APPENDIX

REPORT ON PAYMENTS TO GOVERNMENT

Nornickel publishes a report on payments to government in the countries where it operates.

The report confirms the Company's compliance with the highest standards of corporate governance and business transparency.

Income tax payments are recorded in accordance with the taxpayer's belonging to a particular reporting segment. The amounts of income tax payments for a consolidated taxpayers group are therefore reflected in the GMK Group reporting segment since the designated member of the consolidated taxpayers group belongs to this segment.

Payments to government authorities in 2021 by asset, USD million

Asset	Income tax	MET	Licences and similar payments	Total payments
GMK Group	2,068	421	0	2,489
South Cluster	84	79	0	163
KGMK Group	-1	27	0	26
NN Harjavalta	14	0	0	14
GRK Bystrinskoye	18	3	0	21
Other mining	-	0	0	0
Other non-metallurgical	28	0	0	28
Total	2,211	530	0	2,741

Payments to government authorities in 2021 by country, USD million

Country	Income tax	MET	Licences and similar payments	Total payments
Russia	2,174	530	0	2,704
Finland	14	0	0	14
Switzerland	23	0	0	23
Other	0	0	0	0
Total	2,211	530	0	2,741

GLOSSARY

Anode. Crude metal (nickel or copper) obtained from anode smelting and fed for electrolytic refining (electrolysis) whereby it is dissolved.

Refinement. The process of extracting high purity precious metals through their separation and removal of impurities.

Rich ores. Ores with high sulphide content (over 70%) and the following metal grades: 2–5% for nickel, 2–25% for copper, and 5–100 g/t for platinum group metals.

Probable ore reserves. Estimated based on the economically mineable part of indicated and, in some circumstances, measured mineral resources, including possible dilution and losses during mining operations.

Disseminated ores. Ores containing 5% to 30% sulphides, with the following metal grades: 0.2–1.5% for nickel, 0.3–2% for copper, and 2–10 g/t for platinum group metals.

Leaching. Selective dissolution of one or several components of the processed solid material in organic solvents or water solutions of inorganic substances. Kinds of leaching: acid leaching (leaching with acids as reagents), chlorine leaching.

Proven ore reserves. Estimated based on the economically mineable part of measured mineral resources, including possible dilution and losses during mining operations.

Metal extraction. The ratio between the quantity of a component extracted from the source material and its quantity in the source material (as a percentage or a fraction).

Cathode. Pure metal (nickel or copper) obtained as a result of electrolytic refining of anodes.

Cake. Solid residue from filtering pulp during leaching of ores, concentrates or metallurgical intermediates, and purification of processing solutions.

Conversion. Oxidation process to turn matte into converter matte (in smelting copper-nickel concentrates) or blister copper (in smelting copper concentrates) and remove slag (carbon, sulphur, iron and other impurities).

Concentrate. A product of ore concentration with a high grade of the extracted mineral, which gives its name to the concentrate (copper, nickel, etc.).

Cuprous ores. Ores containing 20% to 70% sulphides, with the following metal grades: 0.2–2.5% for nickel, 1.0–15.0% for copper, 5–50 g/t for platinum group metals.

Roasting. Heating ore to high temperatures to trigger chemical changes that enable subsequent metal recovery processes.

Concentration. Artificial improvement of metallurgical feedstock mineral grades by removal of a major portion of waste rock not containing any valuable minerals.

Oxide. A compound of a chemical element with oxygen.

Tailings pit. A complex of hydraulic structures used to receive and store mineral waste / tailings.

Vanyukov furnace. An autogenous smelter for processing concentrates, where smelting is performed in a bath of slag and matte, with intensive injection of air-oxygen mixture. The heat from oxidation reactions is actively used in the process.

Flash smelter. An autogenous smelter for processing dry concentrates, where the smelted substance is finely ground feedstock mixed with a gaseous oxidiser (air, oxygen), which holds melted metal particles suspended. The heat from oxidation reactions is actively used in the process.

Fluidised bed furnace. A furnace where solid particles are intensively mixed under a fluidising impact of heated gas (air, oxygen or flue gases) flowing through the bed of grainy material (powder, granules).

Pyrrhotite concentrate. By-product of copper-nickel ore concentration.

Smelting. Pyrometallurgical process carried out at temperatures that ensure complete melting of the processed material.

Sublevel caving. An underground mining method in which ore blocks are developed from top to bottom via sublevels, and ore is extracted by blasting or causing sublevels to cave in. The voids formed after extraction get filled with fractured rock.

Pulp. A mixture of finely ground rock with water or a water solution.

Ore. Natural minerals containing metals or their compounds in economically valuable amounts and forms.

Mine. A mining location for extraction of ores.

Thickening. Separation of liquid (water) and solid particles in dispersion systems (pulp, suspension, colloid) based on natural gravity settling of solid particles in settlers and thickeners, or centrifugal settling of solid particles in hydrocyclones.

Metal grade. The ratio between the weight of metal in the dry material and the total dry weight of the material expressed as a percentage or grammes per tonne (g/t).

Sulphides. Compounds of metals and sulphur.

Drying. Removal of moisture from concentrates performed in designated drying furnaces (to a moisture level below 9%).

Tolling agreement. An agreement to process foreign feedstock with subsequent shipping of finished product. The feedstock and end product are exempt from customs duties.

Converter matte. A metallurgical intermediate produced as a result of matte conversion. Depending on the chemical composition, the following types of converter matte are distinguished: copper, nickel and copper-nickel.

Filtration. The process of reducing the moisture level of the pulp by forcing it through a porous medium.

Flotation. A concentration process where specific mineral particles suspended within the pulp attach to air bubbles. Poorly wettable mineral particles attach to the air bubbles and rise through the suspension to the top of the pulp, producing foam, while well wettable mineral particles do not attach to the bubbles and remain in the pulp. This is how the minerals are separated.

Tailings. Waste materials left over after concentration processes and containing mostly waste rock with a minor amount of valuable minerals.

Ore mixture. A mixture of materials in certain proportions needed to achieve the required chemical composition of the end product.

Slag. Melted or solid substance with a varying composition that covers the surface of a liquid product during metallurgical processes (resulting from ore mixture melting, melted intermediate processing and metal refining) and includes waste rock, fluxes, fuel ash, metal sulphides and oxides, and products of interaction between the processed materials and lining of melting units.

Sludge. Powder product containing precious metals settling during electrolysis of copper and other metals.

Matte. Intermediate product in the form of an alloy of sulphides of iron and non-ferrous metals with a varying chemical composition. Matte is the main product accumulating precious metals and metal impurities the feedstock contains.

Electrolysis. A series of electrochemical reduction-oxidation reactions at electrodes immersed in an electrolyte as a result of passing of an electric current from an external source.

Electrowinning. Electrodeposition of metal from ores that have been put in solution. Ore or concentrate is leached with agents that dissolve metal-containing minerals or the entire material, so that the metal is deposited on the cathode. The electrolyte is typically reused in the process. The end product is high-purity metal cathode.

Measurement units

Length	
1 km	0.6214 mi
1 m	3.2808 ft
1 cm	0.3937 in
1 mi	1.609344 km
1 foot	0.3048 m
1 in	2.54 cm

Area	
1 sq m	10.7639 sq ft
1 sq km	0.3861 sq mi
1 ha	2.4710 acres
1 sq ft	0.09290304 sq m
1 sq m	2.589988 sq km
1 acre	0.4046873 ha

Weight	
1 kg	2.2046 lb
1 metric tonne	1,000 kg
1 short tonne	907.18 kg
1 troy ounce	31.1035 g
1 lb	0.4535924 kg
1 g	0.03215075 oz t

Currency exchange rates in 2017–2021

Index	2017	2018	2019	2020	2021
Average rate Russian Rouble / US Dollar	58,35	62,71	64,74	72,15	73,65
Average effective rate Russian Rouble / US Dollar (for CAPEX)	58,32	63,88	64,40	73,15	73,42

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Disclaimer

The information herein relies on the data available to MMC Norilsk Nickel as at the date of this Annual Report.

After this Annual Report was prepared, the Company's operations, its operating and financial results, and the report content may have been affected by external or other factors, including the escalation of the geopolitical conflict in Ukraine, sanctions imposed by the United States of America, the European Union, the United Kingdom and other nations against the Russian Federation, Russian individuals and legal entities, Russian Federation's response to sanctions, economic and other measures introduced to maintain the economic and financial stability of the Russian Federation, the COVID-19 pandemic and other factors beyond the Company's control. In particular, the United States, the European Union, the United Kingdom, and other nations have imposed export controls against the Russian Federation that restrict, among other things, supply of industrial equipment to the Russian Federation. These export controls may have a negative impact on the manufacturing capabilities of MMC Norilsk Nickel, should it be unable to purchase and deliver equipment to the Russian Federation.

The Annual Report discloses the Company's short-, medium-, and long-term goals and plans. All plans and intentions outlined in this Annual Report are provisional and subject, among other things, to a number of economic, political and legal factors, including the factors mentioned above, beyond Nornickel's control.

Forward-looking statements are subject to risks and uncertainties as they refer to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of the Company's future operational and financial performance, and actual results of the Company's operations, its financial position, liquidity, prospects, growth, strategy, and the development of the industry in which MMC Norilsk Nickel operates may differ materially from those expressed or implied by the forward-looking statements contained in this annual report. MMC Norilsk Nickel hereby disclaims any liability for any loss resulting from the use of this annual report, and assumes no obligation to update any forward-looking statements contained herein.

Information about market share and other statements regarding the industry in which MMC Norilsk Nickel operates, as well as the Company's position relative to its competitors is based on publicly available information published by other metals and mining companies or obtained from trade and business organisations and associations. Such data and statements have not been independently verified, and the financial and operating performance metrics of MMC Norilsk Nickel's competitors used to assess and compare positions may have been calculated differently from the method used by MMC Norilsk Nickel.

This Annual Report is not part of a securities advertisement, an offer or invitation to sell, issue or offer the right to sell or subscribe for MMC Norilsk Nickel shares and other securities.

In line with global best practices, the Annual Report is also prepared in the XBRL format. Considering that report disclosures in this format are voluntary, the Company does not assume any obligation to comply with any legal requirements for the disclosure of its statements in this format, including obligations to comply with the requirements of UK legislation.