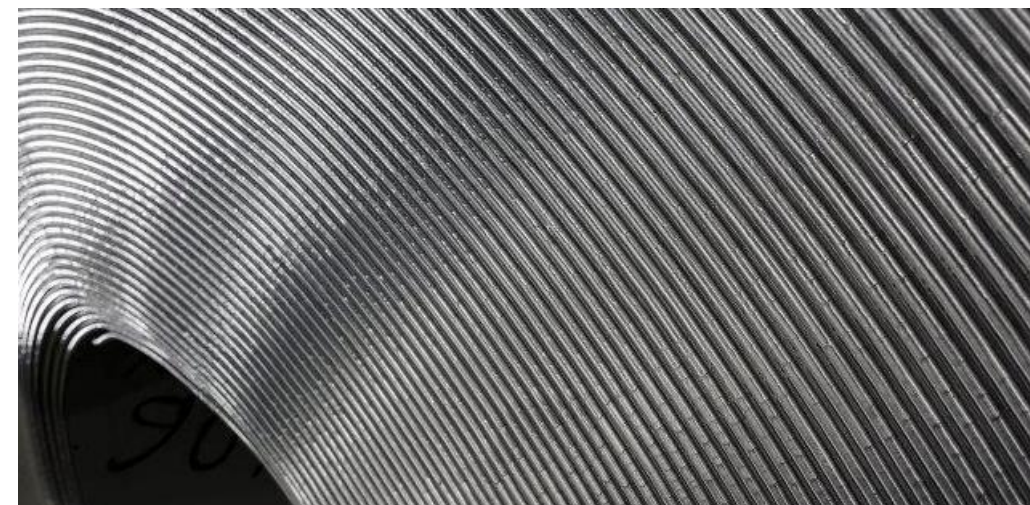
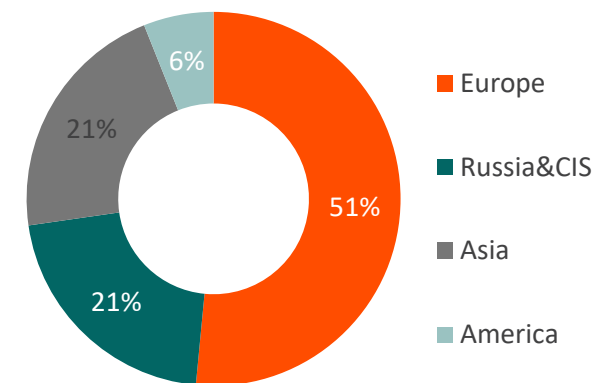
Overview:

- Aluminium production in 1H20 totaled 1,867 thousand tonnes, stable y-o-y;
- In 1H20, aluminium sales amounted to 1,890 thousand tonnes (-4.4% y-o-y). Strong sales volumes in 2Q20 even amid the lockdown, but offset by weak 1Q20 results. Intensified shipments to domestic customers in 4Q19, which led to optimization of metal in pipeline, impacted sales in Jan 2020.
- In 1H20, the regional sales geography remained largely unchanged. However, the Company saw an increase in deliveries to Asia in 2Q20 (+12 pp q-o-q) due to a favorable pricing arbitrage in China.
- In 1H20, the average realized aluminium price decreased by 10.4% y-o-y to USD1,756/t.

BEMO progress update:

- In early June 2020 RUSAL launched a new foundry complex at the Boguchany aluminium smelter
- Capacity – 120 ktpa of foundry alloys
- Will produce high silicon aluminium alloy with increased strength that is widely used in the automotive industry. High demand for such materials worldwide
- Hydropower access and use of advanced RA-300 potcells that allows for reduced energy consumption

Aluminium sales by region in 1H20:



En+ Group's low-carbon integrated business model demonstrated resilience in very challenging times

Focus on:

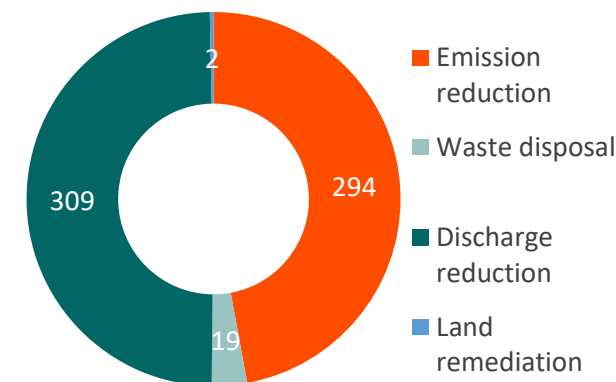
- Global climate agenda and move to ‘build back better’ from the COVID-19 crisis coincide with our focus on green aluminium production as an ultimate solution for our consumers and market trends support positioning of LCA as a separate asset class.
- We continue to supply best solutions for clients, offering a portfolio of VAP products and primary aluminium, produced using hydropower. We produce a range of customized alloys for a variety of applications in different spheres, mainly construction, automotive and packaging. One of them is Maxiflow, a high-speed extrusion alloy with advanced technical characteristics.
- Modernization of smelters: USD 190 mln to be invested in modernization of electrode production at our Sayanogorsk Aluminum Smelter between 2020 and 2023.

Eco-friendly modernization:

- The Group aims to invest c. USD 624 mln in environmentally focused upgrades
- Technologies to be implemented:
 - Eco-Soderberg proprietary technology
 - Owned high efficient gas treating technologies
 - Digital monitoring



Eco-investments to 2024, breakdown



En+ Group’s low-carbon leadership is underpinned by its own progress towards carbon neutrality

Taishet aluminium smelter

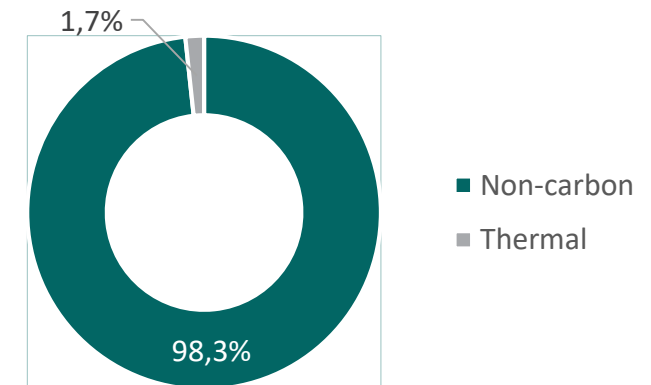
- En+ Group remains committed to the project
- The first metal of the 1st stage is scheduled for 2021
- The capacity of the smelter at the first stage is 428.5 ktpa, with additional 536 ktpa to be launched at the 2nd stage
- Will be equipped with the latest RA-550 potcells
- Alongside continues the construction of Taishet Anode Plant
 - Expected capacity of 400 ktpa of green anodes by 2024



Inert anode

- Aiming to become the first company to commercialize the technology
- Commenced testing operations for a pilot industrial electrolytic cell with inert anodes of improved design and a record low carbon footprint
- This new generation of inert anode electrolytic cell will improve the purity of aluminum produced

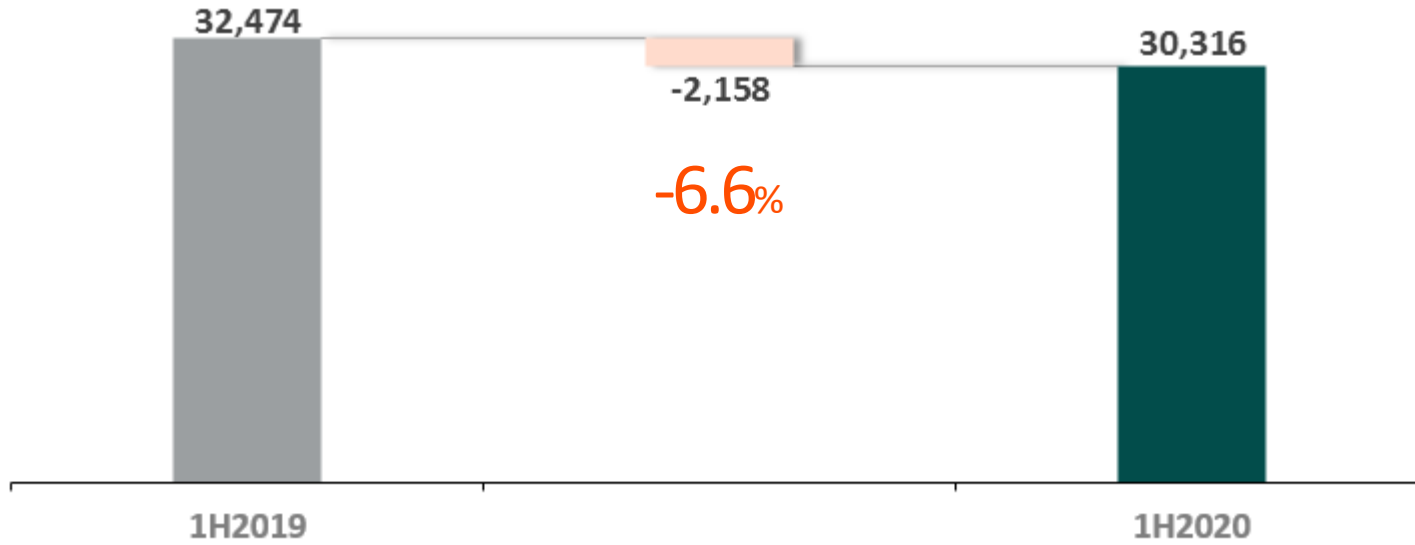
Energy source by type in the Metals segment, 2019



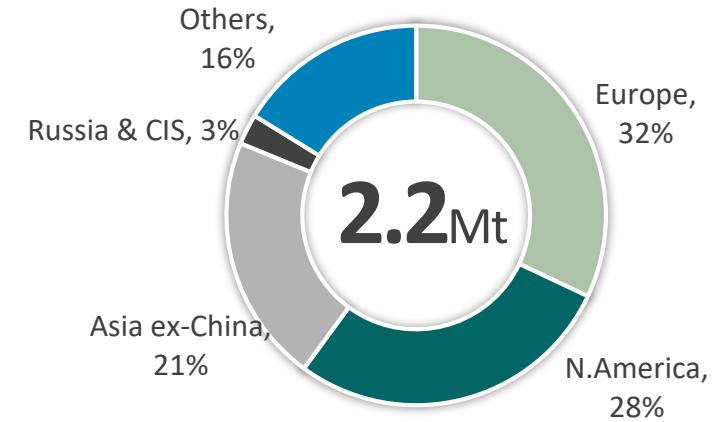
Greenfield development and in-house R&D support the Group's leadership in the new green economy

Global primary aluminium demand dropped by 6.6% in 1H 2020

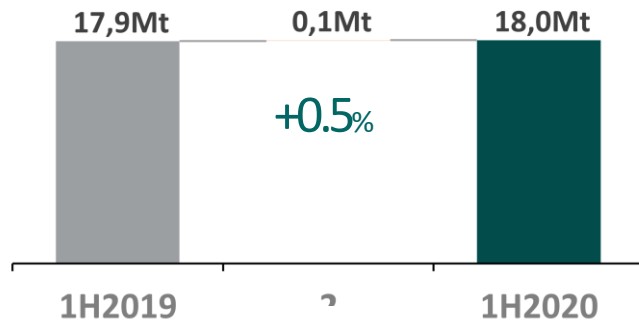
GLOBAL PRIMARY ALUMINIUM DEMAND IN 1H 2020



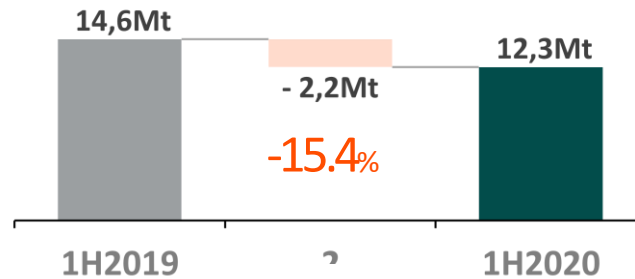
DEMAND REDUCTION BY REGION IN 1H 2020



CHINA



EX-CHINA

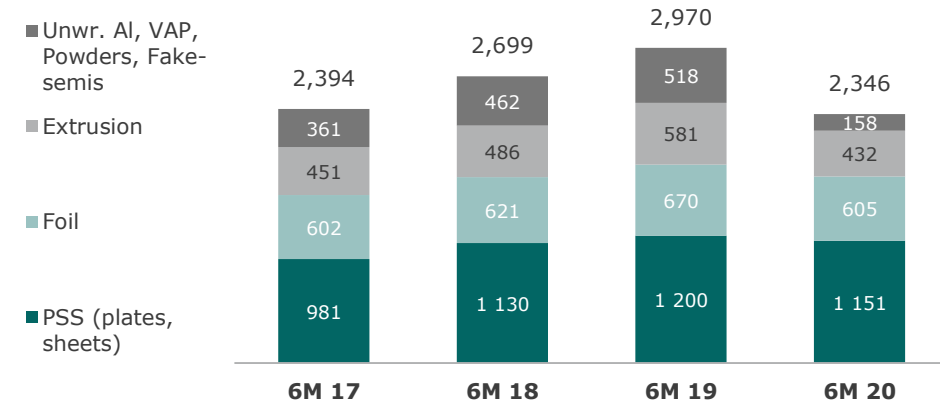


- Global aluminum demand contracted by 6.6% in 1H 2020 y-o-y
- Chinese 2Q 2020 demand improved significantly on Governmental stimulus and fast recovery from COVID-19
- Ex-China demand continues to be weak in 1H 2020 with signs of improvements in 2H 2020

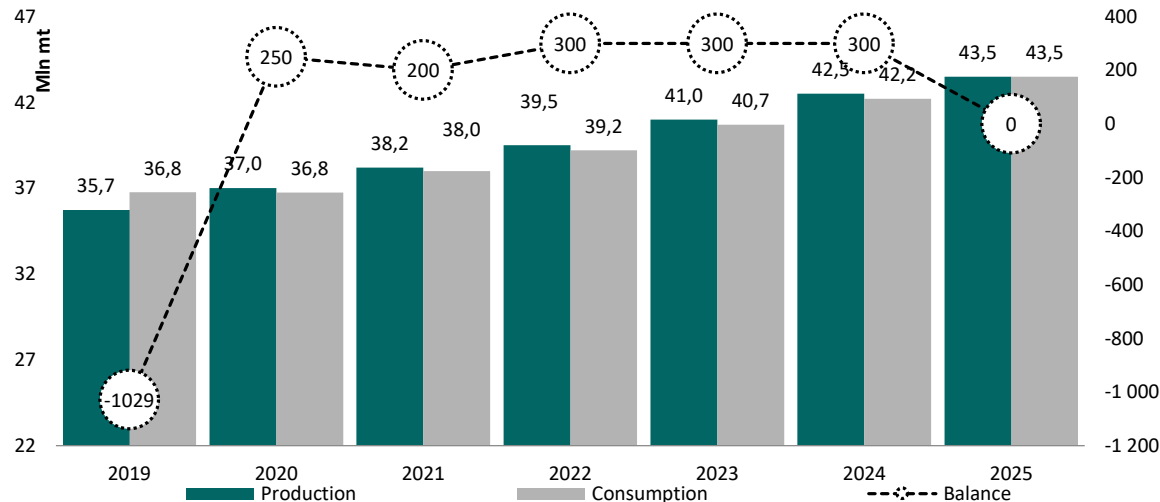
Chinese Aluminium Exports Collapsed

- Primary aluminium demand in China significantly improved in 2Q20 making 1H 20 demand almost unchanged by 0.5% year-on-year to 18 million tonnes, this compared to contraction by 6.3% in 1Q20 year-on-year. Thus was a result of Governmental support programs and fast recovery from COVID-19
- Chinese regional stocks continued to decline steeply in June 2019 and fell 960 thousand tonnes to 0.7 million tonnes from its highest level this year as of 1.68 million tonnes at the beginning of April 2020.
- Chinese unwrought aluminum and products exports collapsed by 20.6% in 1H20 y-o-y to 2.37 mln tonnes on strongly negative export price arbitrage and weak demand Ex-China. This was the lowest level since 2017

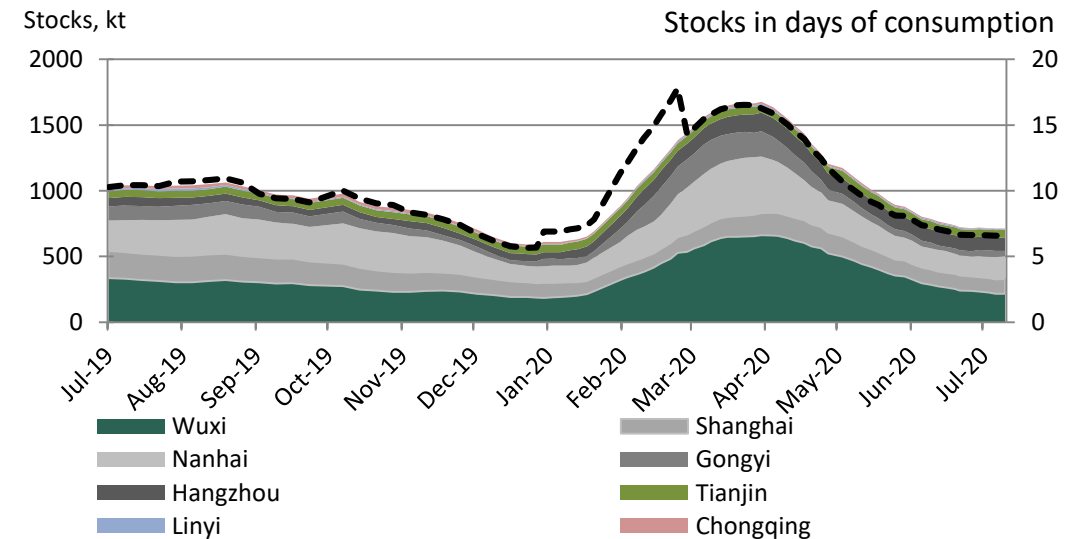
Chinese Unwrought aluminium and semis export



Chinese aluminum balance

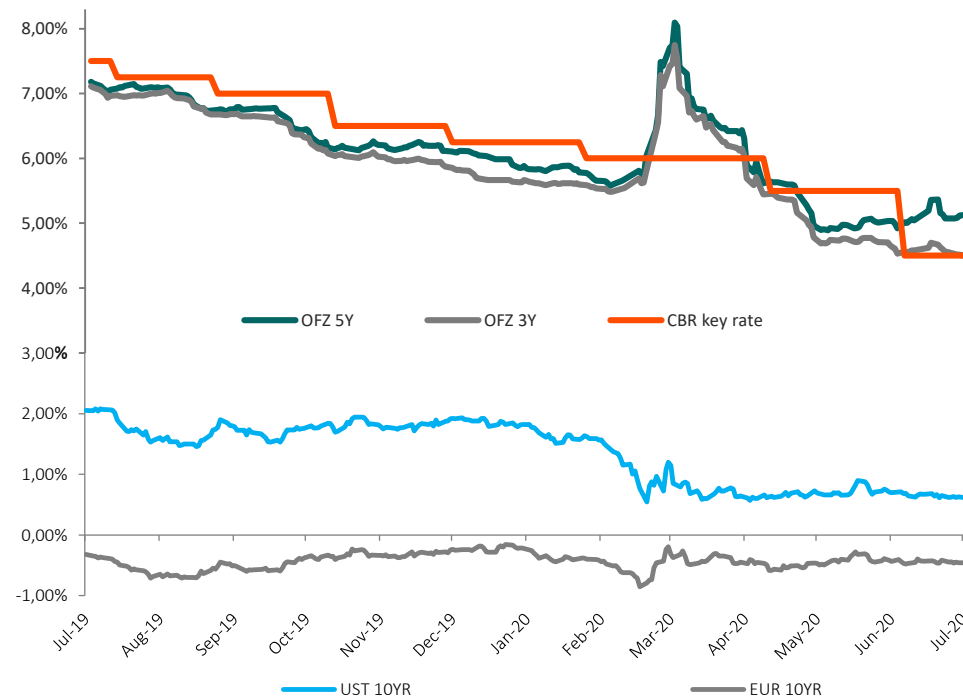


Source: CRU, LME, companies data, RUSAL analysis



Key market drivers

- INTERNATIONAL MARKET:** the baseline level of rates on international markets decreased during 1H2020, as central banks all over the world implemented measures to support economies through COVID-driven recession. However, for Rusal, as well as for most of sub-investment grade issuers, that did not result in reduction of interest rates. Investors were focused on highest-rated investments, selling off lower-rated ones in view of the overall economic recession concerns. Consequently, international market so far is not offering attractive opportunities for the company.
- RUSSIAN MARKET:** following a 3-step reduction of the key rate of Bank of Russia from 6.25% in the beginning of 2020 to 4.25% by June, and in anticipation of a possible further reduction in July, the rates on the local debt capital markets reached their long-term lows, which ultimately allowed all local issuers to come up with the deals with lower pricing.



New RUB bonds issuance

- In line with market lead, Rusal used favorable conditions and opted for a RUB bonds placement as opposed to international markets. In June 2020 Rusal issued a new tranche via the recently registered RUB 100 bln programme. The 3-year deal of RUB 10 bln achieved **historic low interest rate** of 6.5%.
- Half of the issuance was swapped into USD with resulting interest rate of 2.90%, which is **substantially below the Eurobonds secondary curve** (which showed the 4,60%-area for 3 years as of the date of issuance). That was the driving factor for Rusal to also conduct market tender on outstanding Eurobonds in July 2020, resulting in total redemption of c. USD 90 mln.

PJSC RUSAL Bratsk

Exchange-traded bonds
due June 2023

RUB 10 bln
@ 6,50%

General overview of ESG-bond market

- In addition to conventional bonds, **Green, Social and Sustainability bonds** continued growth despite market volatility, and totals **USD 913 bln** outstanding. The growth is a function of the change in approaches and standards of investors and banks – investing in sustainable business is becoming one of the priorities for largest enterprises now, setting the trends for the market.
- On top of these figures, there is an increase in issuance to fund programs and projects that alleviate the social and economic impact caused by COVID-19 pandemic. The estimated total issuance of **COVID-19 related bonds is over \$80bn** equivalent since February 2020



Sustainability-linked PXF

- In October 2019 Rusal signed the sustainability-linked pre-export finance facility for USD 1.085 bln with the syndicate of international and Russian banks which contemplates that the margin is linked to the performance of certain sustainability KPIs: decrease of CO2 and fluoride emissions and increase of low-carbon aluminium ALLOW sales.
- In July 2020 Rusal performed the first annual testing of the sustainability KPIs and its verification by an independent auditor. All target levels for the previous year were achieved or exceeded and subsequently the margin shall be decreased by 0.15% starting from the next interest period in August 2020.

UC RUSAL PLC

Sustainability PXF
due October 2024

USD 1.085 bln
@ 3mLibor+2.25%
+/- sustainability factor

Rusal is well positioned for ESG-linked debt instruments, and monitors market for potential new transactions

Focus on safety

- By 2025 – over 50% of office employees will be switched to remote work.

New Energy

- Increased efficiency of the Group's HPPs delivers increased hydro output and fewer emissions

New HPPs

- Segozero HPP will expand the Group's portfolio with a small HPP

ALLOW production

- Sales of low-carbon ALLOW aluminum to reach 3,5 mln t or 80% of total sales by 2025
- Developing further partnership and collaboration in the field of green solutions and low carbon materials

LME platform

- We are supportive of the LME's proposal to launch a separate platform for low-carbon aluminium trading which will, if implemented, represent a fundamental shift in commodities trading

Modernization

- USD 624 mln eco-friendly investments and USD 190 mln investments in SAZ upgrade

New solutions

- Portfolio diversification with an increased share of customized products
- Increased share of proprietary allow and their trading
- Opening new segments with new solutions: i.e. start of production of up to 100K tonnes of secondary alloy using KUBAL and Volgograd casting facilities, also including JV with third party

Leverage optimisation

- Improve debt profile via extension or refinancing on better terms and secure reserve lines to ensure access to liquidity

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