

**Public Joint Stock Company «Mining and Metallurgical Company «NORILSK NICKEL»**  
(PJSC «MMC «NORILSK NICKEL», «Nornickel», the «Company», the «Group»)

## **NORICKEL REPORTS FULL YEAR 2022 AUDITED CONSOLIDATED IFRS FINANCIAL RESULTS**

**Moscow, February 10, 2023** — PJSC MMC Norilsk Nickel the world's largest palladium and high-grade nickel and a major producer of platinum and copper, reports audited consolidated IFRS financial results for the year ended December 31, 2022.

### **2022 HIGHLIGHTS**

- Consolidated revenue decreased 5% y-o-y amounting to USD 16.9 billion. Higher nickel and cobalt prices and recovery of production volumes following the liquidation of damages caused by incidents at Oktyabrsky and Taimyrsky mines and Norilsk concentrator were negatively offset by lower copper and PGM prices as well as decline in metal sales volume driven by logistics disruptions and reorientation of sales to new markets that requires additional time;
- EBITDA decreased 17% y-o-y to USD 8.7 billion owing to lower revenue, higher operating cash costs driven mainly by increase in labour expenses and repairs. EBITDA margin amounted to 52%;
- Net income was down 16% y-o-y to USD 5.9 billion mostly driven by lower EBITDA;
- CAPEX increased 55% y-o-y to a record USD 4.3 billion driven by growth of investments into flagship environmental, mining and metallurgical projects as well as capital repairs aimed at improvement of industrial safety and mitigation of physical risks of production assets;
- Net working capital amounted to USD 4 billion driven mostly by increase in metal inventories as well as amortization of advance payments from customers and termination of factoring services;
- Free cash flow decreased from USD 4.4 billion to USD 0.4 billion driven mostly by lower EBITDA, increase of net working capital and higher CAPEX;
- Net debt doubled y-o-y to USD 9.8 billion following the decrease of free cash flow and payment of dividends. Net debt/EBITDA ratio as of December 31, 2022 was at 1.1x. The Company continues to duly service all its debt liabilities;
- In September 2022, the Company received the consent of holders of 5 issues of eurobonds for the total amount of USD 3.75 billion to amend transaction documents in order to split payments to Russian and foreign investors, simplify cancellation of notes and appoint new Trustee. This was the largest deal of that kind in Russia both in terms of total amount and number of issues;
- In October and December 2022, Nornickel placed 9.75% RUB 25 billion exchange-traded bonds on the Moscow Exchange and two issues of CNY bonds in the total amount of CNY 9 billion, respectively;
- Economic restrictions imposed on Russia by a group of countries pose risks for operating, commercial and investment activities of the Company. To mitigate these risks Nornickel is developing relationship with alternative clients and suppliers, setting up new logistic routes and exploring new capital markets.

## KEY CORPORATE HIGHLIGHTS

<i>USD million (unless stated otherwise)</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
Revenue	16,876	17,852	(5%)
EBITDA <sup>1</sup>	8,697	10,512	(17%)
EBITDA margin	52%	59%	(7 p.p.)
Net profit	5,854	6,974	(16%)
Capital expenditures	4,298	2,764	55%
Free cash flow <sup>2</sup>	437	4,404	(90%)
Net working capital <sup>2</sup>	4,003	1,269	3x
Net debt <sup>2</sup>	9,835	4,914	2x
Net debt/12M EBITDA	1.1x	0.5x	0.6x
Dividends paid per share (USD) <sup>3</sup>	40.5	13.9	3x

1) A non-IFRS measure, for the calculation see the notes below.

2) A non-IFRS measure, for the calculation see an analytical review document ("Data book") available in conjunction with Consolidated IFRS Financial Results on the Company's web site.

3) Paid during the current period

## MANAGEMENT DISCUSSION AND ANALYSIS

The President of Nor Nickel, Vladimir Potanin, commented on the results,

"Last year Russian economy in general and our Company in particular faced a number of extreme challenges. On one hand, unprecedented sanctions pressure on Russia forced us to rapidly adapt our operations, procurement, sales and financing to new reality in order to mitigate emerging risks for the business, employees and all other stakeholders. On the other hand, geopolitical tensions and sluggish post-covid economic recovery resulted in snowballing inflation and increased volatility on commodity markets that negatively affected our financials.

Our revenue amounted to USD 16.9 billion owing to higher nickel price as well as production recovery at Norilsk division after suspension of some operations last year. At the same time, the accumulation of metal inventories negatively offset positive factors.

Extraordinary external factors resulted in a dramatic increase of our cash costs. On top of direct inflationary pressure, they were affected by additional incentive bonus to employees, indexation of salaries above official Russian CPI and higher mineral extraction tax. Our EBITDA decreased to USD 8.7 billion maintaining, however, profitability above 50%.

We continued the ramp-up of investments in growth projects as well as environmental and health and safety programmes having increased CAPEX to a record 4.3 billion.

Net debt/EBITDA ratio stayed at comfortable level of 1.1x. Given that traditional capital markets are temporarily closed to us, debt and liquidity management has also become a top priority, and we successfully refinanced our dollar-denominated obligations with rouble and yuan instruments.

On a final note I would like to add that despite all geopolitical challenges we plan to continue the execution of our strategy, deliver on all social commitments and finance programs aimed at improvement of environmental footprint and safety of industrial assets".

## HEALTH AND SAFETY

In 2022, Nornickel demonstrated significant improvement in health and safety performance. The number of fatal accidents decreased from 11 to 4 year-on-year due to improvement of the health and safety management system and introduction of the wide range of initiatives aiming at prevention of occupational injuries. The main contribution to the decrease of fatal injuries was made by the Norilsk Division, with a 4-fold reduction, and the Trans-Baikal Division, which recorded no fatalities. The number of lost time injuries increased to 66 from 42 in the prior year driven by the shift of the management focus towards improving the reporting and injuries data collection transparency. All accidents have been thoroughly investigated and reported to the Board, action plans to tackle causes of each incident were prepared. The management reiterates its major strategic focus of transforming Norilsk Nickel into a zero-fatality mining company.

## METAL MARKETS

### NICKEL

**Nickel in 2022: extreme price volatility over the course of the year fueled by increased speculative activity and thin market liquidity; the overall nickel market was in surplus due to the commissioning of new nickel projects in Indonesia and the glut amassed in the low-grade market; high-grade nickel market was in a moderate deficit reflected in the depletion of exchange inventories.**

Nickel was in an uptrend in January-February, which was driven by a set of factors, including robust speculative demand, significant market tightness and geopolitical tensions in Eastern Europe. On March 8, the short squeeze took prices above USD 100,000 per tonne, which led to the suspension of the LME nickel trading and an unprecedented decision to cancel all trades executed on March 8. Trading resumed only a week later and was still plagued by a series of technical difficulties stabilizing only in the end of March amid a prominent decline in liquidity.

After the resumption of nickel trading, the nickel price was in a downtrend in April-July retreating after its enormous volatility and wild price swings. This downturn was further exacerbated by a wider trend of a demand slowdown across all base metals with the underlying weakness in the Chinese economy, strong US dollar and aggressive monetary tightening in conjunction with soaring inflation and attendant recessionary fears. On top of that, high energy prices and ongoing supply chain bottlenecks widely reduced investor confidence across all markets and dented industrial demand.

Nickel price found its floor at USD 19,100 per tonne in mid-July, then swiftly recovered to almost USD 25,000 per tonne in September supported by the increased activity in the EV market and low LME inventories. After a short October break when the price remained stable at around USD 21,000-22,000 per tonne it surged again to above USD 30,000 per tonne in November. This was driven by a number of factors, including rumours regarding the ban on the Russian metals by the LME and slower growth in the US CPI data, driving speculation that the Federal Reserve would ease the pace of its interest-rate increases with a correspondent drop of the US dollar index and a jump in prices of all major commodities. These price gains were also supported by the renewed rumours about a possible Indonesian nickel export tax, an unconfirmed report about a blast at a CNGR's NPI-to-matte conversion plant in Indonesia, as well as disruptions at several nickel-producing sites.

The average 2022 LME nickel price increased 38% y-o-y to USD 25,605 per tonne.

In 2022, primary nickel use increased by 5% y-o-y to 3.03 million tonnes. Lower than expected nickel demand from the stainless steel sector (flat y-o-y) all over the globe was more than offset by growing nickel use by the battery industry (+32% y-o-y) benefited from exceptionally robust global BEV sales, which surged by around 64% y-o-y. In turn, nickel demand in other non-stainless applications (alloys, superalloys and special steel) has also maintained strong momentum and grew by resilient 8% y-o-y driven by the aerospace, oil & gas and defense industries.

Primary nickel supply increased by over 16% y-o-y in 2022, reaching 3.14 million tonnes, as a result of the explosive growth of the Indonesian NPI capacities (+33% y-o-y) and a continuous surge of the nickel compounds' production for the EV batteries sector (+81% y-o-y), mostly on the back of the new HPAL projects and the expansion of NPI-to-matte conversion lines.

Overall, the deficit of nickel that emerged in 2021 has swung to a surplus of slightly above 110 kt in 2022. Historically, market surpluses have been linked to the LME deliverable / Class 1 nickel but the 2022 surplus was represented by the low-grade nickel units, resulting in significant discounts for low-grade nickel and accumulation of NPI and ferronickel stocks. The Class 1 nickel market is seen to be in a modest deficit, particularly as, for the first time since September 2008, the nickel exchange inventories registered a twofold decline to only 55 kt (less than 10 days of global consumption).

**Nickel outlook: cautious in the near-term, but more positive long-term; we expect the market surplus to sustain a potential surplus of around 120 kt in 2023 owing to the ramp-up of new NPI and NPI-to-matte capacities in Indonesia; uncertainty stemming from the unclear macroeconomic outlook and potential underperformance of the new Indonesian capacities amid the low exchange stocks environment might balance the market; long-term demand will be driven by global EV market growth.**

We expect the primary nickel use to grow by 11% to 3.35 million tonnes in 2023 due to the recovery of stainless steel output, primarily driven by the easing of strict zero-COVID policies in China with the correspondent rebound of industrial production, as well as ongoing strong growth in the battery sector and robust nickel demand from other non-stainless industries.

Primary nickel production is seen to grow further to 3.47 million tonnes (+10% y-o-y). The ramp-up of the Indonesian NPI and NPI-to-matte conversion capacities is expected to continue at a high pace, alongside the commissioning of new HPAL capacities for the EV market. Production of nickel metal is forecast to increase moderately by 7% y-o-y due to the new Class 1 capacities in China and Indonesia, while ferronickel output is projected to remain relatively flat, constrained by the abundance of NPI and high discounts.

Longer term, the global EV market is expected to maintain double-digit growth rates driven by EV-supportive policies, the rapid development of the charging infrastructure, battery cost optimisation and growing consumer acceptance of EVs. The global capacity of battery manufacturing is estimated to increase to more than 4.5 TWh by 2030 (from around 1 TWh in 2022), which should be a very strong driver for nickel. As a result, the nickel use in batteries is forecast to grow by more than threefold to above 1 Mt by 2030, representing approximately 30% of total nickel demand. Despite strengthening competition from various battery chemistries, the high-nickel bearing formulations will remain the preferred option for automakers due to the higher energy density, longer battery charge requirement and better recyclability. Additionally, nickel will be also a critical metal to support the global expansion of renewable energy generation to meet the current decarbonisation targets.

## COPPER

**Copper in 2022: macroeconomic and geopolitical factors were the main driving forces of the copper market in 2022. Volatile demand in China, tough Fed and ECB policies, strikes and social unrest in Latin America, Russian metal supply risks, and low exchange and bonded warehouse stocks, all combined impacted the copper price in 2022. Despite of the obstacles, demand grew faster than supply last year, keeping the market in a ~200 kt deficit.**

The metal has been traded within the wide range of USD 7000-10,700 per tonne during the year. It peaked in March amid geopolitical concerns and mine disruptions in South America, then corrected to USD 7000 per tonne by the middle of summer on the back of the interest rates hikes, stronger US dollar and subdued economic activity in China. Subsequently, the copper price bounced back to the range of USD 8000 to 8,900 per tonne against the backdrop of a more dovish Fed rhetoric, the threat of strikes in Latin America, low metal inventories and a more optimistic outlook for the Chinese economy after the Communist party congress and the lifting of COVID-related restrictions. The copper price amounted to USD 8,450 per tonne by the end of the year while the average annual LME copper price decreased by 6% YoY to USD 8,797 per tonne in 2022.

Global copper demand amounted to 24.8 Mt or +1% YoY in 2022. Metal consumption was slowed down by tightening monetary policy in major economies, continued disruptions in the supply chain, and slower growth in China due to the zero-tolerance COVID-19 policy. As a result, China's demand added only 2% up to 13,6 Mt while European and North American consumption was flat year-on-year at 3 Mt and 2.2 Mt respectively.

Global mine copper production rose by 4% to 21.9 Mt in 2022 as a result of the commissioning of new projects and the expansion of brownfields that was delayed in 2020-2021 due to COVID-19. Refined copper production has also increased by 1% to 24.6 Mt. South and Central America produced 2.6 Mt of refined copper or -2% YoY in 2022, Africa added about 12% YoY to 1.8 Mt while Asia increased its refined production by 2% YoY to 14.8 Mt of which China gained +2% YoY to 10.6 Mt and Japan added 3% to 1.5 Mt. Europe produced 3.5 Mt, a drop of about 4% YoY and North America produced 1.6 Mt or -1% YoY.

Overall, the copper market was balanced in 2022 with the non-material deficit amounting to about 200kt or less than 1% of global consumption. As a result of demand exceeding supply and continuing supply chain disruptions, there was a significant decrease in visible refined metal stocks. The total exchange stocks (LME, SHFE, and CME) were at extremely low level not witnessed for over 14 years in December 2022, while China bonded stocks decreased dramatically by 71% since the beginning of the year to 55kt that is the lowest level for more than 10 years.

**Copper outlook: neutral in the mid-term, more positive long-term. Mines and refineries are expected to increase production 2% YoY while demand is going to increase 2% resulting in a mild deficit of 160 kt.**

Global copper consumption is expected to grow 2% or up to 25.4 Mt in 2023. The metal offtake outside China is expected to be at last year's levels amid stagnation in economic growth. Despite the overall business activity slowdown, the electrification of transport and the development of renewable energy will support demand. In China, copper consumption is expected to start growing in Q2 when the decline in COVID cases and the positive effect of the lifting of anti-pandemic restrictions and government support measures will become more noticeable. However, much will depend on whether domestic demand can compensate for lower exports weakened due to infirm demand in foreign markets.

Despite ongoing protests in Peru that crippled the production at biggest mines, global mine production is expected to increase by 2% to 22.4 Mt in 2023 while refined production is expected to increase up to 25.2 Mt or +2% YoY due to increased utilization of refineries and higher availability of concentrates from the new and expanded mines in Africa and Indonesia.

In the longer run, the gap between supply and demand may reach 5-9 million tonnes by 2030 since the demand for copper from electric vehicles, green power generation and expanding grids exceeds metal production from all currently operating and possible projects in the pipeline.

## **PALLADIUM**

**Palladium in 2022: the market recorded a 0.5 Moz deficit while the price fluctuated in a wide range on the back of geopolitical tensions, concerns over the stability of metal supply and uneven demand; consumption was under pressure as the automotive industry struggled to recover from pandemic lows; soft demand incentivized major consumers to destock rather to buy the metal in the market, so the deficit was mostly statistical, not physical.**

Palladium price started the year at around USD 1,900 per toz, however, in the second half of January, it increased sharply to USD 2,432 per toz, as the fear of geopolitical crisis was building up. The price shoot further up to USD 2,650 per toz on February 24th and skyrocketed to the historical maximum of USD 3,177 per toz on March 7th.

Since the end of April, once the market squeeze was over, palladium was trading in the range of USD 1,800 per toz to USD 2,300 per toz up until late July, when it found strong support at USD 2,000 per toz on the back of the first YoY monthly global auto sales' growth in 2022, mainly caused by China's COVID-related restrictions easing. Ever since the price has been hitting both the upper and lower boundaries of this range numerous times without succeeding to break through them.

A notable attempt to break the USD 2,300 per toz resistance occurred on October 4. Although palladium closed above the USD 2,300 toz level, the relatively light trade volume did not signal the significance of the price resistance breakthrough. Further into the autumn, the price slip continued on the back of the new negative demand expectations related to the potential short- and mid-term production cuts by the European automotive sector.

In the middle of December price fell below USD 1,800 per toz on the back of weak car market performance in China, the US and Western Europe, the possible sale of consumer stocks before the end of the financial period and speculative actions (closing long and/or opening short positions) after the Federal Reserve's announcement of higher than expected peak interest rate target. The price bounced back to USD 1,800 per toz level by the end of the year.

The average palladium price decreased 12% y-o-y to USD 2,112 per toz in 2022.

In 2022, palladium consumption fell by 5% to 9.5 moz as slower than expected automotive sector recovery was pressured by palladium with platinum substitution in autocatalysts. An ongoing global semiconductor shortage, COVID-related restrictions in China, supply chain disruptions of crucial auto part in Europe and global inflation held auto industry back from recovery. As largest autocatalyst fabricators and OEMs realized the production growth would miss their initial expectations they preferred to consume palladium stocks accumulated for the post-pandemic recovery instead of buying the metal in the market.

Metal production fell by 9% to 9 moz mainly due to South African output fall as high base effect of 2021, when local producers released work-in-progress materials, accumulated in 2020, was exacerbated by county-wise blackouts and lack of smelting capacities. Moreover, palladium-rich Stillwater output also fell on the back of flooding in June. Secondary production shrank as well due to supply chain disruptions and limited availability of old vehicle for recycling.



**Palladium outlook: neutral; the market is expected to be at 0.3 moz deficit this year; the auto industry is expected to experience a healthy recovery driving the palladium demand up 4% y-o-y; supply is to grow by 6% y-o-y as lower supply from Russia might be offset by primary production recovery in South Africa and the US as well as by an increase in recycling volumes.**

We expect industrial palladium consumption to increase 4% y-o-y to 9.8 moz as end-use demand recovers after the period of strict COVID-related restrictions of 2022. The automotive industry will be the main driver of growth with global light-vehicle production to recover to over 86 million units (up 6% y-o-y) from 81 million units in 2022.

Global primary refined palladium output is to marginally increase by +1% to 6.4 moz in 2023, as lower supply from Russia might be offset by production recovery in South Africa after country-wide blackouts of 2022, though risks related to power disruptions remain high. A strong rebound in PGMs' autocatalyst recycling is also expected this year as supply chain disruptions are to ease and increased availability of new vehicles will incentivize used car scrapping. Palladium recovery from spent catalysts and other secondary supply sources is seen growing by +19% to 3.1 moz this year.

Palladium secondary production increase is expected to fully offset demand growth triggered by the automotive sector recovery. Therefore, we expect palladium production/consumption balance to shrink to 0.3 moz deficit this year.

## **PLATINUM**

**Platinum in 2022: balanced market due to significant supply cut; price was pressured by unprecedented monetary policy tightening resulting in a 12% y-o-y fall to USD 961 per toz, despite market surplus shrinkage.**

Platinum price experienced the same shocks as palladium, of which the geopolitical crisis was the most notable. It reached its local high on March 8th at USD 1,150 per toz. With supply concerns subsiding, the platinum price corrected down to its year lows of USD 838 per toz at the beginning of September. Operational disruptions at South African mining assets, mostly but not exclusively caused by unstable electricity supply, have set the price of platinum on an upward trend since the beginning of September. The ETF outflow in 2022 was 0.6 moz as elevated interest rates reduced investors' appetite for commodities.

Global platinum consumption remained relatively unchanged in 2022, as overall auto production recovery was partially offset by loadings optimization in China, as well as glass industry demand fall after the high base of 2021 when capacity expansion took place.

In 2022, global primary refined platinum production dropped by around 1.0 moz due to the South African output decline. Such fall was due to the high base of 2021, when South African producers released work-in-progress materials, accumulated in 2020, and current operational disruptions such as lack of smelting capacities and electricity supply disruptions. Platinum recycling volumes decreased by 0.2 moz for the same reasons as described earlier for palladium.

The average platinum price fell by 12% y-o-y to USD 961 per toz in 2022.

**Platinum outlook: neutral in the short term, more positive in long-term; automotive demand recovery will lag behind the supply expansion moving the market back to a 0.2 moz surplus this year. At the same time, the risk of South African production underperformance might have a positive impact on the metal price.**

This year, platinum demand (excl. investments) will grow by 4% to 7.4 moz, predominantly on the back of general automotive market recovery. Ongoing palladium with platinum substitution will also help to offset the negative effect of loadings optimization in heavy-duty transport in China and decreasing market share of diesel-powered vehicles. Mine supply is expected to grow by 6% to 5.9 moz as South African producers are to release work-in-progress materials, accumulated in 2022 due to blackouts and lack of smelting capacities. Secondary supply from recycling will increase by 13% y-o-y to 1.7 moz on the back of supply chain disruptions easing and rising availability of new cars.

As a result, the platinum market will flip back into surplus at 0.2 moz this year, as supply recovery is to outpace demand growth while this surplus is expected to be absorbed by investors.

In the longer run, the hydrogen economy is expected to generate significant demand for platinum and palladium. The first is already widely used as one of the main components of electrolyzers and fuel cells. At the same time, the last can find an essential application in hydrogen storage and transportation based on the liquefied organic hydrogen carriers (LOHC). Moreover, palladium may play an important role in hydrogen safety protecting hydrogen equipment from explosions in case of leakage. In the longer run, palladium may also find new applications in power-to-gas and gas-to-power applications.

## KEY SEGMENTAL HIGHLIGHTS<sup>1</sup>

<i>USD million (unless stated otherwise)</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
<b>Revenue</b>	<b>16,876</b>	<b>17,852</b>	<b>(5%)</b>
GMK Group	12,242	11,836	3%
South cluster	972	767	27%
KGMK Group	10,451	9,893	6%
NN Harjavalta	2,363	1,493	58%
GRK Bystrinskoye	1,325	1,346	(2%)
Other mining	1	28	(96%)
Other non-metallurgical	1,558	1,533	2%
Eliminations	(12,036)	(9,044)	33%
<b>EBITDA</b>	<b>8,697</b>	<b>10,512</b>	<b>(17%)</b>
GMK Group	4,316	5,456	(21%)
South cluster	450	397	13%
KGMK Group	3,915	3,758	4%
NN Harjavalta	157	59	3x
GRK Bystrinskoye	934	1,076	(13%)
Other mining	(11)	(16)	(31%)
Other non-metallurgical	9	11	(18%)
Eliminations	(9)	716	n.a.
Unallocated	(1,064)	(945)	13%
<b>EBITDA margin</b>	<b>52%</b>	<b>59%</b>	<b>(7 p.p.)</b>
GMK Group	35%	46%	(11 p.p.)
South cluster	46%	52%	(6 p.p.)
KGMK Group	37%	38%	(1 p.p.)
NN Harjavalta	7%	4%	3 p.p.
GRK Bystrinskoye	70%	80%	(10 p.p.)
Other mining	n.a.	(57%)	n.a.
Other non-metallurgical	1%	1%	0 p.p.

1) Segments are defined in the consolidated financial statements

In 2022, revenue of GMK Group segment increased 3% to USD 12,242 million primarily due to the increase of sales following the recovery of operations at Oktyabrsky and Taimyrsky mines and Norilsk Concentrator after incidents in 2021, which was partly negatively offset by lower metal prices.



Revenue of South cluster segment increased 27% to USD 972 million primarily driven by higher volume of tolling services realized to GMK group due to the recovery of operations at Oktyabrsky and Taimyrsky mines and Norilsk Concentrator after incidents in 2021, and higher realized prices of semi-products.

Revenue of KGMK Group segment increased 6% to USD 10,451 million primarily owing to higher sales of semi-products delivered to GMK group and NN Harjavalta.

Revenue of NN Harjavalta increased 58% to USD 2,363 million driven by higher realized nickel prices and higher semi-products revenue.

Revenue of GRK Bystrinskoye decreased 2% and amounted to USD 1,325 million.

Revenue of Other mining segment decreased 96% owing to the termination of Nkomati's operations in 1H2021.

Revenue of Other non-metallurgical segment increased 2% to USD 1,558 million primarily due to higher revenue from other sales that was partly negatively offset by lower revenue from metal resale.

In 2022, EBITDA of GMK Group segment decreased 21% to USD 4,316 million owing to higher cash operating costs primarily driven by increased mineral extraction tax, higher labour, repair and maintenance costs, which were partly positively offset by higher revenue, decrease in social expenses, as well as cancellation of Nickel and Copper export custom duties in 2022.

EBITDA of South cluster segment increased 13% to USD 450 million primarily owing to higher revenue that was partly negatively offset by increase in cash operating costs due to higher labour, repair and maintenance costs.

EBITDA of KGMK Group segment increased 4% to USD 3,915 million primarily owing to higher revenue.

EBITDA of NN Harjavalta increased 3-fold to USD 157 million owing to higher revenue, which was partly offset by increase in cash operating costs mainly due to higher reagents and energy costs.

EBITDA of GRK Bystrinskoye segment decreased 13% to USD 934 million primarily due to increase in cash operating costs driven by higher labour, repair and maintenance costs.

EBITDA of Other mining segment remained almost unchanged at negative USD 11 million.

EBITDA of Other non-metallurgical segment remained almost unchanged y-o-y and amounted to USD 9 million.

EBITDA of Unallocated segment decreased by USD 119 million and amounted to a negative USD 1,064 million mainly due to higher administrative expenses.

## **METAL SALES**

In 2022, revenue from metal sales was down 6% (or -USD 1,030 million) y-o-y to USD 16,073 million primarily driven by lower sales volume (-USD 704 million) as well as lower realized metal prices (-USD 153 million) as well as the decrease of revenue from the resale of metals purchased from third parties (-USD 173 million). Lower metal sales volumes driven by the extension of logistics and reorientation of sales to new markets (-USD 2,040 million) were partly compensated by the production recovery (+USD 1,336 million) following the temporary suspension of Oktyabrsky and Taimyrsky mines and Norilsk Concentrator in 2021. Lower palladium, copper, rhodium and iron prices were partly compensated by higher nickel and cobalt realized prices.

## OTHER SALES

In 2022, other sales increased 7% (or +USD 54 million) to USD 803 million primarily due to an increase in oil product sales, resale of icebreaking and sea transportation services, increase of waste-product prices and Russian rouble appreciation, which was partially negatively offset by the sale of "NordStar" airline.

## COST OF SALES

### Cost of metal sales

In 2022, the cost of metal sales increased 21% (or +USD 1,051 million) to USD 6,108 million, driven by the following factors:

- increase in cash operating costs by 34% (or +USD 1,667 million);
- increase in depreciation and amortization by 20% (or +USD 172 million);
- comparative effect of change in metal inventories y-o-y leading to the cost of metal sales reduction of USD 788 million.

### Cash operating costs

In 2022, total cash operating costs increased 34% (or +USD 1,667 million) to USD 6,541 million mainly due to increase in labour costs (+ USD 717 million), increase in mineral extraction tax and other levies (+USD 565 million), increase in third party services (+ USD 374 million), and increase in materials and supplies (+ USD 354 million), partly offset by the cancellation of nickel and copper export custom duties in 2022 (- USD 442 million).

Inflationary growth of cash operating costs amounted to +USD 352 million while Russian rouble appreciation against USD amounted to cash operating costs increase of +USD 273 million.

<i>USD million</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
Labour	2,123	1,406	51%
Mineral extraction tax and other levies	1,192	627	90%
Materials and supplies	1,069	715	50%
Third party services	784	410	91%
Purchases of refined metals for resale	437	581	(25%)
Transportation expenses	275	130	2x
Fuel	166	122	36%
Electricity and heat energy	136	118	15%
Purchases of raw materials and semi-products	33	95	(65%)
Export custom duties	-	442	(100%)
Other costs	326	228	43%
<b>Total cash operating costs</b>	<b>6,541</b>	<b>4,874</b>	<b>34%</b>
Depreciation and amortisation	1,015	843	20%
Increase in metal inventories	(1,448)	(660)	2x
<b>Total</b>	<b>6,108</b>	<b>5,057</b>	<b>21%</b>

## ***Labour***

In 2022, labour costs increased 51% (or +USD 717 million) to USD 2,123 million amounting to 32% of the Group's total cash operating costs driven by the following factors:

- +USD 232 million – indexation of salaries and wages above the CPI in line with the terms of collective bargaining agreement;
- +USD 127 million – increase in headcount in Norilsk industrial region;
- +USD 77 million – one-off incentive bonus to personnel;
- +USD 177 million – other increase in labour costs mainly due to increase in provisions, primarily unused vacation provision, driven by the increase in labour costs;
- +USD 104 million – effect of the Russian rouble appreciation against US dollar.

## ***Mineral extraction tax and other levies***

In 2022, mineral extraction tax and other levies increased 90% (or +USD 565 million) to USD 1,192 million, which was partly offset by the cancellation of nickel and copper export custom duties in 2022 (- USD 442 million). The main factors of the change were:

- +USD 527 million – increase of costs primarily due to the change in mineral extraction tax legislation in 2022;
- +USD 38 million – effect of the Russian rouble appreciation against US dollar.

## ***Materials and supplies***

In 2022, expenses for materials and supplies increased 50% (or +USD 354 million) to USD 1,069 million driven by the following factors:

- +USD 223 million – higher consumption of materials primarily due to increased repairs as part of the programme for improvement of fixed assets;
- +USD 78 million – inflationary growth of materials and supplies;
- +USD 53 million – effect of the Russian rouble appreciation against US dollar.

## ***Third-party services***

In 2022, cost of third-party services increased 91% (or +USD 374 million) to USD 784 million mainly driven by:

- +USD 306 million – primarily due to increase in repairs as part of the programme for improvement of fixed assets;
- +USD 38 million – inflationary growth of third-party services;
- +USD 30 million – effect of the Russian rouble appreciation against US dollar.

## ***Purchases of refined metals for resale***

In 2022, purchases of refined metals for resale decreased 25% (or -USD 144 million) to USD 437 million owing to lower purchases of palladium.

## ***Transportation expenses***

In 2022, transportation expenses increased 2 times (or +USD 145 million) to USD 275 million driven by the following factors:

- +USD 129 million – primarily due to transportation expenses growth in Norilsk industrial region driven by increase in sea transportation volume and icebreaking services;
- +USD 8 million – inflationary growth of expenses;
- +USD 8 million – effect of the Russian rouble appreciation against US dollar.

## ***Fuel***

In 2022, fuel expenses increased 36% (or +USD 44 million) to USD 166 million driven by the following factors:

- +USD 23 million – increase of fuel expenses due to growth of production volume after recovery of operations at Oktyabrskiy and Taymirskiy mines;
- +USD 12 million – inflationary growth of fuel price;
- +USD 9 million - effect of the Russian rouble appreciation against US dollar.

## ***Electricity and heat energy***

In 2022, electricity and heat energy expenses increased 15% (or +USD 18 million) to USD 136 million driven by the following factors:

- +USD 10 million – inflationary growth of expenses;
- +USD 9 million – effect of the Russian rouble appreciation against US dollar.

## ***Purchases of raw materials and semi-products***

In 2022, purchases of raw materials and semi-products decreased 65% (or -USD 62 million) to USD 33 million due to decrease of raw materials consumption at NN Harjavalta and termination of Nkomati's operations.

## ***Other costs***

In 2022, other costs increased 43% (or +USD 98 million) to USD 326 million primarily due to price inflation, effect of the Russian rouble appreciation against US dollar and growth of industrial security and health and safety expenses.

## ***Depreciation and amortisation***

In 2022, depreciation and amortisation expenses increased 20% (or +USD 172 million) and amounted to USD 1,015 million mainly due to transfers from construction in progress as well as effect of the Russian rouble appreciation against US dollar.

## ***Increase in metal inventories***

Comparative effect of change in metal inventory amounted to -USD 788 million resulting in a respective decrease of cost of metal sales mainly due to increase in metal inventories in 2022 driven by the extension of logistics chains and reorientation of sales on new markets.

## **COST OF OTHER SALES**

In 2022, cost of other sales increased by USD 70 million to USD 816 million due to higher oil products sales, resale of icebreaking and sea transportation services, Russian rouble appreciation, as well as higher labour and repairs costs, which was partially compensated by the sale of NordStar airline.

## SELLING AND DISTRIBUTION EXPENSES

<i>USD million</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
Transportation expenses	100	81	23%
Marketing expenses	52	48	8%
Staff costs	33	23	43%
Other	65	39	67%
<b>Total</b>	<b>250</b>	<b>191</b>	<b>31%</b>

In 2022, selling and distribution expenses increased 31% (or +USD 59 million) to USD 250 million. The main factors of the change were:

- +USD 19 million – increase in transportation expenses primarily due to extension of logistics chains and tariffs;
- +USD 10 million – increase in staff costs primarily due to indexation and one-off payments to personnel.

## GENERAL AND ADMINISTRATIVE EXPENSES

<i>USD million</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
Staff costs	833	577	44%
Third party services	230	191	20%
Depreciation and amortisation	107	83	29%
Taxes other than mineral extraction tax and income tax	94	76	24%
Transportation expenses	9	18	(50%)
Other	80	44	82%
<b>Total</b>	<b>1,353</b>	<b>989</b>	<b>37%</b>

In 2022, general and administrative expenses increased 37% (or +USD 364 million) to USD 1,353 million. Negative effect of the Russian rouble appreciation amounted to +USD 70 million. Changes of the general and administrative expenses in real terms were primarily driven by the following factors:

- +USD 209 million – increase in staff costs, including salary indexation and one-off payments to personnel;
- +USD 26 million – increase of third-party services primarily driven by repair and maintenance, security, fire safety and consulting services;
- +USD 59 million – increase of other administrative expenses primarily driven by property tax, depreciation and business travel expenses.

## OTHER OPERATING EXPENSES, NET

<i>USD million</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
Social expenses	407	1,048	(61%)
Environmental provisions	93	176	(47%)
Loss on disposal of property, plant and equipment	70	35	2x
Change in other provisions and liabilities	43	(3)	n.a.
Expenses on industrial incidents response	35	69	(49%)
Change in provision on production facilities shut down	14	(3)	n.a.
Change in decommissioning obligations	12	(5)	n.a.
Other, net	4	(32)	n.a.
<b>Total</b>	<b>678</b>	<b>1,285</b>	<b>(47%)</b>

In 2022, other operating expenses, net decreased by USD 607 million to USD 678 million driven by the following factors:

- -USD 641 million – decrease in social expenses liabilities;
- -USD 83 million – primarily due to lower environmental provision related to compensation for environmental damages;
- +USD 46 million – change in other provisions and liabilities primarily due to increased allowance for expected credit losses;
- +USD 35 million – increase in loss on disposal of property, plant and equipment following the liquidation of damages caused by incidents at Oktyabrsky and Taimyrsky mines.

## FINANCE COSTS, NET

<i>USD million</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
Interest expense, net of amounts capitalised	330	225	47%
Unwinding of discount on provisions and payables	185	59	3x
Loss/(gain) from currency conversion operations	111	(24)	n.a.
Fair value loss/(gain) on the cross-currency interest rate swap contracts	18	(68)	n.a.
Interest expense on lease liabilities	16	15	7%
Changes in fair value of other non-current and other current liabilities	–	66	(100%)
Income received as a result of early debt repayment	(172)	–	(100%)
Other, net	5	6	(17%)
<b>Total</b>	<b>493</b>	<b>279</b>	<b>77%</b>



In 2022, finance costs, net increased by 77% to USD 493 million primarily driven by the following factors:

- +USD 105 million – an increase in interest expenses as the Company drew on RUB-denominated revolving loan facilities with high nominal interest rates in order to refinance Company's debt amidst deteriorating external environment and also as a result of significant increase in LIBOR and Term SOFR rates during the course of 2022;
- -USD 66 million – the Company ceased revaluating the put option related to transactions with owners of non-controlling interest in Bystrinsky GOK following its expiration on 31.12.2021;
- +USD 135 million – to a larger extent, the accounting effect related to the results of foreign currency conversion transactions that were exercised during the periods of extreme intraday volatility when the Company had to comply with the regime of the mandatory sale of foreign currency revenues;
- +USD 126 million – an increase in unwinding of discount on provisions and payables primarily due to accrual of social provisions at the end of 2021 as well as significant volatility of discount rates during 2022;
- -USD 172 million – one-off income derived from an early repayment of the loan at a discount.

## INCOME TAX EXPENSE

In 2022, income tax expense decreased by USD 786 million driven mostly by lower profit before tax as well as the provision for income tax related to the compensation of damages to water resources and soil in 2021.

In 2022, the effective income tax rate of 20.7% was above the Russian statutory tax rate of 20%.

The breakdown of the income tax expense:

<i>USD million</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
Current income tax expense	1,306	1,695	(23%)
Deferred tax expense/(benefit)	219	616	(64%)
<b>Total income tax expense</b>	<b>1,525</b>	<b>2,311</b>	<b>(34%)</b>

The breakdown of the current income tax expense by tax jurisdictions:

<i>USD million</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
Russian Federation	1,288	1,668	(23%)
Finland	20	5	4x
Rest of the world	(2)	22	n.a.
<b>Total</b>	<b>1,306</b>	<b>1,695</b>	<b>(23%)</b>

## EBITDA

<i>USD million</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
<b>Operating profit</b>	<b>7,581</b>	<b>9,536</b>	<b>(21%)</b>
Depreciation and amortisation	1,026	928	11%
Loss on disposal of property, plant and equipment	90	48	88%
<b>EBITDA</b>	<b>8,697</b>	<b>10,512</b>	<b>(17%)</b>
<b>EBITDA margin</b>	<b>52%</b>	<b>59%</b>	<b>(7 p.p.)</b>

In 2022, EBITDA decreased 17% (or -USD 1,815 million) to a USD 8,697 million driven by lower revenue and higher cash operating costs.

## STATEMENT OF CASH FLOWS

<i>USD million</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
<b>Cash generated from operations before changes in working capital and income tax</b>	<b>8,897</b>	<b>11,479</b>	<b>(22%)</b>
Movements in working capital	(3,184)	(2,226)	43%
Income tax paid	(1,127)	(2,211)	(49%)
<b>Net cash generated from operating activities</b>	<b>4,586</b>	<b>7,042</b>	<b>(35%)</b>
Capital expenditure	(4,298)	(2,764)	55%
Other investing activities	149	126	18%
<b>Net cash used in investing activities</b>	<b>(4,149)</b>	<b>(2,638)</b>	<b>57%</b>
<b>Free cash flow</b>	<b>437</b>	<b>4,404</b>	<b>(90%)</b>
Interest paid	(599)	(315)	90%
Other financing activities	(4,465)	(3,732)	20%
<b>Net cash used in financing activities</b>	<b>(5,064)</b>	<b>(4,047)</b>	<b>25%</b>
Effects of foreign exchange differences on balances of cash and cash equivalents	962	(1)	n.a.
<b>Net change in cash and cash equivalents</b>	<b>(3,665)</b>	<b>356</b>	<b>n.a.</b>

In 2022, free cash flow decreased 90% to USD 0.4 billion following the decrease in cash generated from operating activities and increase of cash used in investing activities.

In 2022, net cash generated from operating activities decreased 35% to USD 4.6 billion. Increase in cash operating costs and more explicit working capital increase in 2022 were partly compensated by decrease in income tax payments and comparative effect of repayment of environmental damages in 2021.

In 2022, net cash used in investing activities increased 57% to USD 4.1 billion primarily driven by the increase in capital expenditures.

Reconciliation of the net working capital changes between the balance sheet and cash flow statement is presented below:

<i>USD million</i>	<b>2022</b>	<b>2021</b>
<b>Change of the net working capital in the balance sheet</b>	<b>(2,734)</b>	<b>(557)</b>
Foreign exchange differences	(218)	15
Change in income tax payable	(165)	524
Change of long term components of working capital	(51)	(56)
Provisions	(160)	(2,145)
Other changes	144	(7)
<b>Change of working capital per cash flow</b>	<b>(3,184)</b>	<b>(2,226)</b>

Capital investments breakdown by project is presented below:

<i>USD million</i>	<b>2022</b>	<b>2021</b>	<b>Change,%</b>
Polar Division, including:	1 543	843	83%
<i>Skalisty mine</i>	90	95	(5%)
<i>Taymirsky mine</i>	83	38	2x
<i>Komsomolsky mine</i>	40	32	25%
<i>Oktyabrsky mine</i>	14	10	40%
<i>Talnakh Concentrator</i>	356	167	2x
<i>Capitalised repairs</i>	222	139	60%
<i>Purchase of equipment</i>	322	272	18%
<i>Other Polar Division projects</i>	416	90	5x
Kola MMC	350	205	71%
Sulfur project	893	526	70%
South cluster	298	304	(2%)
Energy and gas infrastructure modernization	465	316	47%
Chita (Bystrinsky) project	72	62	16%
Other production projects	607	490	24%
Other non-production assets	70	18	4x
<b>Total</b>	<b>4,298</b>	<b>2,764</b>	<b>55%</b>

In 2022, CAPEX increased 55% (or +USD 1,534 million) to USD 4,298 million driven by investments in key projects. Sulfur Programme investments increased by 70% to USD 893 million, while investments in Kola GMK and Talnakh Concentrator expansion increased by 71% and 2-fold respectively. Another significant CAPEX growth factor was an increase in capital repairs, improvement of industrial safety and modernization of core assets.

## DEBT AND LIQUIDITY MANAGEMENT

<i>USD million</i>	<b>As of 31 December 2022</b>	<b>As of 31 December 2021</b>	<b>Change, USD million</b>	<b>Change,%</b>
Non-current loans and borrowings	7,189	8,616	(1,427)	(17%)
Current loans and borrowings	4,295	1,610	2,685	3x
Lease liabilities	233	235	(2)	(1%)
<b>Total debt</b>	<b>11,717</b>	<b>10,461</b>	<b>1,256</b>	<b>12%</b>
Cash and cash equivalents	1,882	5,547	(3,665)	(66%)
<b>Net debt</b>	<b>9,835</b>	<b>4,914</b>	<b>4,921</b>	<b>2x</b>
Net debt /12M EBITDA	1,1x	0,5x	0,6x	

As of December 31, 2022, the Company's total debt increased by 12% compared to December 31, 2021 and amounted to USD 11,717 million. The increase in total debt was primarily driven by utilization of RUB-denominated revolving loan facilities in order to refinance Company's debt amidst deteriorating external environment.

As of December 31, 2022, the Company's net debt increased by USD 4,921 million due to a decrease in cash as a result of increased capital expenditures and dividend payments during 2022.

The Company fully honors its financial obligations in line with transactional documentation and in full compliance with existing regulations.

In November 2022, Russian rating agency "Expert RA" confirmed the Company's credit rating at the highest investment level "ruAAA". International rating agencies withdrew and currently do not publish Russian companies' credit ratings due to sanctions imposed on Russia.

## Attachment A

### CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2022, 2021 AND 2020

*US Dollars million*

	For the year ended 31 December		
	2022	2021	2020
<b>Revenue</b>			
Metal sales	16,073	17,103	14,977
Other sales	803	749	568
<b>Total revenue</b>	<b>16,876</b>	<b>17,852</b>	<b>15,545</b>
Cost of metal sales	(6,108)	(5,057)	(4,500)
Cost of other sales	(816)	(746)	(564)
<b>Gross profit</b>	<b>9,952</b>	<b>12,049</b>	<b>10,481</b>
General and administrative expenses	(1,353)	(989)	(869)
Selling and distribution expenses	(250)	(191)	(167)
Impairment of non-financial assets, net	(90)	(48)	(308)
Other operating expenses, net	(678)	(1,285)	(2,737)
<b>Operating profit</b>	<b>7,581</b>	<b>9,536</b>	<b>6,400</b>
Foreign exchange gain/(loss), net	251	(53)	(1,034)
Finance costs, net	(493)	(279)	(879)
(Loss)/gain from disposal of subsidiaries and foreign joint operations	(110)	29	19
Income from investments	150	52	73
<b>Profit before tax</b>	<b>7,379</b>	<b>9,285</b>	<b>4,579</b>
Income tax expense	(1,525)	(2,311)	(945)
<b>Profit for the year</b>	<b>5,854</b>	<b>6,974</b>	<b>3,634</b>
Attributable to:			
Shareholders of the parent company	5,458	6,512	3,385
Non-controlling interests	396	462	249
	<b>5,854</b>	<b>6,974</b>	<b>3,634</b>
<b>EARNINGS PER SHARE</b>			
Basic and diluted earnings per share attributable to shareholders of the parent company (US Dollars per share)	35.7	41.9	21.4

## Attachment B

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022, 2021 AND 2020

*US Dollars million*

	At 31 December		
	2022	2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16,264	12,699	10,762
Intangible assets	302	265	222
Other financial assets	121	89	81
Deferred tax assets	340	167	755
Other non-current assets	365	345	327
	<b>17,392</b>	<b>13,565</b>	<b>12,147</b>
<b>Current assets</b>			
Inventories	4,945	3,026	2,192
Trade and other receivables	846	468	537
Advances paid and prepaid expenses	192	111	79
Other financial assets	40	43	58
Income tax receivable	17	203	7
Other taxes receivable	477	412	444
Cash and cash equivalents	1,882	5,547	5,191
Other current assets	4	60	51
	<b>8,403</b>	<b>9,870</b>	<b>8,559</b>
<b>TOTAL ASSETS</b>	<b>25,795</b>	<b>23,435</b>	<b>20,706</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	6	6	6
Share premium	1,212	1,218	1,254
Treasury shares	–	(305)	–
Translation and other reserves	(4,541)	(5,415)	(5,521)
Retained earnings	10,448	8,184	8,290
	<b>7,125</b>	<b>3,688</b>	<b>4,029</b>
Non-controlling interests	1,442	1,100	646
	<b>8,567</b>	<b>4,788</b>	<b>4,675</b>
<b>Non-current liabilities</b>			
Loans and borrowings	7,189	8,616	9,622
Lease liabilities	190	178	203
Provisions	916	894	560
Social liabilities	613	633	84
Trade and other long-term payables	56	55	32
Derivative financial instruments	67	72	52
Deferred tax liabilities	415	73	43
Other non-current liabilities	93	43	23
	<b>9,539</b>	<b>10,564</b>	<b>10,619</b>
<b>Current liabilities</b>			
Loans and borrowings	4,295	1,610	12
Lease liabilities	43	57	59
Trade and other payables	1,381	2,224	1,427
Dividends payable	496	3,146	47
Employee benefit obligations	585	417	401
Provisions	180	146	2,162
Social liabilities	201	158	96
Derivative financial instruments	–	15	93
Income tax payable	169	41	358
Other taxes payable	339	269	329
Other current liabilities	–	–	428
	<b>7,689</b>	<b>8,083</b>	<b>5,412</b>
<b>TOTAL LIABILITIES</b>	<b>17,228</b>	<b>18,647</b>	<b>16,031</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,795</b>	<b>23,435</b>	<b>20,706</b>



## Attachment C

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2022, 2021 AND 2020

*US Dollars million*

	For the year ended 31 December		
	2022	2021	2020
<b>OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>	7,379	9,285	4,579
Adjustments for:			
Depreciation and amortisation	1,026	928	943
Impairment of non-financial assets, net	90	48	308
Loss on disposal of property, plant and equipment	70	35	19
Loss/(gain) from disposals of subsidiaries and foreign joint operations	110	(29)	(19)
Change in provisions and allowances	236	896	2,477
Finance costs and income from investments, net	343	227	806
Foreign exchange (gain)/loss, net	(251)	53	1,034
Other	(106)	36	107
	<b>8,897</b>	<b>11,479</b>	<b>10,254</b>
Movements in working capital:			
Inventories	(1,693)	(796)	(119)
Trade and other receivables	(347)	38	(161)
Advances paid and prepaid expenses	(60)	(30)	(32)
Other taxes receivable	(121)	31	125
Employee benefit obligations	129	34	20
Trade and other payables	(1,096)	669	(239)
Provisions	(160)	(2,145)	(186)
Other taxes payable	164	(27)	(70)
<b>Cash generated from operations</b>	<b>5,713</b>	<b>9,253</b>	<b>9,592</b>
Income tax paid	(1,127)	(2,211)	(1,304)
<b>Net cash generated from operating activities</b>	<b>4,586</b>	<b>7,042</b>	<b>8,288</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(4,227)	(2,683)	(1,686)
Purchase of share in associates	(29)	(21)	(14)
Purchase of intangible assets	(71)	(81)	(74)
Loans issued	–	(6)	(3)
Proceeds from repayment of loans issued	22	43	36
Net change in deposits placed	34	(35)	(4)
Proceeds from disposal of property, plant and equipment	11	12	2
Net cash (outflow)/inflow from disposal of subsidiaries and foreign joint operations	(46)	49	28
Interest and other investment income received	157	84	67
<b>Net cash used in investing activities</b>	<b>(4,149)</b>	<b>(2,638)</b>	<b>(1,648)</b>

## Attachment C

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2022, 2021 AND 2020 (CONTINUED)

*US Dollars million*

	For the year ended 31 December		
	2022	2021	2020
<b>FINANCING ACTIVITIES</b>			
Proceeds from loans and borrowings	9,104	1,000	2,903
Repayments of loans and borrowings	(7,775)	(415)	(2,552)
Payments of lease liabilities	(50)	(55)	(46)
Dividends paid	(6,196)	(2,198)	(4,165)
Dividends paid to non-controlling interest	(73)	–	–
Receipt of dividends not remitted to ADR holders	544	–	–
(Payments)/proceeds on exchange of flows under cross-currency interest rate swaps, net	(19)	4	38
Interest paid	(599)	(315)	(510)
Acquisition of own shares from shareholders	–	(2,068)	–
<b>Net cash used in financing activities</b>	<b>(5,064)</b>	<b>(4,047)</b>	<b>(4,332)</b>
<b>Net change in cash and cash equivalents</b>	<b>(4,627)</b>	<b>357</b>	<b>2,308</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,547</b>	<b>5,191</b>	<b>2,784</b>
Effects of foreign exchange differences on balances of cash and cash equivalents	962	(1)	99
<b>Cash and cash equivalents at the end of the year</b>	<b>1,882</b>	<b>5,547</b>	<b>5,191</b>

**Attachment D**  
**NET WORKING CAPITAL**

<i>USD million</i>	<b>31/12/2022</b>	<b>31/12/2021</b>	<b>Change</b>	<b>incl. effects of foreign exchange differences</b>
Finished goods	1,967	767	1,200	(90)
Work-in-process	1,789	1,494	295	108
Other inventories	1,189	765	424	39
Trade and other receivables	846	468	378	(63)
Advances paid and prepaid expenses	192	111	81	37
Taxes receivable	494	615	(121)	(55)
Employee benefit obligations	(585)	(417)	(168)	(63)
Trade and other payables*	(1,381)	(2,224)	843	(53)
Taxes payable	(508)	(310)	(198)	(78)
<b>Total working capital</b>	<b>4,003</b>	<b>1,269</b>	<b>2,734</b>	<b>(218)</b>

This announcement contains inside information in accordance with Article 7 of EU Regulation 596/2014 of 16 April 2014.

**Full name and position of person making the announcement** - Vladimir Zhukov,  
Vice president for investor relations and sustainable development.

#### **ABOUT THE COMPANY**

MMC Norilsk Nickel is a diversified mining and metallurgical company, the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper. The company also produces cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium and other products.

The production units of Norilsk Nickel Group are located at the Norilsk Industrial District, on the Kola Peninsula and Zabaykalsky Krai in Russia as well as in Finland.

MMC Norilsk Nickel shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges, ADRs are accepted for trading on the Saint-Petersburg Stock Exchange.

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