

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

## **NORICKEL REPORTS FULL YEAR 2023 AUDITED CONSOLIDATED IFRS FINANCIAL RESULTS**

**Moscow, February 9, 2024** — 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 full year 2023.

### **FY2023 HIGHLIGHTS**

- Consolidated revenue decreased 15% y-o-y amounting to USD 14.4 billion following the decline of prices for nickel, copper, palladium and rhodium. The Company sold all metal volumes produced in 2023 as well as a part of stock accumulated in 2022;
- EBITDA decreased 21% y-o-y to USD 6.9 billion owing to lower revenue while EBITDA margin remained at healthy 48%;
- Cash operating costs decreased 19% y-o-y to USD 5.3 billion mostly driven by the weakening of Russian rouble, the termination of metal purchases from third parties as well as the execution on operating efficiencies that allowed to mitigate inflationary pressure on expenditures in spite of introduction of export duties in October 2023;
- CAPEX decreased 29% y-o-y to USD 3 billion driven by softening of rouble exchange rate, optimization of payments to contractors as well as rescheduling of investment projects owing to voluntary self-sanctions imposed by foreign suppliers of equipment and technologies;
- Net working capital decreased 23% year-to-date to USD 3.1 billion driven mostly by devaluation of rouble, partial sale of metal stock accumulated in 2022 and application of different payment terms in certain major procurement and construction contracts;
- Net debt decreased 18% y-o-y to USD 8.1 billion with net debt/EBITDA ratio as of December 31, 2023 remained at 1.2x;
- The Company continued the optimization of its debt portfolio to adapt to changing debt market reality while servicing all its outstanding debt portfolio and maintaining comfortable liquidity level on its balance sheet and reserve credit lines;
- On December 7, General Shareholders Meeting approved the split of ordinary shares with a ratio of 100 to 1 to improve their attractiveness to retail investors.

### **RECENT DEVELOPMENTS**

- In January 2024, the Company paid dividend for 9 months of 2023 in the amount of RUR 915.33 per one ordinary share.

## KEY CORPORATE HIGHLIGHTS

<i>USD million (unless stated otherwise)</i>	<b>2023</b>	<b>2022</b>	<b>Change,%</b>
Revenue	14,409	16,876	(15%)
EBITDA <sup>1</sup>	6,884	8,697	(21%)
EBITDA margin	48%	52%	(4 p.p.)
Net profit	2,870	5,854	(51%)
Capital expenditures	3,038	4,298	(29%)
Net working capital <sup>2</sup>	3,092	4,003	(23%)
Net debt <sup>2</sup>	8,093	9,835	(18%)
Net debt/12M EBITDA	1.2x	1.1x	0.1x
Dividends paid per share (USD) <sup>3</sup>	–	40.5	(100%)
Free cash flow <sup>2</sup>	2,686	437	6x
Interest paid <sup>4</sup>	791	599	32%
Dividends paid to non-controlling interest <sup>4</sup>	503	73	7x

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 period

4) Regular outflows, financed from free cash flow

## MANAGEMENT DISCUSSION AND ANALYSIS

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

"The year 2023 was marked by a slump of metal prices and a lingering external political pressure on Russian business that affected our financial results. Nevertheless, the Company managed to fully deliver on its production guidance and more importantly to sell all metals produced in the reported period by redirecting sales to friendly countries. Effective cost control measures backed by benign forex dynamics resulted in lower cash operating costs and solid EBITDA margin.

Despite adverse macroeconomic conditions and non-cooperation by certain suppliers we continued executing our investment programme that amounted to USD 3 billion. I would like to specifically highlight the launch of the most anticipated Sulfur project at Nadezhda Plant that became the largest environmental programme in Russia in recent years. When it reaches its full capacity it will drastically reduce sulfur dioxide emissions in the city of Norilsk.

Finally, we listened to requests from over 400 thousand of our shareholders and decided to split our shares to increase their liquidity and to make them more attractive to retail investors. We believe such a step will contribute to the evolution of the Company's shareholder base and the development of the Russian stock market. It is also important for us as practically all Nor Nickel employees participate in a corporate incentive programme holding digital financial assets pegged to the Company's share price and have already received first profit based on the dividend paid by the Coppany".

## HEALTH AND SAFETY

The lost time injury frequency rate (LTIFR) slightly increased from 0.57 to 0.65, remaining below the mining industry average. In the reporting period, we continue to implement the «Risk-oriented thinking» project and a program to increase the level of safety in mines through the introduction of an internal «Anti-collision» system and improvement of positioning systems for equipment and people.

Regretfully, the number of fatal accidents increased to 5 from 4 in 2022. Each fatal accident has been thoroughly investigated and reported to the Board, action plans to tackle causes of each incident were prepared. The company continues to improve the quality of incident investigations in order to prevent fatalities in future and changes the format of communication on production safety with employees. The management reiterates its major strategic focus of transforming Norilsk Nickel into a zero-fatality mining company.

## METAL MARKETS

### NICKEL

**Nickel in 2023: nickel has been the worst performer among base metals on the LME amidst deteriorating market fundamentals. A substantial surplus in the Class 2 market is driven by growing production of low-grade nickel in Indonesia while the exchange-traded Class 1 nickel market is relatively balanced given the moderate increase of exchange inventories and strong demand in alloys and special steel sectors.**

The nickel price started this year at over \$31,000/t but declined to below \$22,000/t in the second half of March on the news that some Chinese nickel producers were considering launching nickel cathodes production in China and Indonesia as early as 2023. Sluggish demand in China and the prospect of further monetary policy tightening by Fed and ECB also contributed to the negative sentiment.

In April, the nickel price rebounded to over \$25,000/t, boosted by short covering by speculative players, dwindling exchange inventories and a softer US Dollar, but the price gains were pared as any further upside was constrained by soaring supply. Nickel softened to \$20,000-21,000/t at the end of May, with bearish pressures dominating nickel trading.

In June-July, the LME nickel fluctuated within the range of \$20,000-23,000/t as the generally expected Chinese economic recovery lost its momentum. In August, however, the price managed to find some support from the news of a clampdown on illegal mining in Indonesia, followed by delays in the distribution of Indonesia's mining quotas.

In the second half of the year bearish sentiment generally dominated the nickel market taking the price below \$20,000/t. Rising supply from Indonesia and weak downstream demand in the stainless steel industry in Europe and the US coupled with inflationary pressure and high-interest rates all over the globe kept the market in surplus. Despite news that Indonesia wouldn't approve any new mining quotas for 2023 and the country's high-grade nickel resources could face depletion in six years, which would typically support the price, the LME nickel plunged to \$16,000/t at the end of the year.

As a result, the average LME nickel price in 2023 decreased 16% y-o-y to \$21,474/t.

In 2023, primary nickel use increased by 4% y-o-y driven by a moderate increase in stainless (+3% y-o-y) and batteries (+4% y-o-y), although the growth rate was slower than expected due to the destocking cycle in the EV supply chain, a greater share of non-nickel LFP batteries, and a partial shift from BEV to PHEV sales in China. Other non-stainless applications (alloys, superalloys and special steel) recorded a 7% growth amidst robust end-use demand from the aerospace, oil & gas and military industries.

In turn, primary nickel supply surged by 9% y-o-y due to a continuous expansion of the Indonesian NPI output (+16% y-o-y) and the production of nickel compounds for the EV market (+34% y-o-y) driven mainly by the new NPI-to-matte conversion facilities and HPAL projects. Nickel metal output increased 9% y-o-y as a result of the commissioning of new capacities to produce nickel cathodes in China and Indonesia.

Overall, in 2023, the nickel market was in an over 250 kt surplus, mostly in low-grade nickel. On the contrary, combined nickel inventories at LME and SHFE only increased by 20 kt over this period, so the exchange-traded Class 1 nickel market was relatively balanced.

**Nickel outlook: cautious in the near-term, but more positive long-term. We expect the market surplus to remain at around 190 kt in 2024, with low-grade nickel still accounting for the bulk of the volume due to the ramp-up of new nickel capacities in Indonesia. The decline in nickel prices has led to closures of some operations, which would likely mitigate the scale of market surplus and support the LME quotes.**

We expect the primary nickel demand to increase by 9% y-o-y in 2024 due to a robust increase in stainless (+7% y-o-y), moderate growth in alloys and superalloys (+6% and +10% y-o-y, respectively), and the expansion of nickel use in the battery sector for EVs (+26% y-o-y), driven by an anticipated restocking cycle in the battery supply chain to emerge during the year.

Primary nickel supply is forecast to rise 6% y-o-y in 2024. The commissioning of the Indonesian nickel capacities is expected to maintain its growth rate, however, the most significant contribution would come from NPI-to-matte and HPAL facilities, while the increase of NPI output is forecast to slow down to 5% y-o-y only. The ramp-up of new Class 1 projects in China and Indonesia is also projected to continue at a high pace, while production in other regions remained slightly unchanged y-o-y.

However, as nickel prices have dropped sharply in 2023-early 2024, more than half of all nickel producers would be making losses with the current price. As a result, several high-cost nickel producers have scaled back their nickel operations due to mounting losses, while some announced restructuring and asked for financial support from local governments. The price has not yet reacted to the potential supply risks, but any further supply curtailments could impact the primary nickel supply materially, which would likely support the LME quotes in the near term.

## **COPPER**

**Copper in 2023: relatively weak copper demand growth on the back of the construction crisis in China, sluggish growth of major economies, and the high-interest rate environment created pressure on the metal price that was only partially offset by price-positive conditions like low warehouse inventories and supply disruptions caused by strikes and social unrests in Latin America.**

Throughout the year, the copper market experienced mixed dynamics, with its price oscillating between \$7,900/t and \$9,400/t. In January, a peak of \$9,400/t was reached, stimulated by China's announcement of lifting COVID-19-related restrictions and low global exchange stocks. However, a correction ensued, leading to a decrease to \$7,900/t by the end of the first half of the year. Towards the end of the year, positive market dynamics emerged due to protests in Panama that resulted in the closure of the Cobre Panama mine which in turn contributed to the price hike towards \$8,600/t by the year end.

The average annual copper price in 2023 recorded a 4% decline, settling at \$8,478/t.

In 2023, global copper demand reached 25.4 Mt, marking a year-on-year increase of 2%. The consumption of the metal faced challenges of the weak industrial production in developed economies that was curbed by more stringent monetary policies, and a slower-than-anticipated growth in China, primarily attributed to domestic slowdown in construction and lower growth in export-oriented industries. However, China's demand exhibited a 6% rise, totalling 14.5 Mt. Conversely, European and North American consumption experienced decline with consumption at 3.1 Mt or (-5% y-o-y) and 2.1 Mt or (-4% y-o-y) respectively.

In 2023, global mine copper production grew by 2% and reached 22.3 Mt, driven by the commencement of new projects and expansions in the DRC, Peru, Chile, Russia, and Mongolia. Refined copper production also saw a 4% increase, totalling 25.6 Mt against the backdrop of new refining capacities launched in China. In terms of regional refined copper production, South and Central America recorded a decline of 4% to 2.5 Mt, Africa experienced a 16% increase, reaching 2.2 Mt, and Asia (including China) saw a 5% growth to 15.6 Mt. Notably, China's refined copper production surged by 9% to 11.5 Mt, while Japan witnessed a 1% decline to 1.5 Mt. Europe produced 3.5 Mt, marking a 2% decrease, and North America's production fell by 4% to 1.5 Mt.

Overall, the copper market was balanced in 2023 with the surplus amounting to 130kt or less than 1% of global consumption. The total exchange stocks (LME, SHFE, and CME) gained 13% to 215kt by the end of the year but are still at historically low levels, while China bonded stocks almost vanished by the end of the year and reached 8kt or 86% decline from the beginning of the year.

**Copper outlook: a cautiously optimistic view in the mid-term, with a positive outlook in the long run. Demand growth is expected to accelerate this year and outpace supply increase moving the market to a marginal deficit. Expected monetary policy softening should provide additional support to the demand and commodity prices. However, the potential fragility of Chinese economic growth creates risks to the forecast.**

According to the latest available World Bank forecast, global economy is expected to grow with lower pace in 2024 comparing with previous year (2.4% versus 2.6%) with China's growth decelerating to 4.5% from 5.2% a year earlier, the US growing at 1.6% compared to 2.5%, and the Euro zone adding 0.7% versus 0.4% in 2023. However, due to more positive dynamic in the copper consuming sectors, especially related to new energy technologies, global copper consumption is anticipated for show a 3% growth in 2024, reaching 26.1 Mt. We expect that copper consumption in the US will increase by 1% to 1.5 Mt, Europe's demand will remain flat at 3.1 Mt and China's copper use will increase by 3% to 15 Mt.

Despite protests in Panama that forced the Cobre Panama mine closure, global mine production is expected to increase by 2% to 22.7 Mt in 2024 while refined production is expected to increase up to 26,1 Mt or +2% y-o-y, leading to a global market deficit of 54 kt of refined copper.

Over the long run, as transport shifts to EVs, renewable energy adoption increases and the electricity grid expands, demand will outpace supply and this may potentially lead to a significant market deficit. Insufficient investments in recent years have impacted the market, making high copper prices essential for initiating new projects and expanding existing ones to meet the growing demand.

## **PALLADIUM**

**Palladium in 2023: industrial consumption was 0.9 Moz higher than production, however metal destocking by automakers and catalyst producers provided additional liquidity that balanced the market. Record high net short positions coupled with stock liquidation by market participants had been affecting the palladium price throughout the year.**

Due to low ICE-powered auto sales in the first two months of 2023, the palladium price was falling and getting closer to the crucial \$1,300/toz support level up until the middle of March when it entered a horizontal trend moving between \$1,300/toz and \$1,600/toz levels. The latter was triggered by the banking crisis in the US, which positively impacted precious metals' prices as the market lowered its expectations of the terminal interest rate level.

The price resumed a downward movement in May and found the next support level by the end of June at \$1,225/toz and entered into a sideways trend, fluctuating between \$1,225/toz and \$1,300/toz levels, as the inflation expectations stabilised. The horizontal movement continued until the beginning of October, when it made a step down to a lower price corridor, reaching its bottom at \$1,125/toz. This occurred amid the Federal Reserve representatives' statements regarding the higher-for-longer interest rates environment.

The price plateaued at \$1,125/toz up until November 7, when it fell by 4% to \$1,080/toz. Federal Reserve's hawkish statements yet again pressured all the precious metals. However, palladium was especially sensitive as this led the metal's price below the psychological level of \$1,100/toz, which triggered a 3-year-record daily open interest increase at NYMEX, dipping palladium down to \$965/toz. Nevertheless, right after that, palladium rebounded and stabilised above the \$1,050/toz level.

At the end of the year, there was increased volatility in the palladium price, because the excessively large volume of short positions led to a short squeeze in December to \$1,225/toz, after which the price bounced back to the \$1,050/toz level.

The average palladium price decreased 37% y-o-y to \$1,337/toz in 2023.

In 2023, palladium demand marginally fell by 1% y-o-y, as ICE-powered vehicle production growth and continuing hybridisation were offset by falling demand in electronics and residual palladium-with-platinum substitution in the automotive industry, launched in previous years because of the significant price spread. However, there are signs that the peak level of substitution has already been reached this year, as narrowed price spread leaves no incentives for further substitution.

Metal production fell by 5% to 8.5 Moz due to a lower Nornickel output (owing to gradual transition to new mining equipment and scheduled repair of furnaces at Nadezhda Smelter and a grinding mill at Talnakh Concentrator) and a 15% y-o-y drop in secondary supply. Such a noticeable recycling volume fall was attributed to falling PGM prices and tight monetary policy, as well as the introduction of a more stringent KYC procedure in the US and the government's regulation of the industry in China.

**Palladium outlook: neutral in mid-term. The market deficit is expected to shrink down to 0.4 Moz amid secondary supply recovery, while metal stock liquidation by market participants is expected to ease. ICE-powered light vehicle production is going to marginally decline by 1% to 75 million units, while palladium with platinum price-elastic substitution is coming to an end, and the trend may reverse in the near term. Production is forecasted to grow by 5% y-o-y as lower supply from Russia will be offset by the recovery in recycling volumes, however, production cuts from North American mines as well as output reduction at some shafts in Africa is possible as some of them are unprofitable at current PGM basket price.**

We expect industrial palladium demand to decrease by 2% y-o-y in 2024 to 9.2 Moz due to stagnating ICE-powered vehicle production that is partially offset by the continuing vehicle hybridization, requiring higher PGM loadings per vehicle. With a narrowing price gap between the two metals, platinum-to-palladium substitution is losing its commercial incentive and is not expected to make a meaningful negative impact on palladium demand in the mid-term. We also see that many EV market participants are struggling to reach their electrification goals due to infrastructure issues as well as customers preference towards hybrids. This development may support palladium demand in the automotive industry in the longer run.

Global primary refined palladium output is expected to stagnate in 2024 at 6.4 Moz, as lower supply from Russia is going to be offset by secondary production recovery in North America from a low base of 2023. However, both major North American PGM mines can be loss-making at current prices, which might lead to production cuts. A noticeable rebound in PGMs' autocatalyst recycling is also forecasted this year as the US and Chinese markets are expected to adapt to the new regulation policies. Palladium recovery from spent catalysts and other secondary supply sources is seen growing by +18% to 2.5 Moz this year. However, the unstable nature of secondary supply, which was seen in recent years, might lead to yet another year of underperformance, creating a risk to the forecast.

Norilsk Nickel as the world's leading palladium producer sees itself responsible for the sustainable long-term development of the palladium market. To ensure it, has expanded the R&D program of the Palladium Centre, which is focused on developing and introducing new products and technologies employing this metal. Among Norilsk Nickel's Palladium Centre products there are catalysts for electrolysis and fuel cells used in the production of electricity from hydrogen, which demonstrate a 2-3 times increase in activity compared to existing products on the market. A number of products are being developed not only in the field of hydrogen technologies but also in solar energy, new chemistry, electronics, medicine and other areas. Over the next 5-10 years, it is planned to invest more than \$100 million in the development, testing and commercialization of new palladium-containing products. According to our estimates, new applications of palladium will add at least 40 tonnes of new demand for the metal by 2030.

## PLATINUM

**Platinum in 2023: 0.4 Moz deficit due to residual palladium substitution in autocatalysts as well as growing metal use in the glass and chemical sector that outpaced supply growth. The metal was traded in a wide corridor of \$850-1,100/toz against the backdrop of changing market expectations regarding monetary policy as well as the risks of primary supply disruptions in South Africa.**

The platinum price climbed just over \$1,100/toz at the beginning of January, but it started to fall by the middle of the month, as weak automotive sales results started to come. As the automotive market showed signs of recovery, the significance of macroeconomic factors in platinum pricing strengthened, which led the platinum price to follow the upward trend of gold since the end of February.

The price rally continued as the next noticeable resistance level of \$1,050/toz was broken on April 13 when South African Eskom announced the return of Stage 6 load-shedding, which drove the price up above \$1,100/toz. However, the platinum price started to fall sharply in the middle of May, reaching the bottom at the \$900/toz level by the end of June. This trend was backed by the resilience of South African producers towards electricity supply disruptions, weak macroeconomic data in China and hawkish statements by the ECB that put noticeable pressure on precious metals prices.

Later in the year the price fluctuated between \$900/toz and \$1,000/toz levels up until October when this price correction across precious metals drove the platinum price down to an \$875/toz support level.

In December, platinum price experienced a significant rise, breaking the \$1,000/toz level, against the backdrop of the statements by South American PGM producers regarding production cuts amid falling PGM prices.

The average platinum price increased by 0.4% y-o-y to \$965/toz in 2023.

In 2023, platinum demand (excl. investment) increased by 8% y-o-y to 7.6 Moz due to the growing metal use in the glass and chemical industry (attributed to capacities expansion in China) as well as residual palladium with platinum substitution in autocatalysts.

Mine production increased by 3% y-o-y in 2023 due to smelting capacities' debottlenecking in South Africa, while recycling volumes fell by 15% y-o-y to 1.3 Moz due to the same reasons as mentioned in the palladium section.

**Platinum outlook: positive; an increase of metal used in glass and electronics sectors will offset secondary production recovery and keep the platinum market in deficit in 2024. In the longer term, the platinum market is also expected to stay in deficit as lower metal use in the automotive industry (due to reverse substitution of platinum with palladium) will be offset by lower output in South Africa as miners in the region will be forced to optimize their production under pressure of low PGM basket price.**

In 2024, platinum demand will grow by 2% to 7.7 Moz due to higher use in glass and electronics sectors, while platinum use in the automotive sector will stagnate as the residual palladium substitution will cool down amid metals' price gap shrinkage, while diesel-powered vehicles market share will continue to gradually decline.

Mine supply is expected to marginally increase by 2% to 6.0 Moz with the risk of production cuts from South Africa amid cost optimization caused by falling palladium and rhodium prices. Secondary supply from recycling is expected to increase by 8% y-o-y to 1.4 Moz for the same reasons as mentioned above for palladium recycling.

As a result, the platinum market will stay in a moderate 0.3 Moz deficit this year with the risk of lower production from South African producers, which might push the platinum market into a deeper deficit.

By the end of the decade hydrogen economy, which is currently believed to be a main driver for long-term platinum demand growth, can generate dozens of tons for platinum use.

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

<i>USD million (unless stated otherwise)</i>	<b>2023</b>	<b>2022</b>	<b>Change,%</b>
<b>Revenue</b>	<b>14,409</b>	<b>16,876</b>	<b>(15%)</b>
GMK Group	10,488	12,242	(14%)
South cluster	1,066	972	10%
Kola division	8,396	10,889	(23%)
GRK Bystrinskoye	1,340	1,325	1%
Other mining	–	1	(100%)
Other non-metallurgical	1,064	1,556	(32%)
Eliminations	(7,945)	(10,109)	(21%)
<b>EBITDA</b>	<b>6,884</b>	<b>8,697</b>	<b>(21%)</b>
GMK Group	3,641	4,316	(16%)
South cluster	484	450	8%
Kola division	2,254	4,071	(45%)
GRK Bystrinskoye	963	934	3%
Other mining	(12)	(11)	9%
Other non-metallurgical	(13)	8	n.a.
Eliminations	343	(7)	n.a.
Unallocated	(776)	(1,064)	(27%)
<b>EBITDA margin</b>	<b>48%</b>	<b>52%</b>	<b>(4 p.p.)</b>
GMK Group	35%	35%	0 p.p.
South cluster	45%	46%	(1 p.p.)
Kola division	27%	37%	(10 p.p.)
GRK Bystrinskoye	72%	70%	2 p.p.
Other mining	n.a.	n.a.	n.a.
Other non-metallurgical	n.a.	1%	n.a.

1) Segments are defined in the consolidated financial statements

In 2023, revenue of GMK Group segment decreased 14% to USD 10,488 million primarily due to lower metal prices and decrease in matte sales delivered to Kola Division partly offset by increase in sales volume of refined metals.

Revenue of South cluster segment increased 10% to USD 1,066 million primarily driven by higher volume of semi-products realized to GMK Group partly offset by decrease in semi-products realized prices.

Revenue of Kola division segment decreased 23% to USD 8,396 million primarily owing to lower metal prices partly offset by increase in sales volume of refined metals.

Revenue of GRK Bystrinskoye segment increased 1% to USD 1,340 million.

Revenue of Other non-metallurgical segment decreased 32% to USD 1,064 million primarily due to cease of metals resale.

In 2023, EBITDA of GMK Group segment decreased 16% to USD 3,641 million owing to lower revenue, partly positively offset by decrease in cash operating costs, primarily due to lower mineral extraction tax and other levies, lower labour and repair and maintenance costs, and comparative impact of environmental provisions accrual.

EBITDA of South cluster segment increased 8% to USD 484 million primarily owing to higher revenue that was partly negatively offset by increase in cash operating costs primarily due to higher mineral extraction tax and ore mining services.

EBITDA of Kola division segment decreased 45% to USD 2,254 million primarily owing to lower revenue.

EBITDA of GRK Bystrinskoye segment increased 3% to USD 963 million primarily due to decrease in cash operating costs driven by Russian rouble depreciation against US Dollar.

EBITDA of Other mining segment decreased by USD 1 million and amounted to negative USD 12 million.

EBITDA of Other non-metallurgical segment decreased by USD 21 million and amounted to negative USD 13 million.

EBITDA unallocated to segments increased by USD 288 million and amounted to a negative USD 776 million mainly due to lower social expenses and effect of the Russian rouble depreciation against US Dollar.

## **METAL SALES**

In 2023, revenue from metal sales was down 15% (or –USD 2,371 million) y-o-y to USD 13,702 million primarily driven by lower selling prices (-USD 3,378 million) mainly for palladium, nickel, rhodium and copper, as well decrease in the resale of metals purchased from third parties (-USD 385 million). The increase in the volume of metal sales (+USD 1,392 million) primarily due to the partial sale of metal stock accumulated in 2022 was partly offset by decrease in production volume in 2023.

## **OTHER SALES**

In 2023, other sales decreased 12% (or -USD 96 million) to USD 707 million primarily due to Russian rouble depreciation, which was partially offset by the increase of revenue from resale of icebreaking and sea transportation services.

## **COST OF SALES**

### **Cost of metal sales**

In 2023, the cost of metal sales increased 4% (or +USD 232 million) to USD 6,322 million, driven by the following factors:

- decrease in cash operating costs by 19% (or -USD 1,234 million);
- decrease in depreciation and amortization by 7% (or -USD 76 million);
- comparative effect of change in metal inventories y-o-y leading to the cost of metal sales increase by USD 1,542 million.

### **Cash operating costs**

In 2023, total cash operating costs decreased 19% (or -USD 1,234 million) to USD 5,289 million mainly due to decrease in purchases of refined metals for resale (-USD 432 million), decrease in mineral extraction tax and other levies (-USD 319 million), decrease in materials and supplies (-USD 98 million), decrease in labour costs (-USD 266 million) partly offset by introduction of export customs duties from October 1, 2023 (+USD 121 million).

Inflationary growth of cash operating costs amounted to +USD 428 million while Russian rouble depreciation against US Dollar amounted to cash operating costs decrease of -USD 889 million.

<i>USD million</i>	<b>2023</b>	<b>2022</b>	<b>Change, %</b>
Labour	1,857	2,123	(13%)
Materials and supplies	971	1,069	(9%)
Mineral extraction tax and other levies	873	1,192	(27%)
Third party services	659	784	(16%)
Transportation expenses	216	257	(16%)
Fuel	157	166	(5%)
Export customs duties	121	–	100%
Electricity and heat energy	115	136	(15%)
Purchases of raw materials and semi-products	33	33	0%
Purchases of refined metals for resale	5	437	(99%)
Other costs	282	326	(13%)
<b>Total cash operating costs</b>	<b>5,289</b>	<b>6,523</b>	<b>(19%)</b>
Depreciation and amortisation	939	1,015	(7%)
Decrease/(increase) in metal inventories	94	(1,448)	n.a.
<b>Total</b>	<b>6,322</b>	<b>6,090</b>	<b>4%</b>

### ***Labour***

In 2023, labour costs decreased 13% (or -USD 266 million) to USD 1,857 million amounting to 35% of the Group's total cash operating costs driven by the following factors:

- -USD 409 million – Russian rouble depreciation against US Dollar;
- +USD 86 million – increase in headcount in Norilsk industrial region;
- -USD 77 million – one-off incentive payment to personnel in 1H2022;
- +USD 45 million – payments to personnel within the programme "Digital investor";
- +USD 89 million – other increase in labour costs mainly due to indexation of salaries and wages.

### ***Materials and supplies***

In 2023, expenses for materials and supplies decreased 9% (or -USD 98 million) to USD 971 million driven by the following factors:

- +USD 219 million – inflationary growth of materials and supplies;
- -USD 133 million – lower material and supplies expenses primarily due to decreased repairs as part of production efficiency measures;
- -USD 184 million – effect of the Russian rouble depreciation against US Dollar.

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

In 2023, mineral extraction tax and other levies decreased 27% (or -USD 319 million) to USD 873 million primarily due to lower metal prices and lower ore mined.

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

In 2023, cost of third-party services decreased 16% (or -USD 125 million) to USD 659 million mainly driven by:

- -USD 61 million – primarily due to decrease in repairs as part of production efficiency measures;
- +USD 79 million – inflationary growth of third-party services;
- -USD 143 million – effect of the Russian rouble depreciation against US Dollar.

### ***Transportation expenses***

In 2023, transportation expenses decreased 16% (or -USD 41 million) to USD 216 million driven by the following factors:

- -USD 23 million – primarily decrease in transportation volume of metal products;
- +USD 20 million – inflationary growth of expenses;
- -USD 38 million – effect of the Russian rouble depreciation against US Dollar.

### ***Fuel***

In 2023, fuel expenses decreased 5% (or -USD 9 million) to USD 157 million mainly due to Russian rouble depreciation against US Dollar partly offset by inflationary growth of fuel expenses in Norilsk industrial region.

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

In 2023, electricity and heat energy expenses decreased 15% (or -USD 21 million) to USD 115 million primarily due to Russian rouble depreciation against US Dollar.

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

In 2023, purchases of raw materials and semi-products remained unchanged y-o-y and amounted to USD 33 million.

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

In 2023, purchases of refined metals for resale decreased 99% (or -USD 432 million) to USD 5 million primarily due to cease of refined metals purchases.

### ***Other costs***

In 2023, other costs decreased 13% (or -USD 44 million) to USD 282 million primarily due to Russian rouble depreciation against US Dollar partly offset by price inflation.

### ***Depreciation and amortisation***

In 2023, depreciation and amortisation expenses decreased 7% (or -USD 76 million) to USD 939 million mainly due to Russian rouble depreciation against US Dollar partly offset by increase in property, plant and equipment.

### ***Decrease/(increase) in metal inventories***

Comparative effect of change in metal inventory amounted to +USD 1,542 million resulting in a respective increase in cost of metal sales mainly due to increase in metal inventories in 2022 driven by the extension of logistics and refocusing sales to new markets.

## **COST OF OTHER SALES**

In 2023, cost of other sales decreased by USD 108 million to USD 721 million due to Russian rouble depreciation against US Dollar, which was partially compensated by increase in the cost of resale of icebreaking and sea transportation services.

## SELLING AND DISTRIBUTION EXPENSES

<i>USD million</i>	<b>2023</b>	<b>2022</b>	<b>Change,%</b>
Transportation expenses	132	118	12%
Export customs duties	43	–	100%
Marketing expenses	29	52	(44%)
Staff costs	27	29	(7%)
Other	54	56	(4%)
<b>Total</b>	<b>285</b>	<b>255</b>	<b>12%</b>

In 2023, selling and distribution expenses increased 12% (or USD 30 million) to USD 285 million driven by:

- +USD 43 million – export customs duties introduced from October 1, 2023;
- +USD 14 million – increase in transportation expenses primarily due to extension of logistics chains;
- -USD 23 million – decrease in marketing expenses.

## GENERAL AND ADMINISTRATIVE EXPENSES

<i>USD million</i>	<b>2023</b>	<b>2022</b>	<b>Change,%</b>
Staff costs	684	833	(18%)
Third party services	147	230	(36%)
Depreciation and amortisation	110	107	3%
Property tax and other miscellaneous taxes	75	94	(20%)
Transportation expenses	6	9	(33%)
Other	71	80	(11%)
<b>Total</b>	<b>1,093</b>	<b>1,353</b>	<b>(19%)</b>

In 2023, general and administrative expenses decreased 19% (or -USD 260 million) to USD 1,093 million. Positive effect of the Russian rouble depreciation against US Dollar amounted to USD 242 million. Changes of the general and administrative expenses in real terms were primarily driven by the following factors:

- -USD 42 million – decrease in third-party services primarily driven by consulting services expenses;
- +USD 22 million – increase in depreciation due to growth of fixed assets.

## OTHER OPERATING EXPENSES, NET

<i>USD million</i>	<b>2023</b>	<b>2022</b>	<b>Change,%</b>
Social expenses	205	407	(50%)
Change in decommissioning obligations	53	12	4x
Change in other allowances	40	43	(7%)
Loss on disposal of property, plant and equipment	36	70	(49%)
Expenses on industrial incidents response	10	35	(71%)
Change in provision on production and mining facilities shut down	(1)	14	n.a.
Change in environmental provisions	(32)	93	n.a.
Other, net	(42)	4	n.a.
<b>Total</b>	<b>269</b>	<b>678</b>	<b>(60%)</b>

In 2023, other operating expenses, net decreased by USD 409 million to USD 269 million driven by the following factors:

- -USD 202 million – decrease in social expenses;
- -USD 125 million – lower environmental provisions related to compensation for environmental damages;
- +USD 26 million – comparative effect of changes in provision on production and mining facilities shut down and in decommissioning obligations;
- -USD 34 million – decrease in loss on disposal of property, plant and equipment;
- -USD 25 million – decrease in industrial incidents response expenses.

## FINANCE COSTS, NET

<i>USD million</i>	<b>2023</b>	<b>2022</b>	<b>Change,%</b>
Interest expense, net of amounts capitalised	337	330	2%
Unwinding of discount on provisions	147	185	(21%)
Fair value loss/(gain) on the cross-currency interest rate swap contracts	60	18	3x
Interest expense on lease liabilities	35	16	2x
Income received as a result of early debt repayment	–	(172)	100%
(Gain)/loss from currency conversion operations	(5)	111	n.a.
Other, net	(7)	5	n.a.
<b>Total</b>	<b>567</b>	<b>493</b>	<b>15%</b>

In 2023, finance costs, net increased 15% to USD 567 million. Finance costs, net decreased by USD 98 million in 2023 without taking into consideration profit from the early repayment of debt with a discount in 2022. The primary drivers of the change were:

- -USD 116 million – decrease in foreign currency conversion costs due to lower intraday volatility in the foreign exchange market;
- -USD 38 million – decrease in expenses related to unwinding of discount on provisions and due to significant volatility of discount rates during 2023, as well as changes in provisions;
- +USD 42 million – increase in expenses driven by fair value revaluation of cross-currency interest rate swaps primarily related to Russian rouble depreciation against US Dollar in 2023. In 2022, negative result of revaluation of financial instruments during a period of high exchange rate volatility was partially compensated by the appreciation of Russian rouble against US Dollar.

## INCOME TAX EXPENSE

In 2023, income tax expense decreased by USD 861 million driven mostly by lower profit before tax.

The breakdown of the income tax expense:

<i>USD million</i>	<b>2023</b>	<b>2022</b>	<b>Change,%</b>
Current income tax expense	966	1,306	(26%)
Deferred tax (benefit)/expense	(302)	219	n.a.
<b>Total income tax expense</b>	<b>664</b>	<b>1,525</b>	<b>(56%)</b>

## EBITDA

<i>USD million</i>	<b>2023</b>	<b>2022</b>	<b>Change,%</b>
<b>Operating profit</b>	5,540	7,581	(27%)
Depreciation and amortisation	1,165	1,026	14%
Impairment of non-financial assets, net	179	90	99%
<b>EBITDA</b>	<b>6,884</b>	<b>8,697</b>	<b>(21%)</b>
<b>EBITDA margin</b>	<b>48%</b>	<b>52%</b>	<b>(4 p.p.)</b>

In 2023, EBITDA decreased 21% (or -USD 1,813 million) to USD 6,884 million primarily driven by lower revenue, which was partially offset by Russian rouble depreciation against US Dollar in 2023.

## STATEMENT OF CASH FLOWS

<i>USD million</i>	<b>2023</b>	<b>2022</b>	<b>Change,%</b>
<b>Cash generated from operations before changes in working capital and income tax</b>	<b>7,121</b>	<b>8,897</b>	<b>(20%)</b>
Movements in working capital	(229)	(3,184)	(93%)
Income tax paid	(1,164)	(1,127)	3%
<b>Net cash generated from operating activities</b>	<b>5,728</b>	<b>4,586</b>	<b>25%</b>
Capital expenditure	(3,038)	(4,298)	(29%)
Other investing activities	(4)	149	n.a.
<b>Net cash used in investing activities</b>	<b>(3,042)</b>	<b>(4,149)</b>	<b>(27%)</b>
<b>Free cash flow</b>	<b>2,686</b>	<b>437</b>	<b>6x</b>
Interest paid	(791)	(599)	32%
Payments of lease liabilities	(45)	(50)	(10%)
Dividends paid to non-controlling interest	(503)	(73)	7x
Other financing activities	(1,065)	(4,342)	(75%)
<b>Net cash used in financing activities</b>	<b>(2,404)</b>	<b>(5,064)</b>	<b>(53%)</b>
Effects of foreign exchange differences on balances of cash and cash equivalents	(25)	962	n.a.
<b>Net change in cash and cash equivalents</b>	<b>257</b>	<b>(3,665)</b>	<b>n.a.</b>

In 2023, net cash generated from operating activities increased 25% to USD 5,728 million. Stabilization of working capital in 2023 after significant increase in 2022 was partly offset by decrease in EBITDA.

In 2023, net cash used in investing activities decreased 27% to USD 3,042 million primarily driven by decrease in capital expenditures.

In 2023, free cash flow increased 6 times to USD 2,686 million following the increase in net cash generated from operating activities and the decrease in cash used in investing activities.

In 2023, free cash flow less regular financing outflows (interest paid, payments of lease liabilities, dividends paid to non-controlling interest of GRK Bystrinsky) increased by USD 1,632 million and amounted to USD 1,347 million following the increase in free cash flow.

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

<i>USD million</i>	<b>2023</b>	<b>2022</b>
<b>Change of the net working capital in the balance sheet</b>	<b>911</b>	<b>(2,734)</b>
Foreign exchange differences	(780)	(218)
Change in income tax balance	208	(165)
Change of provisions, reserves and long term components of working capital included in cash flow	(412)	(225)
Other changes	(156)	158
<b>Change of working capital per cash flow</b>	<b>(229)</b>	<b>(3,184)</b>

Capital investments breakdown by project is presented below:

<i>USD million</i>	<b>2023</b>	<b>2022</b>	<b>Change,%</b>
Polar Division, including:	1,223	1,543	(21%)
<i>Skalisty mine</i>	90	90	0%
<i>Taymirsky mine</i>	73	83	(12%)
<i>Komsomolsky mine</i>	41	40	3%
<i>Oktyabrsky mine</i>	5	14	(64%)
<i>Talnakh Enrichment Plant (TOF-3)</i>	123	194	(37%)
<i>Capitalised repairs</i>	93	222	(58%)
<i>Purchase of equipment</i>	219	322	(32%)
<i>Other Polar Division projects</i>	579	578	0%
Kola MMC	233	350	(33%)
Environmental program (Sulfur Program at the Nadezhda Smelter)	454	893	(49%)
South cluster	248	298	(17%)
Energy and gas infrastructure modernization	408	465	(12%)
Bystrinsky project (Chita)	65	72	(10%)
Other production projects	355	607	(42%)
Other non-production assets	52	70	(26%)
<b>Total</b>	<b>3,038</b>	<b>4,298</b>	<b>(29%)</b>

In 2023, CAPEX decreased 29% (or -USD 1,260 million) to USD 3,038 million driven by the effect of the Russian rouble depreciation against US Dollar, optimization of settlements with contractors as well as the rescheduling of investment projects as voluntary self-sanctions imposed by foreign suppliers of equipment and technologies resulted in redesign of investment projects.

## DEBT AND LIQUIDITY MANAGEMENT

<i>USD million</i>	<b>As of 31 December 2023</b>	<b>As of 31 December 2022</b>	<b>Change, USD million</b>	<b>Change,%</b>
Non-current loans and borrowings	5,377	7,189	(1,812)	(25%)
Current loans and borrowings	4,335	4,295	40	1%
Lease liabilities	520	233	287	2x
<b>Total debt</b>	<b>10,232</b>	<b>11,717</b>	<b>(1,485)</b>	<b>(13%)</b>
Cash and cash equivalents	2,139	1,882	257	14%
<b>Net debt</b>	<b>8,093</b>	<b>9,835</b>	<b>(1,742)</b>	<b>(18%)</b>
Net debt /12M EBITDA	1.2x	1.1x	0.1x	n.a.

As of December 31, 2023, the Company's total debt decreased by 13% to USD 10,232 million compared to December 31, 2022 partly following the depreciation of Russian rouble against US Dollar in 2023.

As of December 31, 2023, the Company's net debt decreased by USD 1,742 million due to decrease in total debt.

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

In November 2023, Russian rating agency "Expert RA" confirmed the Company's credit rating at the highest investment level "ruAAA".

## Attachment A

### CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021

*US Dollars million*

	For the year ended 31 December		
	2023	2022	2021
<b>Revenue</b>			
Metal sales	13,702	16,073	17,103
Other sales	707	803	749
<b>Total revenue</b>	<b>14,409</b>	<b>16,876</b>	<b>17,852</b>
Cost of metal sales	(6,322)	(6,090)	(5,057)
Cost of other sales	(721)	(829)	(746)
<b>Gross profit</b>	<b>7,366</b>	<b>9,957</b>	<b>12,049</b>
General and administrative expenses	(1,093)	(1,353)	(989)
Selling and distribution expenses	(285)	(255)	(191)
Impairment of non-financial assets, net	(179)	(90)	(48)
Other operating expenses, net	(269)	(678)	(1,285)
<b>Operating profit</b>	<b>5,540</b>	<b>7,581</b>	<b>9,536</b>
Foreign exchange (loss)/gain, net	(1,512)	251	(53)
Finance costs, net	(567)	(493)	(279)
Gain/(loss) from disposal of subsidiaries and foreign joint operations	32	(110)	29
Income from investments	41	150	52
<b>Profit before tax</b>	<b>3,534</b>	<b>7,379</b>	<b>9,285</b>
Income tax expense	(664)	(1,525)	(2,311)
<b>Profit for the year</b>	<b>2,870</b>	<b>5,854</b>	<b>6,974</b>
Attributable to:			
Shareholders of the parent company	2,384	5,458	6,512
Non-controlling interests	486	396	462
	<b>2,870</b>	<b>5,854</b>	<b>6,974</b>
<b>EARNINGS PER SHARE</b>			
Basic and diluted earnings per share attributable to shareholders of the parent company (US Dollars per share)	15.6	35.7	41.9

## Attachment B

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023, 2022 AND 2021

*US Dollars million*

	At 31 December		
	2023	2022	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15,181	16,264	12,699
Intangible assets	238	302	265
Investments in associates and joint ventures	76	8	17
Other financial assets	58	113	72
Deferred tax assets	335	340	167
Other non-current assets	350	365	345
	<b>16,238</b>	<b>17,392</b>	<b>13,565</b>
<b>Current assets</b>			
Inventories	3,817	4,945	3,026
Trade and other receivables	764	846	468
Advances paid and prepaid expenses	173	192	111
Other financial assets	3	40	43
Income tax receivable	101	17	203
Other taxes receivable	344	477	412
Cash and cash equivalents	2,139	1,882	5,547
Other current assets	1	4	60
	<b>7,342</b>	<b>8,403</b>	<b>9,870</b>
<b>TOTAL ASSETS</b>	<b>23,580</b>	<b>25,795</b>	<b>23,435</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	6	6	6
Share premium	1,212	1,212	1,218
Treasury shares	–	–	(305)
Translation and other reserves	(6,146)	(4,541)	(5,415)
Retained earnings	11,324	10,448	8,184
<b>Equity attributable to shareholders of the parent company</b>	<b>6,396</b>	<b>7,125</b>	<b>3,688</b>
Non-controlling interests	1,199	1,442	1,100
	<b>7,595</b>	<b>8,567</b>	<b>4,788</b>
<b>Non-current liabilities</b>			
Loans and borrowings	5,377	7,189	8,616
Lease liabilities	466	190	178
Provisions	689	916	894
Social liabilities	399	613	633
Trade and other long-term payables	51	56	55
Derivative financial instruments	–	67	72
Deferred tax liabilities	142	415	73
Other non-current liabilities	30	93	43
	<b>7,154</b>	<b>9,539</b>	<b>10,564</b>
<b>Current liabilities</b>			
Loans and borrowings	4,335	4,295	1,610
Lease liabilities	54	43	57
Trade and other payables	1,273	1,381	2,224
Dividends payable	1,924	496	3,146
Employee benefit obligations	555	585	417
Provisions	90	180	146
Social liabilities	207	201	158
Derivative financial instruments	114	–	15
Income tax payable	7	169	41
Other taxes payable	272	339	269
	<b>8,831</b>	<b>7,689</b>	<b>8,083</b>
<b>TOTAL LIABILITIES</b>	<b>15,985</b>	<b>17,228</b>	<b>18,647</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,580</b>	<b>25,795</b>	<b>23,435</b>

## Attachment C

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021

*US Dollars million*

	For the year ended 31 December		
	2023	2022	2021
<b>OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>	<b>3,534</b>	<b>7,379</b>	<b>9,285</b>
Adjustments for:			
Depreciation and amortisation	1,165	1,026	928
Impairment of non-financial assets, net	179	90	48
Loss on disposal of property, plant and equipment	36	70	35
(Gain)/loss from disposal of subsidiaries and foreign joint operations	(32)	110	(29)
Change in provisions and allowances	77	236	896
Finance costs, net	567	493	279
Income from investments	(41)	(150)	(52)
Foreign exchange loss/(gain), net	1,512	(251)	53
Other	124	(106)	36
	<b>7,121</b>	<b>8,897</b>	<b>11,479</b>
Movements in working capital:			
Inventories	(185)	(1,693)	(796)
Trade and other receivables	(4)	(347)	38
Advances paid and prepaid expenses	(62)	(60)	(30)
Other taxes receivable	12	(121)	31
Employee benefit obligations	39	129	34
Trade and other payables	51	(1,096)	669
Provisions	(179)	(160)	(2,145)
Other taxes payable	99	164	(27)
	<b>6,892</b>	<b>5,713</b>	<b>9,253</b>
<b>Cash generated from operations</b>	<b>6,892</b>	<b>5,713</b>	<b>9,253</b>
Income tax paid	(1,164)	(1,127)	(2,211)
<b>Net cash generated from operating activities</b>	<b>5,728</b>	<b>4,586</b>	<b>7,042</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(2,988)	(4,227)	(2,683)
Investments in associates and joint ventures	(71)	(29)	(21)
Purchase of intangible assets	(50)	(71)	(81)
Loans issued	(31)	–	(6)
Proceeds from repayment of loans issued	38	22	43
Net change in deposits placed	–	34	(35)
Proceeds from disposal of property, plant and equipment	1	11	12
Net cash inflow/(outflow) from disposal of subsidiaries and foreign joint operations	11	(46)	49
Interest and other investment income received	48	157	84
<b>Net cash used in investing activities</b>	<b>(3,042)</b>	<b>(4,149)</b>	<b>(2,638)</b>

## Attachment C

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021 (CONTINUED)

*US Dollars million*

	For the year ended 31 December		
	2023	2022	2021
<b>FINANCING ACTIVITIES</b>			
Proceeds from loans and borrowings	5,569	9,104	1,000
Repayments of loans and borrowings	(6,642)	(7,775)	(415)
Payments of lease liabilities	(45)	(50)	(55)
Dividends paid to shareholders of the parent company	–	(6,196)	(2,198)
Dividends paid to non-controlling interests	(503)	(73)	–
Receipt of dividends not remitted to shareholders and ADR holders	–	544	–
Proceeds/(payments) on exchange of flows under cross-currency interest rate swaps, net	8	(19)	4
Interest paid	(791)	(599)	(315)
Acquisition of own shares from shareholders	–	–	(2,068)
<b>Net cash used in financing activities</b>	<b>(2,404)</b>	<b>(5,064)</b>	<b>(4,047)</b>
<b>Net change in cash and cash equivalents</b>	<b>282</b>	<b>(4,627)</b>	<b>357</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,882</b>	<b>5,547</b>	<b>5,191</b>
Effects of foreign exchange differences on balances of cash and cash equivalents	(25)	962	(1)
<b>Cash and cash equivalents at the end of the year</b>	<b>2,139</b>	<b>1,882</b>	<b>5,547</b>

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

<i>USD million</i>	<b>31/12/2023</b>	<b>31/12/2022</b>	<b>Change</b>	<b>incl. effects of foreign exchange differences</b>
Finished goods	1,177	1,967	(790)	(421)
Work-in-process	1,578	1,789	(211)	(417)
Other inventories	1,062	1,189	(127)	(286)
Trade and other receivables	764	846	(82)	(23)
Advances paid and prepaid expenses	173	192	(19)	(53)
Taxes receivable	445	494	(49)	(127)
Employee benefit obligations	(555)	(585)	30	136
Trade and other payables*	(1,273)	(1,381)	108	258
Taxes payable	(279)	(508)	229	153
<b>Total working capital</b>	<b>3,092</b>	<b>4,003</b>	<b>(911)</b>	<b>(780)</b>

## **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 main production units of Norilsk Nickel Group are located at the Norilsk Industrial District, on the Kola Peninsula and Zabaykalsky Krai in Russia.

MMC Norilsk Nickel shares are listed on the Moscow Exchange.

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