EN+ GROUP TO SIMPLIFY OWNERSHIP STRUCTURE THROUGH $1.58BN ACQUISITION OF VTB GROUP'S 21.37% STAKE IN EN+ GROUP

6 February 2020 — EN+ GROUP IPJSC (the "**Company**" and, together with its consolidated subsidiaries, the "**En+ Group**" or the "**Group**") announces the simplification of its ownership structure through the $1.58bn acquisition of VTB Group's 21.37% stake in En+ Group.

Transaction highlights:

- En+ Group to acquire 136,511,122 shares from VTB Group for cash at a price of $11.57 per share, which represents a significant discount to En+ Group's fundamental valuation;
- Simplification of En+ Group ownership structure through removal of VTB Group overhang, with no disruption to arrangements under the Barker Plan as set out in the announcement dated 28 January 2019 ("**Barker Plan**");
- Acquisition to be financed by an up to RUB 110.6 billion loan from Sberbank;
- The Group reaffirms its intention to resume dividend payments in 2020 and will provide a further update on potential dividend payments following the review of full year IFRS results for 2019.

Lord Barker of Battle, Executive Chairman, commented:

"*This transaction is an important stepping stone for us as we simplify our shareholder base while underpinning the key governance provisions of the Barker Plan. The shares acquired secure future optionality to pursue our strategy to create a global, integrated low-carbon aluminium producer and the opportunity over the longer term to expand our institutional shareholder base and trading liquidity. Our balance sheet will remain in good shape. Our strong cash flows will allow us to reduce leverage steadily over the coming years and I am pleased to be able to reiterate our intention of resuming dividend payments in 2020.*"

Introduction

The En+ Group is pleased to announce that they have reached an agreement to acquire 136,511,122 shares, representing 21.37% of the issued share capital of En+ Group, from VTB Group at a price of $11.57 per share. Total consideration amounts to the Rouble equivalent of $1.58bn, payable in cash, which will be financed through a new debt facility. The transaction is expected to be closed on or around 12 February 2020.

Transaction Rationale

The acquisition of the shares from VTB Group simplifies the Group's ownership structure, with no disruption to arrangements under the Barker Plan, and provides the opportunity to create value for and protect the interests of all shareholders.

En+ Group believes that the acquisition will be value accretive to En+ Group shareholders. The shares are being acquired at an implied EV/LTM EBITDA multiple of 2.3x[i], a substantial discount to the valuation range of international peers.

The acquisition provides En+ Group with future optionality to pursue opportunities to simplify further the Group's ownership structure. En+ Group may subsequently use the shares acquired for strategic activity or, subject to market conditions, may choose over the longer term to undertake a secondary offering of all or part of the shares to increase En+ Group's free float, broaden institutional ownership and improve trading liquidity.

Following the transaction, En+ Group believes that its simplified ownership structure and enhanced governance should also enhance the Company's investment proposition.

Transaction Structure

En+ Group will acquire the shares through a wholly-owned subsidiary with no outstanding liabilities or material assets. En+ Group intends to finance this acquisition via an up to RUB 110.6 billion loan from Sberbank. The loan has a term through to 27 December 2026 with repayments starting from 2023.

The shares acquired will be held at subsidiary level, with the trustee voting arrangement retained in respect of shares representing 14.33% of En+ Group's issued share capital. Votes attaching to the remaining shares would be voted by the Chairman of En+ Group's Board at the Board's direction, save in respect of certain matters, where a potential conflict of interest could exist for the Board, where the votes attached to these shares will not be cast. There is no intention to cancel the shares, in order to preserve the ownership structure under the Barker Plan, and in consequence there will be no immediate impact on En+ Group's free float and no dilution of minority investors' ownership in En+ Group.

Ongoing Strong Cash Generation to Drive Deleveraging and Support Resumption of Dividends

The Company is confident that the ongoing strong cash flow generation of the Group will be sufficient to cover ongoing debt service and the loan repayment profile. In addition, as previously disclosed, the Board is undertaking a strategic review of the Group's coal assets and, if the opportunity presents itself, may consider selling the assets at fair value, with the proceeds of any such sale being used to delever.

Given the Group's confidence in its balance sheet position and ability to deleverage, the Company reaffirms its intention to resume dividend payments in 2020, and will provide a further update on potential dividend payments when the 2019 full year results are announced in March this year.

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[i] EV calculated as equity value ($11.57 multiplied by shares outstanding) plus Net debt of $9.5bn (Net debt of $10.6bn as of 3Q 2019 adjusted to include dividends from PJSC MMC Norilsk Nickel for 6 months 2019 of $427m and 9 months 2019 of $608m payable after 30 September 2019) plus Non-controlling interest of $4.0bn (includes Non-controlling interest in UC Rusal PLC at market value as of 5 February 2020 and other non-controlling interest at book value) minus Interests in associates and joint ventures of $15.7bn (includes Interest in PJSC MMC Norilsk Nickel at market value as of 5 February 2020 and other interests at book value). Last twelve month EBITDA as of 3Q 2019 equal to $2,286m.