Financial statements

Disclosed consolidated financial statements for the years ended 31 December 2024, 2023 and 2022

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Statement of management's responsibilities for the preparation and approval of the disclosed consolidated financial statements for the years ended 31 December 2024, 2023 and 2022

The following statement, which should be read in conjunction with the auditors' responsibility stated in the independent auditors' report, is made with a view to distinguishing the respective responsibilities of management and those of the auditors in relation to the disclosed consolidated financial statements of Public Joint Stock Company "Mining and Metallurgical Company "Norilsk Nickel" and its subsidiaries (the "Group").

Management of the Group is responsible for the preparation of the disclosed consolidated financial statements in accordance with the principles stated in Note 2.

In preparing the disclosed consolidated financial statements, management is responsible for:

- selecting suitable accounting principles and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- preparing the disclosed consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.

Management, within its competencies, is also responsible for:

- designing, implementing and maintaining an effective system of internal controls throughout the Group;
- maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the Group operates;
- taking steps to safeguard the assets of the Group; and
- detecting and preventing fraud and other irregularities.

The Group's disclosed consolidated financial statements for the years ended 31 December 2024, 2023 and 2022 were approved by:

President

V.O. Potanin

First Vice President – Chief Financial Officer

S.G. Malyshev

Moscow, Russia

10 February 2025

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Independent Auditors' Report

On the Disclosed Consolidated Financial Statements

To the Shareholders and Board of Directors of PJSC "Mining and Metallurgical Company "Norilsk Nickel"

Opinion

The disclosed consolidated financial statements, which comprise the consolidated income statement for the years ended 31 December 2024, 2023 and 2022, the consolidated statement of comprehensive income for the years ended 31 December 2024, 2023 and 2022, the consolidated statement of financial position at 31 December 2024, 2023 and 2022, the consolidated statement of cash flows for the years ended 31 December 2024, 2023 and 2022, the consolidated statement of changes in equity for the years ended 31 December 2024, 2023 and 2022, and related notes, are derived from the audited consolidated financial statements of PJSC "Mining and Metallurgical Company "Norilsk Nickel" (the "Company") and its subsidiaries (the "Group") for the years ended 31 December 2024, 2023 and 2022.

In our opinion, the accompanying disclosed consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with criteria, established the Note 2.

Disclosed Consolidated Financial Statements

The disclosed consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the disclosed consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 10 February 2025. That report also includes the communication of other key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period.

Management's Responsibility for the Disclosed Consolidated Financial Statements

Management is responsible for the preparation of the disclosed consolidated financial statements in accordance with criteria, established the Note 2.

Auditors' Responsibily

Our responsibility is to express an opinion on whether the disclosed consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our

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procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *"Engagements to Report on Summary Financial Statements"*.

The engagement partner on the audit resulting in this independent auditors' report is:

Velichko Natalia Nikolaevna

Кэпт
Kept
МОСКВА

Principal registration number of the entry in the Register of Auditors and Audit organizations No. 21906109427, acts on behalf of the audit organization based on the power of attorney No. 44/25 as of 9 January 2025

JSC "Kept"

Principal registration number of the entry in the Register of Auditors and Audit Organizations No. 12006020351

Moscow, Russia

10 February 2025

Disclosed consolidated income statement for the years ended 31 December 2024, 2023 and 2022

US Dollars million

	Notes	2022	2023	2024
		For the year ended 31 December		
Revenue				
Metal sales	7	16,073	13,702	11,848
Other sales		803	707	687
Total revenue		16,876	14,409	12,535
Cost of metal sales	8	(6,103)	(6,344)	(6,232)
Cost of other sales		(810)	(688)	(656)
Gross profit		9,963	7,377	5,647
General and administrative expenses	9	(1,353)	(1,093)	(1,046)
Selling and distribution expenses	10	(261)	(296)	(408)
Impairment of non-financial assets, net	14	(90)	(179)	(441)
Other operating expenses, net	11	(678)	(269)	(178)
Operating profit		7,581	5,540	3,574
Foreign exchange (loss)/gain, net		251	(1,512)	(343)
Finance costs, net	12	(493)	(567)	(896)
Gain/(loss) from disposal of subsidiaries and foreign joint operations	21	(110)	32	–
Income from investments, net		150	41	69
Profit before tax		7,379	3,534	2,404
Income tax expense	13	(1,525)	(664)	(589)
Profit for the year		**5,854**	**2,870**	**1,815**
Attributable to:				
Shareholders of the parent company		5,458	2,384	1,313
Non-controlling interests		396	486	502
		5,854	**2,870**	**1,815**
Earnings per share				
Basic and diluted earnings per share attributable to shareholders of the parent company (US Dollars per share)	22	**0.357**	**0.156**	**0.086**

The accompanying notes on pages 290–353 form an integral part of the disclosed consolidated financial statements

Disclosed consolidated statement of comprehensive income for the years ended 31 December 2024, 2023 and 2022

US Dollars million

	2022	2023	2024
	For the year ended 31 December		
Profit for the year	**5,854**	**2,870**	**1,815**
Other comprehensive income/(loss)			
Items that are or may be reclassified to profit or loss in subsequent periods:			
Effect of translation of foreign operations and other reserves	29	(31)	(4)
Items not to be reclassified to profit or loss in subsequent periods:			
Effect of translation to presentation currency	891	(1,825)	(1,016)
Other comprehensive (loss)/income for the year, net of tax	920	(1,856)	(1,020)
Total comprehensive income for the year, net of tax	**6,774**	**1,014**	**795**
Attributable to:			
Shareholders of the parent company	6,332	779	480
Non-controlling interests	442	235	315
	6,774	**1,014**	**795**

The accompanying notes on pages 290–353 form an integral part of the disclosed consolidated financial statements

Disclosed consolidated statement of financial position at 31 December 2024, 2023 and 2022

US Dollars million

	Notes	At 31 December 2022	2023	2024
Assets				
Non-current assets				
Property, plant and equipment	14	16,264	15,181	15,261
Intangible assets		302	238	206
Investments in associates and joint ventures	16	8	76	181
Other financial assets		113	58	57
Deferred tax assets	13	340	335	328
Other non-current assets	18	365	350	292
		17,392	16,238	16,325
Current assets				
Inventories	18	4,945	3,817	3,114
Trade and other receivables	19	846	764	1,374
Advances paid and prepaid expenses		192	173	135
Other financial assets		40	3	69
Income tax receivable	17	17	101	38
Other taxes receivable	17	477	344	292
Cash and cash equivalents	20	1,882	2,139	1,822
Other current assets		4	1	1
		8,403	7,342	6,845
Total assets		**25,795**	**23,580**	**23,170**

	Notes	At 31 December 2022	2023	2024
Equity and liabilities				
Capital and reserves				
Share capital	22	6	6	6
Share premium		1,212	1,212	1,212
Translation and other reserves		(4,541)	(6,146)	(6,979)
Retained earnings		10,448	11,324	12,638
Equity attributable to shareholders of the parent company		**7,125**	**6,396**	**6,877**
Non-controlling interests	23	1,442	1,199	1,220
		8,567	7,595	8,097
Non-current liabilities				
Loans and borrowings	24	7,189	5,377	7,112
Lease liabilities	25	190	466	381
Provisions	26	916	689	881
Social liabilities	27	613	399	299
Trade and other long-term payables		56	51	41
Derivative financial instruments		67	–	–
Deferred tax liabilities	13	415	142	381
Other non-current liabilities		93	30	59
		9,539	7,154	9,154
Current liabilities				
Loans and borrowings	24	4,295	4,335	2,834
Lease liabilities	25	43	54	81
Trade and other payables	28	1,381	1,273	1,209
Dividends payable	22	496	1,924	721
Employee benefit obligations		585	555	444
Provisions	26	180	90	173
Social liabilities	27	201	207	164
Derivative financial instruments		–	114	–
Income tax payable	17	169	7	49
Other taxes payable	17	339	272	244
		7,689	8,831	5,919
Total liabilities		17,228	15,985	15,073
Total equity and liabilities		**25,795**	**23,580**	**23,170**

The accompanying notes on pages 290–353 form an integral part of the disclosed consolidated financial statements

Disclosed consolidated statement of cash flows for the years ended 31 December 2024, 2023 and 2022

US Dollars million

	Notes	2022	2023	For the year ended 31 December 2024
Operating activities				
Profit before tax		**7,379**	**3,534**	**2,404**
Adjustments for:				
Depreciation and amortisation		1,026	1,165	1,181
Impairment of non-financial assets, net	14	90	179	441
Loss on disposal of property, plant and equipment		70	36	36
(Gain)/loss from disposal of subsidiaries and foreign joint operations	21	110	(32)	–
Change in provisions and allowances	26, 27	236	77	45
Finance costs, net	12	493	567	896
Income from investments, net		(150)	(41)	(69)
Foreign exchange loss/(gain), net		(251)	1,512	343
Other		(106)	124	(2)
		8,897	7,121	5,275
Movements in working capital:				
Inventories		(1,693)	(185)	190
Trade and other receivables		(347)	(4)	(610)
Advances paid and prepaid expenses		(60)	(62)	34
Other taxes receivable		(121)	12	3
Employee benefit obligations		129	39	(10)
Trade and other payables		(1,096)	51	(34)
Provisions		(160)	(179)	(181)
Other taxes payable		164	99	104
Cash generated from operations		**5,713**	**6,892**	**4,771**
Income tax paid		(1,127)	(1,164)	(338)
Net cash generated from operating activities		4,586	5,728	4,433
Investing activities				
Purchase of property, plant and equipment		(4,227)	(2,988)	(2,386)
Investments in associates and joint ventures		(29)	(71)	(131)
Purchase of intangible assets		(71)	(50)	(52)
Loans issued		–	(31)	(6)
Proceeds from repayment of loans issued		22	38	9
Net change in deposits placed		34	–	(29)
Proceeds from disposal of property, plant and equipment		11	1	1
Net cash inflow/(outflow) from disposal of subsidiaries and foreign joint operations	21	(46)	11	–
Other investment income and expense		157	48	19
Net cash used in investing activities		(4,149)	(3,042)	(2,575)
Financing activities				
Proceeds from loans and borrowings	24	9,104	5,569	7,273
Repayments of loans and borrowings	24	(7,775)	(6,642)	(6,229)
Payments of lease liabilities	25	(50)	(45)	(55)
Dividends paid to shareholders of the parent company	22	(6,196)	–	(1,480)
Dividends paid to non-controlling interests		(73)	(503)	–
Receipt of dividends not remitted to shareholders and ADR holders	22	544	–	16
(Payments)/proceeds on exchange of flows under cross-currency interest rate swaps, net		(19)	8	(99)
Interest paid		(599)	(791)	(1,468)
Net cash used in financing activities		(5,064)	(2,404)	(2,042)
Net change in cash and cash equivalents		**(4,627)**	**282**	**(184)**
Cash and cash equivalents at the beginning of the year	**20**	**5,547**	**1,882**	**2,139**
Effects of foreign exchange differences on balances of cash and cash equivalents		962	(25)	(133)
Cash and cash equivalents at the end of the year	**20**	**1,882**	**2,139**	**1,822**

The accompanying notes on pages 290–353 form an integral part of the disclosed consolidated financial statements

Disclosed consolidated statement of changes in equity for the years ended 31 December 2024, 2023 and 2022

US Dollars million

	Notes	Equity attributable to shareholders of the parent company							
	Notes	Share capital	Share premium	Treasury shares	Translation and other reserves	Retained earnings	Total	Non-controlling interests	Total
Balance at 1 January 2022		**6**	**1,218**	**(305)**	**(5,415)**	**8,184**	**3,688**	**1,100**	**4,788**
Profit for the year		–	–	–	–	5,458	**5,458**	396	**5,854**
Other comprehensive income		–	–	–	874	–	**874**	46	**920**
Total comprehensive income for the year		**–**	**–**	**–**	**874**	**5,458**	**6,332**	**442**	**6,774**
Dividends	22	–	–	–	–	(2,895)	**(2,895)**	(100)	**(2,995)**
Cancellation of ordinary shares from treasury stock	22	–	(6)	305	–	(299)	**–**	–	**–**
Balance at 31 December 2022		**6**	**1,212**	**–**	**(4,541)**	**10,448**	**7,125**	**1,442**	**8,567**
Profit for the year		–	–	–	–	2,384	**2,384**	486	**2,870**
Other comprehensive loss		–	–	–	(1,605)	–	**(1,605)**	(251)	**(1,856)**
Total comprehensive income for the year		**–**	**–**	**–**	**(1,605)**	**2,384**	**779**	**235**	**1,014**
Dividends	22	–	–	–	–	(1,508)	**(1,508)**	(478)	**(1,986)**
Balance at 31 December 2023		**6**	**1,212**	**–**	**(6,146)**	**11,324**	**6,396**	**1,199**	**7,595**
Profit for the year		–	–	–	–	1,313	**1,313**	502	**1,815**
Other comprehensive loss		–	–	–	(833)	–	**(833)**	(187)	**(1,020)**
Total comprehensive income for the year		**–**	**–**	**–**	**(833)**	**1,313**	**480**	**315**	**795**
Dividends	22	–	–	–	–	–	**–**	(295)	**(295)**
Other transactions with non-controlling interest owners		–	–	–	–	1	**1**	1	**2**
Balance at 31 December 2024		**6**	**1,212**	**–**	**(6,979)**	**12,638**	**6,877**	**1,220**	**8,097**

The accompanying notes on pages 290–353 form an integral part of the disclosed consolidated financial statements

Notes to the disclosed consolidated financial statements for the years ended 31 December 2024, 2023 and 2022

1. General information

Organisation and principal business activities

Public Joint Stock Company "Mining and Metallurgical Company "Norilsk Nickel" (the "Company" or PJSC "MMC "Norilsk Nickel") was incorporated in the Russian Federation on 4 July 1997. The principal activities of the Company and its subsidiaries (the "Group") are exploration, extraction, refining of ore and nonmetallic minerals and sale of base and precious metals produced from ore.

Major production facilities of the Group are located on Russia's Taimyr and Kola Peninsulas and in the Zabaikalsky Territory.

2. Basis of preparation

The disclosed consolidated financial statements have been prepared by the management of the Group based on the Group's audited consolidated financial statements for the years ended 31 December 2024, 31 December 2023 and 31 December 2022 prepared in accordance with International Financial Reporting Standards ("IFRS") by aggregating information, which in case of disclosure could cause damage to the Group and (or) its counterparties.

The audited consolidated financial statements for the years ended 31 December 2024, 31 December 2023 and 31 December 2022, are available at the registered office of PJSC "MMC "Norilsk Nickel" and could be provided subject to the requirements of Russian legislation.

The decision on preparation of the disclosed consolidated financial statements has been taken by the management of the Group in accordance with the Resolution of the Government of the Russian Federation No. 1102 dated 4 July 2023 "On the specifics of disclosure and (or) presentation of information subject to disclosure and (or) presentation in accordance with the requirements of the Federal Law "On joint stock companies" and the Federal Law "On the securities market" (hereinafter – "Resolution No. 1102 dated 4 July 2023").

The disclosed consolidated financial statements do not contain all the information required to be disclosed in the full set of the consolidated financial statements in accordance with IFRS, and in particular:

- – information on metal sales by geographical location of external customers is presented aggregately;
- – information on investments in significant subsidiaries is presented without specifying the names and jurisdictions of subsidiaries.

The disclosed consolidated financial statements have been prepared for the purpose of presenting the disclosed consolidated financial position and disclosed consolidated financial results of the Group, disclosure of which will not cause damage to the Group and (or) its counterparties. Therefore, these disclosed consolidated financial statements may be not suited for another purpose.

3. Changes in accounting policies

The accounting policies applied in the preparation of the disclosed consolidated financial statements for the year ended 31 December 2024 are generally consistent with those applied in the preparation of the Group's disclosed consolidated financial statements as at and for the years ended 31 December 2023 and 2022.

Adoption of new and revised standards and interpretations during the year ended 31 December 2024

The Group has adopted amendments to the following IFRS standards for the reporting period beginning on 1 January 2024:

- IFRS 7 Financial Instruments: Disclosures (amended);
- IFRS 16 Leases (amended);
- IAS 1 Presentation of financial statements (amended);
- IAS 7 Statement of Cash Flows (amended).

The amendments did not have material impact on the accounting policies, financial position or financial results of the Group except for IFRS 7 Financial Instruments: Disclosures (amended) and IAS 7 Statement of Cash Flows (amended) (refer to Note 4 "Material accounting policies – Supply chain finance" and Note 28).

Adoption of new and revised standards and interpretations during the year ended 31 December 2023

Adoption of the new Standard and amendments to the following Standards did not have material impact on the accounting policies, financial position or financial results of the Group:

- IFRS 17 Insurance Contracts (new Standard);
- IAS 1 Presentation of financial statements (amended);
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amended);
- IAS 12 Income Taxes (amended).

Adoption of new and revised standards and interpretations during the year ended 31 December 2022

Adoption of amendments to the following Standards did not have material impact on the accounting policies, financial position or financial results of the Group:

- IFRS 9 Financial Instruments (amended);
- IFRS 1 First-time Adoption of International Financial Reporting Standards (amended);
- IFRS 3 Business combinations (amended);
- IFRS 16 Leases (amended);
- IAS 16 Property, plant and equipment (amended);
- IAS 37 Provisions, contingent liabilities and contingent assets (amended).

Standards and interpretations issued but not yet effective

The Group did not early adopt any standard, interpretation or amendment that had been issued by the International Accounting Standards Board (IASB) but was not yet effective. The table below includes standards, interpretations and amendments relevant to the Group.

Relevant standards, interpretations and amendments	Summary of amendments	Effective for annual periods beginning on or after
New IFRS standards		
IFRS 18 Presentation and Disclosure in Financial Statements	The new standard supersedes IAS 1 Presentation of Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	The new standard specifies reduced disclosure requirements for individual IFRS statements of subsidiaries without public accountability	1 January 2027
Amendments to IFRS standards and interpretations		
IAS 21 The Effects of Changes in Foreign Exchange Rates	Amendments to determine whether a currency is exchangeable into another currency and to determine the spot exchange rate to use when it is not.	1 January 2025
IFRS 7 Financial Instruments: Disclosures	Additional disclosure requirements for investments in equity instruments measured at fair value through other comprehensive income; Disclosure of the gain or loss on derecognition of financial assets; And other amendments.	1 January 2026
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Disclosure of deferred difference between fair value and transaction price, credit risk disclosures and alignment of disclosure requirements with IFRS 9 and IFRS 13.	1 January 2026
IFRS 9 Financial Instruments	Derecognition of the financial liability in case of settlements via electronic payment systems; Amendments to the derecognition of lease liabilities; Amendment to the trade receivables measurement at initial recognition at the amount determined by applying IFRS 15 if the trade receivables do not contain a significant financing component; And other amendments.	1 January 2026
IFRS 10 Consolidated Financial Statements	Amendment to the determination of a 'de facto agent'.	1 January 2026
IAS 7 Statement of Cash Flows	Amendment to referencing of the methods of accounting when describing cash flows from subsidiaries, associates, and joint ventures.	1 January 2026

The Group's management plans to adopt all of the above standards in the Group's disclosed consolidated financial statements for the respective periods. The Group's management is currently assessing the impact of IFRS 18 Presentation and Disclosure in Financial Statements on the Group's disclosed consolidated financial statements. The other amendments mentioned above are not expected to have a material impact on the Group's disclosed consolidated financial statements in the future reporting periods and on foreseeable future transactions.

Reclassification

Management reassessed classification of certain items of costs, general and administrative expenses, selling and distribution and other operating expenses for the year ended 31 December 2024. Information for the years ended 31 December 2023 and 2022 was reclassified to conform with the current period presentation and the effect of the reclassification was immaterial.

4. Material accounting policies

Functional and presentation currency

Russian rouble ("RUB") is the functional currency of the Company and all of its subsidiaries except for the Group's foreign subsidiary operating in metal processing whose functional currency is US Dollar ("USD").

The presentation currency of the Group's disclosed consolidated financial statements is US Dollar ("USD"). Using USD as a presentation currency is a common practice among global mining companies. The Group also issues disclosed consolidated financial statements which use RUB as the presentation currency to comply with Federal Law 208-FZ.

Components of the disclosed consolidated statement of financial position, disclosed consolidated income statement, disclosed consolidated statement of comprehensive income, disclosed consolidated statement of cash flows and disclosed consolidated statement of changes in equity are translated into presentation currency using the following applicable exchange rates:

Component of disclosed consolidated statements	Applicable exchange rates
Assets and liabilities	Period-end rate
Income, expenses, and cash flows	Transaction date or an average approximating exchange rates prevailing at the transactions dates
Equity	Historical rates

All exchange differences resulting from translation of the disclosed consolidated income statement and disclosed consolidated statement of financial position components are recognised as a separate component in other comprehensive income/loss.

The exchange rates of certain currencies to the Russian Rouble used in the preparation of the disclosed consolidated financial statements are as follows:

	At 31 December 2022	At 31 December 2023	At 31 December 2024
US Dollar/RUB	70.34	89.69	101.68
Euro/RUB	75.65	99.19	106.10
Chinese Yuan/RUB	9.89	12.58	13.43

	During the year ended 31 December 2022	During the year ended 31 December 2023	During the year ended 31 December 2024
US Dollar/RUB	68.55	85.25	92.57
Euro/RUB	72.53	92.24	100.22
Chinese Yuan/RUB	10.29	11.98	12.74

Revenue recognition

Metal sales revenue

Revenue from metal sales is recognised at a point of time when control over the asset is transferred to the customer and represents the invoiced value, net of value added tax (if any).

Revenue from contracts that are entered into and continue to meet the Group's expected sale requirements designated for that purpose at their inception and are expected to be settled by physical delivery of the goods, is recognised in the disclosed consolidated financial statements as and when the goods are delivered. A gain or loss on forward contracts expected to be settled by physical delivery or on a net basis is recognised in revenue and disclosed separately from revenue from contracts with customers.

As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component, if the expected period between when the Group transfers promised goods or a service to a customer and the customer pays for those goods or services is one year or less.

Certain contracts are provisionally priced so that price is not settled until a predetermined future date, as of which the delivery price is settled based on the market price (contracts with quotation period). Revenue from such transactions is initially recognised at the market price at the date of sale. Price adjustments under provisionally priced contracts are recognised in revenue.

Employee benefits

The Group recognises employee benefits as follows:

- remuneration to employees in respect of services rendered during a reporting period is recognised as labour and staff costs in the disclosed consolidated income statement when accrued;
- social security contributions are recognised as labour and staff costs in the disclosed consolidated income statement. Social security contributions include the obligatory pension, social, and medical contributions paid to the Social Fund of Russia at the rates set depending on levels of employee's annual remuneration in accordance with the Russian legislation;
- contributions to Mutual accumulated pension plan are recognised as a defined contribution plan. The only obligation of the Group with respect to this defined contribution plan is to make the specified contributions during the period in which they arise. Such contributions are recognised as labour and staff costs in the disclosed consolidated income statement when employees have rendered respective services;
- remuneration under employee incentive programs are recognised as labour and staff costs in the disclosed consolidated income statement when accrued;
- deferred costs under subsidised housing programmes for employees are recognised as other non-current assets and amortised over a certain period of employee participation in the programme (two to ten years).

Long-term employee benefit obligations are recognised at the discounted value of respective future cash outflows.

Income tax expense

Income tax expense represents the sum of the current and deferred tax.

Income tax is recognised as an expense or income in the disclosed consolidated income statement unless it relates to other items recognised directly in other comprehensive income, in which case the tax effect is also recognised in other comprehensive income. Where current or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the disclosed consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and excludes items that are not taxable or deductible.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax assets and liabilities are not recognised in the disclosed consolidated financial statements, if temporary differences arise from the initial recognition of goodwill or from the initial recognition of assets and liabilities other than in a business combination, which, at the time of the transaction, affects neither taxable profit nor accounting profit and do not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which the Group expects at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same tax authority.

Property, plant and equipment

Mining assets

Mine development costs are capitalised and comprise expenditures directly related to:

- acquiring mining and exploration licences;
- developing new mines;
- estimating revised content of minerals in the existing ore bodies currently developed;
- expanding mine capacity.

Mine development costs include directly attributable finance costs capitalised during mine development.

Mine development costs are recognised as mining assets and start to be depreciated when a mine reaches commercial production quantities.

Mining assets are recognised at cost less accumulated depreciation and impairment loss. Mining assets include cost of acquiring and developing mining properties, pre-production expenditure, mine infrastructure, property, plant and equipment that process extracted ore, subsoil use rights, mining and exploration licenses, finance costs eligible for capitalisation and discounted value of future decommissioning costs.

Carrying value of mining assets is depreciated over the lesser of their individual economic useful life on a straight-line basis, or the remaining life of mine. Life of mine is estimated based on the Group production plans. Average useful lives vary from 2 to 47 years.

Exploration expenditure

Exploration expenditure, including geophysical, topographical, geological and similar types of expenditure is capitalised and amortised over the life of mine from the moment the commercial viability of the project is established. Otherwise, it is expensed in the period in which it is incurred.

Exploration expenditure written-off before the start of mine development is not subsequently capitalised, even if commercial production subsequently commences.

Non-mining assets

Non-mining assets include metallurgical processing plants, buildings, infrastructure, machinery and equipment, and other non-mining assets. Such assets are measured at cost less accumulated depreciation and impairment losses. Non-mining assets include property, plant and equipment used both in operations directly and to provide social services in the regions where the Group operates.

Non-mining assets are depreciated on a straight-line basis over their economic useful life.

Depreciation charge is calculated over the following economic useful life:

- buildings, facilities and infrastructure - 5 to 50 years
- machinery, equipment and transport - 2 to 33 years
- other non-mining assets - 2 to 20 years

Capital construction-in-progress

Capital construction-in-progress comprises costs directly related to the construction of mining and non-mining assets, including:

- prepayments for the purchase of property, plant and equipment and materials acquired for the construction of buildings, processing plants, infrastructure, machinery and equipment;
- irrevocable letters of credit opened for future fixed assets deliveries and secured by deposits placed with banks;
- directly attributable finance costs capitalised during construction.

Depreciation of these assets begins when they become available for use and are in the location and condition necessary for them to be capable of operating in the manner intended by management.

Capitalisation of finance cost

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until the assets are ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Impairment of non-current assets, excluding goodwill

At each reporting date, the Group analyses the indicators of impairment of its non-current assets to determine whether there is any indication that an impairment loss has been incurred. If any such indicators exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. Where the fair value less costs of disposal of an individual asset is higher than their carrying amount the Group does not estimate its value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the disclosed consolidated income statement immediately.

Where an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the original carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the disclosed consolidated income statement immediately.

Leases

At the inception of a contract, the Group assesses whether such contract or its components constitute a lease. The Group recognises a right-of-use asset and a corresponding lease liability, if a lease contract transfers to the lessee the right to control the use of the identified asset for a period of time in exchange for a consideration, except for current leases with the term of 12 months or less. The Group recognises lease payments associated with current leases as an expense on a straight-line basis over the lease term. Land plot lease payments are treated as variable lease payments, if they are linked to the cadastral value and changes in the latter do not depend on market rental rates. The Group recognises such variable lease payments as an expense in the period when the event that triggers those payments occurs.

Right-of-use assets are initially recognised at cost that comprises when applicable:

- the initial amount of the lease liability;
- any lease payments made at or before the lease commencement date;
- any initial direct costs incurred by the lessee;
- an estimate of costs to be incurred by the lessee for retirement of the underlying asset and restoration of the site where it is located.

Right-of-use assets are subsequently measured at initial cost less any accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated on a straight-line basis over their estimated economic useful life or over the term of the lease, whichever is shorter. Right-of-use assets are presented in property, plant and equipment in the disclosed consolidated statement of financial position.

Lease liabilities (refer to Note 25) are initially measured at the present value of the lease payments that are not paid at the commencement date and subsequently remeasured to reflect changes in lease payments. The lease payments are discounted using the interest rate implicit in the lease (if that rate can be readily determined) or using Group incremental borrowing rate at the commencement date determined based on the lease term and currency of the lease payments.

Investments in associates and joint ventures

An associate is an entity over which the Group exercises significant influence, but not control or joint control, through participation in financing and operating policy decisions, in which it normally owns between 20% and 50% of the voting equity. A joint venture is an entity in which the Group and other investors have joint control, i.e. decisions about the relevant activities of the investee require unanimous consent of the parties sharing control and the Group has rights to its share of the investee's net assets. The existence of significant influence or joint control is determined based on the respective rights of investors established by investee's charter, corporate agreement, shareholders' agreement or similar arrangements.

Investments in associates and joint ventures are accounted for using the equity method from the date significant influence or joint control commenced until the date that significant influence or joint control effectively ceased.

Under the equity method of accounting, investments in associates and joint ventures are initially recognised at cost and are adjusted thereafter to recognise the Group's share of the post-acquisition profit or loss and other movements in investee's equity and reserves.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investees. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Financial assets

Financial assets are recognised when the Group becomes party to contractual provisions of the instrument and are initially measured at fair value, plus directly attributable transaction costs, except for those financial assets measured at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value through other comprehensive income;
- financial assets measured at fair value through profit or loss.

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset and is determined at the time of initial recognition.

Effective interest method

The effective interest method is used for calculating the amortised cost of a financial asset and for allocating interest income over the period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including directly attributable transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets measured at fair value through profit or loss or fair value through other comprehensive income.

Financial assets measured at amortised cost

The Group generally classifies cash and cash equivalents, trade and other receivables (excluding trade receivables measured at fair value through profit and loss under provisionally priced contracts), loans issued and bank deposits as financial assets measured at amortised cost.

Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortised cost or at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss.

Trade receivables under provisionally priced contracts and derivative financial assets are measured at fair value through profit or loss. Trade receivables under provisionally priced contracts are remeasured at each reporting date using the forward market price for the period till the price settlement date outlined in the contract.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on a financial asset measured at amortised cost using either of the following methods:

Lifetime expected credit losses	Trade and other receivables
	Financial assets other than trade and other receivables for which credit risk has increased significantly since initial recognition
12-months expected credit losses since the reporting date	Financial assets other than trade and other receivables at initial recognition
	Financial assets other than trade and other receivables for which credit risk has not increased significantly since initial recognition

When determining whether the credit risk of the financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reliable and supportable information, including both quantitative and qualitative information and analysis based on the Group's historical experience and forward-looking information.

The Group applies the simplified approach to measuring expected credit losses under IFRS 9 Financial Instruments, which uses a lifetime expected loss allowance for trade receivables. The Group assumes that expected credit loss for all trade and other receivables which are overdue for more than 365 days is equal to their carrying amount. To measure the expected credit losses trade and other receivables that are overdue for less than 365 days are grouped based on the length of the overdue period to which respective expected loss rates are applied. The expected loss rates are based on the historical credit loss experience, adjusted to reflect current and forward-looking information on the ability of the customers to settle the receivables.

When trade and other receivables are considered uncollectable, they are written off against the respective loss allowance. Changes in the amount of allowance are recognised in the disclosed consolidated income statement.

Inventories

Refined metals

The Group's main jointly produced metals include nickel, copper, palladium, platinum; by-products include cobalt, gold, rhodium, silver, and other metals. Main products are measured at the lower of cost of production or net realisable value. The cost of production of main products is determined as total production cost allocated to each joint product by reference to their relative sales value. Export customs duties (if applicable), transportation costs and other costs incurred by the Group before the produced finished goods are designated for sale under a particular contract with a customer are included in the cost of production, all costs incurred after that point are included in selling and distribution expenses.

By-products are initially measured at net realisable value, based on current market prices. Net realisable value estimates take into consideration fluctuations of price or cost directly relating to events after the reporting date, to the extent that such events confirm conditions existing at the end of the reporting period.

Work-in-process

Work-in-process includes all costs incurred in the ordinary course of business for producing each product including direct material and labour costs, allocation of production overheads, depreciation, amortisation and other costs, given its stage of completion, less allowance for adjustment to net realisable value. Changes in the amount of allowance are recognised in Cost of metal sales in the disclosed consolidated income statement.

Materials and supplies

Materials and supplies are measured at cost less allowance for obsolete and slow-moving items.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash deposits in banks, brokers and other financial institutions and highly liquid investments with original maturities of three months or less and on demand deposits, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Financial liabilities

The Group classifies financial liabilities into loans and borrowings, trade and other payables. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, the financial liabilities are measured at amortised cost using the effective interest method. Derivative financial liabilities are measured at fair value through profit or loss.

Effective interest method

The effective interest method is used for calculating the amortised cost of a financial liability and for allocating interest expense over the period. The effective interest rate is the rate that exactly discounts estimated future cash outflows through the expected life of the financial liability, or where appropriate, a shorter period.

Supply chain finance

Some Group suppliers during fulfillment of contracts enter on their own discretion into arrangements to assign monetary claims against the Group under supply contracts to financing agents and receive payment earlier than the date stipulated in the supply contract. Such arrangements do not change the nature, the amount or other terms of the Group's original liabilities to suppliers. Cash outflows to settle these liabilities are made within 12 months and are presented in operating or investing activities based on their purpose.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If, in the course of discharging an obligation, the Group recognises property, plant and equipment, then this settlement does not result in an outflow of the Group's resources and, therefore, no provision is recognised.

Provisions may be recognised in respect of the Group social, environmental, asset decommissioning or other obligations, and are presented in these disclosed consolidated financial statements accordingly. In particular, the Group's social provisions are presented together with other liabilities related to its social expenditure as a separate item Social Liabilities in the disclosed consolidated statement of financial position.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the future cash flows, its carrying amount is the present value of those cash flows.

Decommissioning obligations and environmental provisions

Decommissioning obligations include direct asset decommissioning costs as well as related land restoration costs.

Future decommissioning costs and related obligations, discounted to present value, are recognised when the legal or constructive obligation in relation to such costs arises and the future costs can be reliably estimated. These costs are capitalised as part of the initial cost of the related asset and are depreciated over the useful life of the asset. The unwinding of discount on decommissioning obligations is recognised in Finance cost, net in the disclosed consolidated income statement. Decommissioning obligations are periodically remeasured for changes in applicable laws, regulations, expected closure dates, inflation and discount rates.

Environmental provisions may include expenditure for remediation of the damage to the environment, including land and water bodies clean-up and rehabilitation costs, restoration of biological resources, settlement of legal claims and environmental damages, fines and penalties imposed by government authorities in respect of the environmental incidents.

5. Critical accounting judgements and key sources of estimation uncertainty

When preparing the disclosed consolidated financial statements, the Group's management necessarily makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the reporting date, and the amounts of income and expenses for the reporting period. Estimates and assumptions require management judgement based on historical experience, current and expected economic conditions, and any other available information. Actual results may differ from such estimates. Key estimates and assumptions made by the Group's management are disclosed below or elsewhere in the notes to the disclosed consolidated financial statements if applicable.

The most significant areas requiring the use of management estimates and assumptions are as follows:

- useful economic life of property, plant and equipment;
- impairment of non-financial assets;
- decommissioning obligations and environmental provisions;
- income taxes.

Useful economic life of property, plant and equipment

The factors that may affect estimates of the useful economic life of mining assets include the following:

- changes in proved and probable ore reserves;
- the grade of ore reserves changing significantly over time;
- differences between actual commodity prices and commodity price assumptions used in the estimation and classification of ore reserves;
- unforeseen operational issues at mine sites;
- changes in capital, operating, mining, processing and decommissioning costs, discount rates and foreign exchange rates that could possibly adversely affect the economic viability of ore reserves.

The useful economic life of non-mining property, plant and equipment is reviewed by the management periodically, based on the current condition of the assets and the estimated period during which they will continue to bring economic benefits to the Group.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible non-financial assets for an indication that these assets may be impaired or that a previously recognised impairment loss may have decreased in full or in part. For the purpose of the impairment test, the assets that do not generate independent cash flows are allocated to an appropriate cash-generating unit. Management applies judgement in allocating assets that do not generate independent cash flows to appropriate cash-generating units, and in estimating the timing and amounts of the underlying cash flows. Subsequent changes to the assets allocation to cash generating units or the timing and amounts of cash flows may affect the recoverable amount of the respective assets.

Decommissioning obligations and environmental provisions

The Group's mining and exploration activities are subject to various environmental laws and regulations. The Group estimates decommissioning obligations and environmental provisions based on the management's understanding of the current legal requirements in the various jurisdictions in which it operates, terms of licence agreements and internally generated engineering estimates. Decommissioning obligations and environmental provisions are measured at present value using inflation and discount rates at the date of respective cash outflows.

Environmental provisions are recognised based on the best estimate of the consideration required to settle the environmental provision at the reporting date, taking into account risks and uncertainties surrounding the present obligation, including probable compensations under civil lawsuits and costs to be incurred under corresponding environmental programmes. Where it is possible to determine a reliable timing of the environmental provisions, estimates are based on the discounted value of cash flows required to settle those obligations, otherwise the management uses the best estimate of the future cash outflows related to the environmental provisions.

Actual costs incurred in future periods may differ materially from the amounts of the provisions. Additionally, future changes to environmental laws and regulations, life of mine estimates, discount rates, court decisions and government actions may affect the carrying amount of these provisions.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining provisions for income taxes paid in various jurisdictions due to the complexity of legal frameworks. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises provisions for taxes arising from tax audits based on estimates of whether additional taxes will be due. Where, following the tax disputes, the final tax amount differs from the amounts that were initially recognised, such differences are recognised in the disclosed consolidated financial statements for the period when such determination is made.

Various factors are considered when assessing the probability of the future utilisation of deferred tax assets, including past operating results, the Group's operational plan, expiration of tax losses carried forward, and tax planning strategies. If actual results differ from these estimates or if these estimates are to be adjusted in future periods, the financial position and financial results of the Group may be affected.

6. Segments

Reportable segments are based on internal reports on components of the Group that are regularly reviewed by the Management Board.

Management has determined the following reportable segments:

- GMK Group segment includes main mining, processing and metallurgy operations as well as transport services, energy, repair and maintenance services located on the Taimyr Peninsula. GMK Group metal sales to external customers include metal volumes produced from semi-products purchased from the South Cluster, Kola Division and GRK Bystrinskoye segments. Intersegment revenue from metal sales includes primarily sale of semi-products to the Kola division for further processing. Metal sales to external customers of GMK Group segment included an approximately equal share of base and precious metals in 2022 and 2023, with the share of base metals increasing to two thirds in 2024. GMK Group's intersegment other sales include revenue from metal processing services provided to other segments. GMK Group's other sales to external customers primarily include revenue from energy and utilities services provided on the Taimyr Peninsula;
- South Cluster segment includes certain ore mining and processing operations located on the Taimyr Peninsula. Intersegment revenue from metal sales includes sale of semi-products to GMK Group for further processing. The South Cluster segment revenue from other sales includes intersegment ore processing services under tolling arrangements provided to the GMK Group segment;
- Kola Division includes mining and processing operations, metallurgy and subsequent processing of metal semi-products, as well as energy and utilities services and mineral exploration activities on the territory of the Kola Peninsula. Kola Division segment sells metals to external customers, including metals produced from semi-products purchased from the GMK Group segment. Metal sales to external customers of Kola division included an approximately equal share of base and precious metals in 2022 and 2023, with the share of base metals increasing to about 60% in 2024. Metal sales to other segments include sales of semi-products to GMK Group segment for further processing. Other sales of Kola Division segment include metal processing services provided to other segments of the Group, as well as energy and utilities services provided to external customers on the Kola Peninsula;
- GRK Bystrinskoye segment includes ore mining and processing operations located in the Zabaikalsky Territory of the Russian Federation. Approximately half of the metal sales to external customers were base metal sales, the rest of the metal sales included an approximately equal share of precious and other metals sales.
- Other non-metallurgical segment includes resale of third-party refined metal products, other trading operations, transport services, supply chain management, energy and utility, research and other activities located in Russia and abroad. Other sales of the Other non-metallurgical segment primarily included revenue from fuel sales, freight sea transportation services and airport services in 2024 and 2023 (revenue from passenger and freight air transportation services and fuel sales in 2022).

During past several reporting periods Other mining segment did not meet the criteria for a separate reportable segment due to the immateriality of its assets, liabilities, revenues and EBITDA, hence they were aggregated to Other non-metallurgical segment. The comparative information for the years ended 31 December 2023 and 2022 has been presented accordingly.

Corporate activities of the Group do not represent an operating segment, include primarily the headquarters' general and administrative expenses and treasury operations of the Group and are presented as Unallocated.

The amounts in respect of reportable segments in the disclosure below are stated before intersegment eliminations, excluding:

- balances of intercompany loans and borrowings and interest accruals;
- balances of intercompany investments;
- accrual of intercompany dividends.

The following tables present revenue, measure of segment profit or loss (EBITDA) and other segment information from continuing operations regarding the Group's reportable segments for the years ended 31 December 2024, 2023 and 2022, respectively.

For the year ended 31 December 2024	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallur-gical	Eliminations	Total
Revenue from external customers							
Metal sales	4,741	–	5,805	1,300	2	–	**11,848**
Other sales	218	3	34	5	427	–	**687**
Intersegment revenue							
Metal sales	4,369	568	843	167	–	(5,947)	–
Other sales	325	144	2	39	579	(1,089)	–
Total revenue	**9,653**	**715**	**6,684**	**1,511**	**1,008**	**(7,036)**	**12,535**
Segment EBITDA	3,594	251	882	1,108	(18)	58	**5,875**
Unallocated							(679)
Consolidated EBITDA							**5,196**
Depreciation and amortisation							(1,181)
Impairment of non-financial assets, net							(441)
Finance costs, net							(896)
Foreign exchange loss, net							(343)
Income from investments, net							69
Profit before tax							**2,404**

	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallur-gical	Unallocated	Total
Other material cash and non-cash items							
Purchase of property, plant and equipment and intangible assets	1,677	185	282	98	196	–	**2,438**
Depreciation and amortisation	778	46	177	105	75	–	**1,181**
Impairment of non-financial assets, net	263	2	156	1	19	–	**441**
Change in provisions and allowances	1	(17)	12	–	18	31	**45**

For the year ended 31 December 2023	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallur-gical	Eliminations	Total
Revenue from external customers							
Metal sales	5,171	–	7,354	1,160	17	–	**13,702**
Other sales	250	4	31	2	420	–	**707**
Intersegment revenue							
Metal sales	4,742	916	1,009	128	47	(6,842)	–
Other sales	325	146	2	50	580	(1,103)	–
Total revenue	**10,488**	**1,066**	**8,396**	**1,340**	**1,064**	**(7,945)**	**14,409**
Segment EBITDA	3,641	484	2,254	963	(25)	343	**7,660**
Unallocated							(776)
Consolidated EBITDA							**6,884**
Depreciation and amortisation							(1,165)
Impairment of non-financial assets, net							(179)
Finance costs, net							(567)
Foreign exchange loss, net							(1,512)
Income from investments and gain from disposal of subsidiaries							73
Profit before tax							**3,534**

	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallur-gical	Unallocated	Total
Other material cash and non-cash items							
Purchase of property, plant and equipment and intangible assets	2,303	248	248	65	174	–	**3,038**
Depreciation and amortisation	739	56	162	118	90	–	**1,165**
Impairment of non-financial assets, net	67	9	28	1	74	–	**179**
Change in provisions and allowances	11	(1)	10	–	6	51	**77**

For the year ended 31 December 2022	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Eliminations	Total
Revenue from external customers							
Metal sales	5,213	–	9,297	1,160	403	–	**16,073**
Other sales	246	5	52	1	499	–	**803**
Intersegment revenue							
Metal sales	6,405	728	1,538	135	3	(8,809)	–
Other sales	378	239	2	29	652	(1,300)	–
Total revenue	**12,242**	**972**	**10,889**	**1,325**	**1,557**	**(10,109)**	**16,876**
Segment EBITDA	4,316	450	4,071	934	(3)	(7)	**9,761**
Unallocated							(1,064)
Consolidated EBITDA							**8,697**
Depreciation and amortisation							(1,026)
Impairment of non-financial assets, net							(90)
Finance costs, net							(493)
Foreign exchange gain, net							251
Income from investments and gain from disposal of subsidiaries							40
Profit before tax							**7,379**

	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Unallocated	Total
Other material cash and non-cash items							
Purchase of property, plant and equipment and intangible assets	3,307	298	379	72	242	–	**4,298**
Depreciation and amortisation	741	57	48	148	32	–	**1,026**
Impairment/(reversal of impairment) of non-financial assets	72	4	2	(1)	13	–	**90**
Change in provisions and allowances	198	–	13	2	4	19	**236**

The following tables present assets and liabilities of the Group's reportable segments at 31 December 2024, 2023 and 2022, respectively.

At 31 December 2024	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Eliminations	Total
Intersegment assets	1,594	76	1,290	310	76	(3,346)	–
Segment assets	14,027	1,035	3,105	1,057	2,316	(577)	**20,963**
Total segment assets	**15,621**	**1,111**	**4,395**	**1,367**	**2,392**	**(3,923)**	**20,963**
Unallocated							2,207
Total assets							**23,170**
Intersegment liabilities	269	25	805	4	2,243	(3,346)	–
Segment liabilities	3,183	230	352	190	343	–	**4,298**
Total segment liabilities	**3,452**	**255**	**1,157**	**194**	**2,586**	**(3,346)**	**4,298**
Unallocated							10,775
Total liabilities							**15,073**

At 31 December 2023	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Unallocated	Total
Intersegment assets	1,618	196	1,308	173	171	(3,466)	–
Segment assets	14,326	965	3,728	1,252	1,661	(731)	21,201
Total segment assets	**15,944**	**1,161**	**5,036**	**1,425**	**1,832**	**(4,197)**	**21,201**
Unallocated							2,379
Total assets							**23,580**
Intersegment liabilities	552	30	851	32	2,001	(3,466)	–
Segment liabilities	2,909	243	415	125	428	–	**4,120**
Total segment liabilities	**3,461**	**273**	**1,266**	**157**	**2,429**	**(3,466)**	**4,120**
Unallocated							11,865
Total liabilities							**15,985**

At 31 December 2022	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallur-gica-	Eliminations	Total
Intersegment assets	1,345	143	2,085	133	103	(3,809)	–
Segment assets	15,446	1,117	4,869	1,546	1,841	(1,092)	**23,727**
Total segment assets	**16,791**	**1,260**	**6,954**	**1,679**	**1,944**	**(4,901)**	**23,727**
Unallocated							2,068
Total assets							**25,795**
Intersegment liabilities	503	25	715	4	2,562	(3,809)	–
Segment liabilities	3,606	352	568	161	385	–	5,072
Total segment liabilities	**4,109**	**377**	**1,283**	**165**	**2,947**	**(3,809)**	**5,072**
Unallocated							12,156
Total liabilities							**17,228**

7. Metal sales

The Group's metal sales to external customers in all sales regions are presented below:

Metal sales in all sales regions

	For the year ended 31 December	
2022	2023	2024
16,073	13,702	11,848

Revenue from metal sales included gain in the amount of USD0.2 million in respect of forward contracts measured at fair value that are expected to be settled by physical delivery or on a net basis for the year ended 31 December 2023 (for the year ended 31 December 2022: loss in the amount of USD (64) million). There were no gains or losses in respect of such forward contracts for the year ended 31 December 2024.

For the year ended 31 December 2024 metal revenue included loss of USD (107) million from price adjustments in respect of certain provisionally priced contracts, primarily for sale of nickel and copper (for the year ended 31 December 2023 primarily for sale of nickel and palladium: loss in the amount of USD (47) million and for the year ended 31 December 2022 primarily for sale of nickel: gain in the amount of USD35 million).

8. Cost of metal sales

	For the year ended 31 December 2022	2023	2024
Cash operating costs			
Labour	2,160	1,892	1,838
Materials and supplies	1,076	985	918
Third party services	1,042	894	806
Mineral extraction tax and other levies	1,192	873	748
Export customs duties	–	121	350
Transportation expenses	257	216	162
Fuel	166	157	153
Electricity and heat energy	136	115	108
Purchases of raw materials and semi-products	33	33	26
Purchases of refined metals for resale	437	5	–
Other costs	37	20	20
Total cash operating costs	6,536	5,311	5,129
Depreciation and amortisation	1,015	939	960
Decrease/(increase) in metal inventories	(1,448)	94	143
Total	**6,103**	**6,344**	**6,232**

9. General and administrative expenses

	For the year ended 31 December		
	2022	2023	2024
Staff costs	856	705	665
Third party services	270	181	183
Depreciation and amortisation	107	110	91
Property tax and other miscellaneous taxes	94	75	77
Other	26	22	30
Total	**1,353**	**1,093**	**1,046**

10. Selling and distribution expenses

	For the year ended 31 December		
	2022	2023	2024
Export customs duties	–	43	176
Transportation expenses	118	135	124
Staff costs	30	28	26
Depreciation and amortisation	15	23	23
Marketing expenses	52	29	23
Other	46	38	36
Total	**261**	**296**	**408**

11. Other operating expenses, net

	For the year ended 31 December		
	2022	2023	2024
Social expenses (Note 27)	407	205	126
Change in other allowances	44	47	74
Loss on disposal of property, plant and equipment and intangible assets	70	36	36
Change in decommissioning obligations	25	45	5
Change in environmental provisions (Note 26)	93	(32)	3
Expenses on industrial incidents response	35	10	2
Proceeds from insurance claims settlements	(8)	(27)	(35)
Other, net	12	(15)	(33)
Total	**678**	**269**	**178**

12. Finance costs, net

	For the year ended 31 December		
	2022	2023	2024
Interest expense, net of amounts capitalised	330	337	620
Unwinding of discount on provisions	185	147	185
Interest expense on lease liabilities	16	35	52
Loss/(gain) from currency conversion operations	111	(5)	45
Income received as a result of early debt repayment	(172)	–	–
Fair value (gain)/loss on the cross-currency interest rate swap contracts	18	60	(16)
Other, net	5	(7)	10
Total	**493**	**567**	**896**

13. Income tax expense

	For the year ended 31 December		
	2022	2023	2024
Current income tax expense	1,306	966	340
Deferred tax expense/(benefit)	219	(302)	249
Total income tax expense	**1,525**	**664**	**589**

Current income tax expense for the year ended 31 December 2024 includes USD4 million gain related to previous tax periods (31 December 2023: 8 USD million gain and 31 December 2022: USD 15 million gain).

In August 2023 Federal Law No. 414-FZ introduced a windfall tax on excess profits. The base windfall tax rate is 10% of the difference between average taxable profits for 2021-2022 and taxable profits for 2018-2019. The amount of tax expense could be reduced to an effective rate of 5% subject to the conditions provided by the Federal Law No. 414-FZ (if the payment was made during the period from 1 October 2023 to 30 November 2023 and it was not subsequently claimed back by a taxpayer). In October 2023 the Group paid using an early payment option and recognised in Current income tax expense a windfall tax on excess profits in the amount of RUB8,198 million (USD84 million at the exchange rate on the date of payment).

A reconciliation of theoretic income tax, calculated at the statutory rate in the Russian Federation, the location of major production assets of the Group, to the amount of actual income tax expense recognised in the disclosed consolidated income statement is as follows:

	For the year ended 31 December		
	2022	2023	2024
Profit before tax	**7,379**	**3,534**	**2,404**
Income tax at statutory rate of 20%	1,476	707	481
Non-deductible social expenses	67	48	30
Changes in unrecognised deferred tax assets	36	28	82
Effect of different tax rates of subsidiaries	(13)	(1)	11
Tax effect of other provisions and liabilities	40	–	–
Tax effect of other permanent differences	(81)	(202)	(45)
Windfall tax	–	84	–
Remeasurement of deferred taxes at 25% statutory tax rate	–	–	30
Total income tax expense	**1,525**	**664**	**589**

In July 2024 the Federal Law No 176-FZ introduced a number of changes to the Russian taxation system effective from 1 January 2025, including an increase in the statutory income tax rate from 20% to 25% and a new federal investment income tax credit. Accordingly, deferred tax assets and liabilities of the Group entities in Russia at 31 December 2024 were remeasured at 25% income tax rate, and an increase in net deferred tax liabilities in the amount of USD30 million was recognised within deferred tax expense.

In 2024 and 2023 tax effect of other permanent differences was mainly represented by an income tax rate credit applicable to the Group's subsidiaries (in 2022: was mainly represented by an income tax rate credit applicable to a Group's subsidiary and was partially offset, in approximately equal parts, by non-deductible expenses of Group`s foreign subsidiaries and non-deductible loss on disposal of investments in subsidiaries in the total amount of USD100 million).

The corporate income tax rates in other countries where the Group has a taxable presence vary from 0% to 30%.

Deferred tax balances

	At 31 December 2023	Recognised in income statement	Recognised in other comprehensive income	Effect of translation to presentation currency	At 31 December 2024
Property, plant and equipment, right-of use assets	**613**	449	–	(97)	**965**
Inventories	**(109)**	(56)	–	10	**(155)**
Trade and other receivables	**(33)**	(30)	–	4	**(59)**
Decommissioning obligations	**(83)**	(89)	–	16	**(156)**
Other provisions	**(46)**	(30)	–	5	**(71)**
Loans and borrowings, trade and other payables, lease liabilities	**(526)**	26	–	58	**(442)**
Other assets	**36**	5	–	(2)	**39**
Other liabilities	**48**	31	(1)	(5)	**73**
Tax loss carry-forwards	**(93)**	(57)	–	9	**(141)**
Net deferred tax (assets)/ liabilities	**(193)**	**249**	**(1)**	**(2)**	**53**

	At 31 December 2022	Recognised in income statement	Recognised in other comprehensive income	Disposed on disposal of subsidiaries	Effect of translation to presentation currency	At 31 December 2023
Property, plant and equipment right-of use assets	**593**	170	–	(3)	(147)	**613**
Inventories	**(203)**	94	–	9	(9)	**(109)**
Trade and other receivables	**(4)**	(91)	–	–	62	**(33)**
Decommissioning obligations	**(101)**	(5)	–	–	23	**(83)**
Environmental provisions	**(3)**	2	–	–	1	**–**
Other provisions	**(58)**	–	–	–	12	**(46)**
Loans and borrowings, trade and other payables, lease liabilities	**(117)**	(491)	–	–	82	**(526)**
Other assets	**24**	6	–	3	3	**36**
Other liabilities	**59**	7	(8)	–	(10)	**48**
Tax loss carry-forwards	**(115)**	6	–	–	16	**(93)**
Net deferred tax liabilities/ (assets)	**75**	**(302)**	**(8)**	**9**	**33**	**(193)**

	At 1 January 2022	Recognised in income statement	Recognised in other comprehensive income	Disposed on disposal of subsidiaries	Effect of translation to presentation currency	At 31 December 2022
Property, plant and equipment right-of use assets	**490**	110	–	(15)	8	**593**
Inventories	**(174)**	15	–	–	(44)	**(203)**
Trade and other receivables	**3**	(28)	–	–	21	**(4)**
Decommissioning obligations	**(115)**	16	–	–	(2)	**(101)**
Environmental provisions	**(6)**	5	–	–	(2)	**(3)**
Other provisions	**(89)**	30	–	–	1	**(58)**
Loans and borrowings, trade and other payables, lease liabilities	**(145)**	58	–	21	(51)	**(117)**
Other assets	**15**	8	–	–	1	**24**
Other liabilities	**33**	24	7	(5)	–	**59**
Tax loss carry-forwards	**(106)**	(19)	–	(1)	11	**(115)**
Net deferred tax (assets)/ liabilities	**(94)**	**219**	**7**	**–**	**(57)**	**75**

Accounting for foreign exchange differences for tax purposes due to changes in legislation is disclosed in Note 32.

At 31 December 2024, 2023 and 2022 deferred tax assets and liabilities are offset only to the extent they relate to the same legal entity within the Group following the expiry of the agreement on the consolidated taxpayers group on 1 January 2023.

Unrecognised deferred tax assets

Deferred tax assets that have not been recognised were as follows:

	At 31 December		
	2022	2023	2024
Deductible temporary differences	150	144	223
Tax loss carry-forwards	124	93	118
Total	**274**	**237**	**341**

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

At 31 December 2022, a deferred tax asset of USD38 million related to tax losses of previous years on disposal of shares of OJSC “Third Generation Company of the Wholesale Electricity Market” was not recognised as it had occurred before the Company joined the consolidated taxpayers group. As the agreement that established the consolidated taxpayers group expired on 1 January 2023 and taking into account an assessment of the probability for recovery of the above deferred tax asset considering the conditions stipulated by Federal Law No. 420-FZ dated 28 December 2013, this asset was recognised in full in 2023. At 31 December 2024, the specified deferred tax asset was fully utilised.

At 31 December 2024 unrecognised deferred tax assets in the amount of USD118 million related to other tax loss carry-forwards may be carried forward indefintely without expiry due to specific rules stated by art. 283 “Carry-Forward Of Losses” of the Tax code of the Russian Federation (31 December 2023: USD93 million and 31 December 2022: USD86 million).

At 31 December 2024, the Group did not recognise a deferred tax liability in respect of taxable temporary differences of USD4,000 million (31 December 2023: USD3,382 million and 31 December 2022: USD6,611 million) associated with investments in subsidiaries, because management believes that it is able to control the timing of reversal of such differences and does not expect their reversal in foreseeable future.

14. Property, plant and equipment

	Mining assets and mine development cost	Non-mining assets and right-of-use assets: Buildings, facilities and infrastructure	Machinery, equipment and transport	Other	Capital construction-in-progress	Total
Cost						
Balance at 1 January 2022	**10,491**	**3,436**	**4,235**	**252**	**2,582**	**20,996**
Additions	1,703	–	–	–	2,756	**4,459**
Transfers	–	437	787	160	(1,384)	–
Change in decommissioning provision	(34)	(27)	–	–	–	**(61)**
Additions of right-of-use assets and remeasurement of the lease liability	–	125	27	15	–	**167**
Disposals	(87)	(79)	(179)	(11)	(22)	**(378)**
Other	21	4	16	(28)	(13)	–
Effect of translation to presentation currency	410	140	135	6	129	**820**
Balance at 31 December 2022	**12,504**	**4,036**	**5,021**	**394**	**4,048**	**26,003**
Additions	1,556	–	–	–	2,102	**3,658**
Transfers	–	376	484	98	(958)	–
Change in decommissioning provision	(140)	17	–	–	–	**(123)**
Additions of right-of-use assets and remeasurement of the lease liability	–	368	27	10	–	**405**
Disposals	(99)	(22)	(142)	(8)	(23)	**(294)**
Other	(1)	14	14	(42)	12	**(3)**
Effect of translation to presentation currency	(2,796)	(894)	(1,025)	(91)	(913)	**(5,719)**
Balance at 31 December 2023	**11,024**	**3,895**	**4,379**	**361**	**4,268**	**23,927**
Additions	1,298	–	–	–	2,035	**3,333**
Transfers	–	380	589	56	(1,025)	–
Change in decommissioning provision	(5)	280	–	–	–	**275**
Additions of right-of-use assets and remeasurement of the lease liability	–	14	27	6	–	**47**
Disposals	(72)	(31)	(78)	(53)	(88)	**(322)**
Other	(9)	12	(2)	(22)	14	**(7)**
Effect of translation to presentation currency	(1,396)	(496)	(501)	(39)	(618)	**(3,050)**
Balance at 31 December 2024	**10,840**	**4,054**	**4,414**	**309**	**4,586**	**24,203**

	Mining assets and mine development cost	Non-mining assets and right-of-use assets: Buildings, facilities and infrastructure	Machinery, equipment and transport	Other	Capital construction-in-progress	Total
Accumulated depreciation and impairment						
Balance at 1 January 2022	**(3,806)**	**(1,719)**	**(2,510)**	**(130)**	**(132)**	**(8,297)**
Charge for the year	(582)	(183)	(424)	(48)	–	**(1,237)**
Disposals	77	65	91	7	9	**249**
Impairment loss, net	(50)	(17)	(12)	2	(13)	**(90)**
Other	(2)	(2)	(5)	7	–	**(2)**
Effect of translation to presentation currency	(172)	(93)	(91)	(4)	(2)	**(362)**
Balance at 31 December 2022	**(4,535)**	**(1,949)**	**(2,951)**	**(166)**	**(138)**	**(9,739)**
Charge for the year	(498)	(214)	(390)	(65)	–	**(1,167)**

	Mining assets and mine development cost	Non-mining assets and right-of-use assets: Buildings, facilities and infrastructure	Machinery, equipment and transport	Other	Capital construction-in-progress	Total
Disposals	90	19	107	8	19	**243**
Impairment loss, net	(48)	(22)	(46)	(1)	(60)	**(177)**
Other	1	–	(3)	3	–	**1**
Effect of translation to presentation currency	1,002	418	604	38	31	**2,093**
Balance at 31 December 2023	**(3,988)**	**(1,748)**	**(2,679)**	**(183)**	**(148)**	**(8,746)**
Charge for the year	(480)	(252)	(391)	(70)	–	**(1,193)**
Disposals	66	22	75	51	79	**293**
Impairment loss, net	(52)	(4)	(15)	–	(352)	**(423)**
Other	1	(6)	–	3	5	**3**
Effect of translation to presentation currency	510	218	312	23	61	**1,124**
Balance at 31 December 2024	**(3,943)**	**(1,770)**	**(2,698)**	**(176)**	**(355)**	**(8,942)**
Carrying value						
At 31 December 2022	7,969	2,087	2,070	228	3,910	16,264
At 31 December 2023	7,036	2,147	1,700	178	4,120	15,181
At 31 December 2024	6,897	2,284	1,716	133	4,231	15,261

Capitalised borrowing costs for the year ended 31 December 2024 amounted to USD 815 million (for the year ended 31 December 2023: USD439 million and for the year ended 31 December 2022: USD277 million). The capitalisation rate used to determine the amount of borrowing costs was 12.36% per annum for the year ended 31 December 2024 (for the year ended 31 December 2023: 7.26% and for the year ended 31 December 2022: 5.05%).

At 31 December 2024 mining assets and mine development cost included USD3,159 million of mining assets under development (31 December 2023: USD3,097 million and 31 December 2022: USD3,738 million).

At 31 December 2024 non-mining assets included USD25 million of investment property (31 December 2023: USD29 million and 31 December 2022: USD39 million).

Impairment

At 31 December 2024, 2023 and 2022, the Group performed impairment analysis of its assets and did not identify any indicators of economic impairment of assets, except as described below.

During the year ended 31 December 2024, the Group announced reconfiguration of production facilities in Norilsk after 2027. As a result, the Group revised the baseline scenario for the copper production chain configuration as well as recoverable amounts of certain capital construction-in-progress assets and recognised an impairment loss of USD311 million in respect of certain individual assets in Impairment of non-financial assets in the disclosed consolidated income statement for the year ended 31 December 2024. During the year ended 31 December 2024, the Group also recognised an increase of decommissioning provision relating to the above-mentioned reconfiguration (Note 26).

In 2020 a federal law set a 3.5 times increase of mineral extraction tax on the types of ores mined by the Group. The Group assessed this change in the tax legislation as an indicator for impairment of its ore mining and processing operation on the Kola Peninsula. The recoverable amount of this cash-generating unit (CGU) was determined based on the value-in-use calculations. As a result, these ore mining and processing assets in the amount of USD264 million were fully impaired at 31 December 2020.

Since 2021 the Group developed and continues to implement optimisation plans in order to increase ore mining and processing operations' cash flows and mitigate the negative impact of higher mineral extraction tax.

In April 2023, the Group announced reconfiguration of its mining operations on the Kola peninsula in order to increase efficiency and accelerate the development of mining capacities, as well as termination of a certain outdated mining facility till the end of 2024. As a result, in 2023 the Group revised the amount of the decommissioning obligations and recognised an increase in the provisions for the reconfiguration of mining facilities (included in Other provisions – See Note 26).

At 31 December 2024, 2023 and 2022, the Group did not identify indicators of an increase of the recoverable amount of this CGU. For the year ended 31 December 2024 the Group recognised further impairment of additions to property, plant and equipment in the amount of USD68 million and to intangible assets in the amount of USD2 million within Impairment of non-financial assets in the disclosed consolidated income statement (for the year ended 31 December 2023: USD28 million and for the year ended 31 December 2022: USD2 million).

The most significant estimates and assumptions used in determination of value in use at 31 December 2024, 2023 and 2022 were as follows:

- Future cash flows were projected based on budgeted amounts, taking into account actual results for the previous years. Forecasts were assessed up to 2048 for the purposes of the analysis as at 31 December 2024 (to 2048 and 2047 for the purposes of the analysis as at31 December

2023 and 2022, respectively). Measurements were performed based on discounted cash flows expected to be generated by a separate cash-generating unit;

- Management used adjusted commodities prices for copper-nickel concentrate price forecast. Prices adjustments were made based on current contract terms;
- Production information was primarily based on internal production reports available at the date of impairment test and management's assumptions regarding future production levels;
- Inflation indices and foreign currency trends are in general consistent with external sources of information. At 31 December 2024, forecast inflation rate was within 3.1-4.2% (31 December 2023: 2.1-5.1% and 31 December 2022: 2.5-6.9%), USD/RUB exchange rates were within the range of 102.0-141.9 (31 December 2023: 92.00-114.76 and 31 December 2022: 76.68-89.79);
- A pre-tax nominal discount rate of 27.3% at 31 December 2024 (31 December 2023: 22.3% and 31 December 2022: 19.1%) was calculated based on weighted average cost of capital and reflects management's estimates of the risks specific to the cash-generating unit.

During the year ended 31 December 2023, the Group identified indicators of impairment and performed the impairment analysis of assets related to tourism and sports development projects in the regions where the Group operates. As a result, the recoverable amount of these assets was revised and the impairment loss in the amount of USD53 million was recognised in Impairment of non-financial assets in the disclosed consolidated income statement for the year ended 31 December 2023. At 31 December 2024, the Group identified indicators of additional impairment of these assets and recognised USD10 million in Impairment of non-financial assets in the disclosed consolidated income statement for the year ended 31 December 2024.

For the year ended 31 December 2024, the Group recognised impairment loss in respect of certain individual assets of property, plant and equipment in the amount of USD34 million and of intangible assets in the amount of USD16 million, respectively (for the year ended 31 December 2023: impairment loss USD98 million and for the year ended 31 December 2022: impairment loss USD88 million).

Right-of-use assets

	Buildings, facilities and infrastructure	Machinery, equipment and transport	Other	Total
Balance at 1 January 2022	**92**	**108**	**14**	**214**
Additions of right-of-use assets and remeasurement of the lease liability	125	27	15	**167**
Disposals (Note 21)	(4)	(69)	(3)	**(76)**
Depreciation	(34)	(8)	(4)	**(46)**
Effect of translation to presentation currency	(9)	(22)	(2)	**(33)**
Balance at 31 December 2022	**170**	**36**	**20**	**226**
Additions of right-of-use assets and remeasurement of the lease liability	368	27	10	**405**
Disposals	(1)	–	–	**(1)**
Impairment loss, net	(2)	–	–	**(2)**
Depreciation	(36)	(6)	(6)	**(48)**
Effect of translation to presentation currency	(74)	(8)	(5)	**(87)**
Balance at 31 December 2023	**425**	**49**	**19**	**493**
Additions of right-of-use assets and remeasurement of the lease liability	14	27	6	**47**
Disposals	(1)	–	–	**(1)**
Impairment loss, net	–	(1)	–	**(1)**
Depreciation	(35)	(7)	(6)	**(48)**
Effect of translation to presentation currency	(48)	(8)	(2)	**(58)**
Balance at 31 December 2024	**355**	**60**	**17**	**432**

15. Investments in significant subsidiaries

Subsidiaries by reportable segments	Nature of business	Effective % held: 31 December 2022	31 December 2023	31 December 2024
GMK Group				
-	Gas transportation	100	100	100
-	Gas extraction	100	100	100
-	Rental of property	100	100	100
-	Repairs	100	100	100
-	Construction	100	100	100
-	Production of spare parts	100	100	100
-	Electricity production and distribution	100	100	100
GRK Bystrinskoye				
-	Geological works and construction	100	100	100
-	Ore mining and processing	50.01	50.01	50.01
South Cluster				
-	Ore mining and processing	100	100	100
Kola Division				
-	Repairs	100	100	100
-	Metallurgy	100	100	100
-	Mining and metallurgy	100	100	100
Other non-metallurgical				
-	Distribution	100	100	100
-	Distribution	100	100	100
-	Distribution	100	-	-
-	Distribution	100	100	100
-	River shipping operations	100	100	100
-	Research	100	100	100
-	Airport	100	100	100
-	Supplier of fuel	100	100	100

16. Investments in associates and joint ventures

In December 2023, the Group acquired 50% in joint venture, which is implementing a project on production of flat rolled products from stainless steel in the Russian Federation.

In September 2023, the Group cofounded joint venture with a 50% interest. The company engages in geological survey, exploration and production of hydrocarbons in the Russian Federation.

In July 2022, the Group cofounded joint venture with a 50% interest. The company develops a lithium ore deposit in the Russian Federation.

The carrying amount of investments in associates and joint ventures is presented in the table below:

	Investments in joint ventures in the field of: Stainless steel products	Lithium ore development	Oil and gas	Investments in associates	Total
At 1 January 2022	–	–	–	**17**	**17**
Investments in associates and joint ventures	–	–	–	12	**12**
Share of losses of associates and joint ventures	–	–	–	(17)	**(17)**
Disposals	–	–	–	(8)	**(8)**
Effect of translation to presentation currency	–	–	–	4	**4**
At 31 December 2022	–	–	–	**8**	**8**
Investments in associates and joint ventures	55	15	1	–	**71**
Share of losses of associates and joint ventures	–	–	–	(1)	**(1)**
Effect of translation to presentation currency	–	–	–	(2)	**(2)**
At 31 December 2023	**55**	**15**	**1**	**5**	**76**
Investments in associates and joint ventures	37	8	86	–	**131**
Share of losses of associates and joint ventures	(4)	(1)	(1)	–	**(6)**
Effect of translation to presentation currency	(8)	(2)	(9)	(1)	**(20)**
At 31 December 2024	**80**	**20**	**77**	**4**	**181**

At 31 December 2024 the Group's share in contractual capital commitments of the Group`s joint ventures amounted to USD155 million (at 31 December 2023: USD242 million).

17. Other taxes

	At 31 December		
	2022	2023	2024
Taxes receivable			
Value added tax recoverable	584	392	299
Advance payments of other taxes	10	17	34
	594	409	333
Less: impairment of value added tax recoverable	(8)	(5)	(5)
Other taxes receivable and other taxes payable subject to offset on a unified taxpayer account	(109)	(60)	(36)
Other taxes receivable	**477**	**344**	**292**
Taxes payable			
Social security contributions	135	96	66
Value added tax	112	82	91
Mineral extraction tax	78	67	59
Property tax	18	20	18
Other	105	67	46
Other taxes receivable and other taxes payable subject to offset on a unified taxpayer account	(109)	(60)	(36)
Other taxes payable	**339**	**272**	**244**

Each subsidiary of the Group in the Russian Federation calculates the amount of a single tax payment payable to the budget taking into account the offset of taxes receivable and taxes payable. Other taxes receivable and other taxes payable are presented on a net basis for each Russian subsidiary of the Group in the disclosed consolidated statement of financial position. Income tax payable or income tax receivable of each subsidiary of the Group are presented separately in the disclosed consolidated statement of financial position in accordance with IFRS.

Taxes receivable and taxes payable including income tax after offset on a unified taxpayer account of each subsidiary of the Group registered in the Russian Federation, are presented below.

	At 31 December		
	2022	2023	2024
Other taxes receivable	**477**	**344**	**292**
Income tax receivable	**17**	**101**	**38**
Income tax and taxes other than income tax subject to offset on a unified taxpayer account	(9)	(42)	(48)
Taxes receivable (including income tax) after offset of taxes payable on a unified taxpayer account	**485**	**403**	**282**
Other taxes payable	**339**	**272**	**244**
Income tax payable	**169**	**7**	**49**
Income tax and taxes other than income tax subject to offset on a unified taxpayer account	(9)	(42)	(48)
Taxes payable (including income tax) after offset of taxes receivable on a unified taxpayer account	**499**	**237**	**245**

18. Inventories

	At 31 December		
	2022	2023	2024
Work-in-process and semi-products	1,870	1,640	1,312
Refined metals and other metal products	1,967	1,194	1,027
Less: allowance to net realisable value for finished goods and work-in-process	(81)	(79)	(69)
Total metal inventories	3,756	2,755	2,270
Materials and supplies	1,257	1,123	903
Less: allowance for obsolete and slow-moving items	(68)	(61)	(59)
Materials and supplies, net	1,189	1,062	844
Inventories	**4,945**	**3,817**	**3,114**

At 31 December 2024 a part of the metal semi-product stock in the amount of USD169 million net of impairment in the amount of USD100 million was presented in other non-current assets in line with the Group's production plans (31 December 2023: USD183 million net of impairment of USD101 million and 31 December 2022: USD163 million net of impairment of USD92 million).

At 31 December 2024 the Group recognised an allowance to net realisable value in respect of metal by-products in stock in the amount of USD21 million (31 December 2023: USD17 million and 31 December 2022: none).

19. Trade and other receivables

	At 31 December		
	2022	2023	2024
Trade receivables	675	666	1,305
Other receivables	250	207	167
	925	873	1,472
Less: allowance for expected credit losses	(79)	(109)	(98)
Trade and other receivables, net	**846**	**764**	**1,374**

In 2024, 2023 and 2022, the average credit period on metal sales varied from 0 to 30 days. At 31 December 2024 the credit period of trade accounts receivable was up to 90 days. Trade receivables are generally non-interest bearing.

At 31 December 2024 trade and other receivables include USD1,168 million of accounts receivable measured at fair value through profit or loss, Level 2 of fair value hierarchy (31 December 2023: USD500 million and 31 December 2022: USD563 million). The fair value is measured using the forward market price at the reporting date corresponding to the quotation period specified in the contract.

At 31 December 2024, 2023 and 2022 there were no material trade accounts receivable which were overdue or individually determined to be impaired.

The average credit period on sales of other products and services for the year ended 31 December 2024 was 36 days (for the year ended 31 December 2023: 37 days and for the year ended 31 December 2022: 39 days). No interest was charged on these receivables.

At 31 December 2024 debtors with a carrying value of USD31 million (31 December 2023: USD31 million and 31 December 2022: USD65 million), were included in the Group's other receivables that were past due but not impaired. Management of the Group believes that these amounts are recoverable in full.

The Group did not hold any collateral for accounts receivable balances.

Ageing of other receivables past due but not impaired was as follows:

	At 31 December		
	2022	2023	2024
Less than 180 days	54	26	27
180-365 days	11	5	4
	65	**31**	**31**

Movement in the allowance for expected credit losses was as follows:

	At 31 December		
	2022	2023	2024
Balance at the beginning of the year	**48**	**79**	**109**
Change in allowance	22	54	12
Accounts receivable written-off	(2)	(1)	(9)
Effect of translation to presentation currency	11	(23)	(14)
Balance at the end of the year	**79**	**109**	**98**

During the year ended 31 December 2024, the Group recognised allowance for expected credit losses under certain contracts with foreign equipment suppliers for the total amount of USD20 million due to low probability of recovery caused by the failure of suppliers and/or guarantor banks to meet their obligations (during the year ended 31 December 2023: USD37 million and during the year ended 31 December 2022: USD35 million).

20. Cash and cash equivalents

	At 31 December		
	2022	2023	2024
Current accounts			
RUB	266	71	56
USD	591	659	354
CNY	209	653	510
EUR	53	133	100
other	17	45	52
Bank deposits			
RUB	74	134	525
USD	584	283	16
CNY	57	102	181
other	–	48	–
Other cash and cash equivalents			
RUB	3	2	4
USD	28	5	2
CNY	–	4	19
other	–	–	3
Total	**1,882**	**2,139**	**1,822**

21. Disposal of subsidiaries and foreign joint operations

On 6 July 2023, the Group sold its interest in the trading subsidiary Norilsk Nickel USA, Inc. for a consideration in the amount of USD8 million. The net assets of the disposed subsidiary in the amount of USD44 million at the date of disposal primarily included refined metals stock recognised at production cost in the amount of USD29 million, as well as other assets in the amount of USD15 million. Income from disposal in the amount of USD30 million was recognised in Gain/(loss) from disposal of subsidiaries in the disclosed consolidated income statement, including the recognition of receivables for the supply of refined metals from Norilsk Nickel USA, Inc. in the amount of USD66 million. Net cash inflow from disposal of the subsidiary was recognised in the disclosed consolidated statement of cash flows.

On 25 March 2022, the Group sold its interest in the subsidiary JSC "AK "Nordstar" engaged in transportation services for a consideration of RUB1 million (USD0.02 million) resulting in a net cash outflow from disposal of the subsidiary recognised in the disclosed consolidated statement of cash flows in the line Net cash (outflow)/inflow from disposal of subsidiaries. Loss on disposal in the amount of USD110 million was recognised in the disclosed consolidated income statement for the year ended 31 December 2022.

22. Share capital and dividends

Authorised and issued ordinary shares

At 31 December 2024 the number of the Group's authorised and issued shares amounts to 15,286,339,700 (31 December 2023 and 2022: 152,863,397 taking into account cancellation occurred in October 2022).

In December 2023, an extraordinary General meeting of shareholders of the Company decided to implement a 100-for-1 split of the Company's ordinary shares in order to increase their attractiveness to investors and their liquidity on the Moscow Stock Exchange.

The split of shares was completed on 4 April 2024. As a result of the split, one share with a nominal value of 1 rouble was split into 100 shares of the same category with a nominal value of 1/100 of a rouble (1 kopeck) each.

On 11 August 2022, the extraordinary General meeting of shareholders of the Company decided to reduce the Company's share capital by cancelling 791,227 ordinary shares. The state registration of the amendments to the Company's Charter related to the reduction of the Company's share capital was carried out on 17 October 2022. The cancellation of treasury shares was recognised in the disclosed consolidated statement of changes in equity for the year ended 31 December 2022.

Earnings per share

	For the year ended 31 December 2022		For the year ended 31 December 2023		For the year ended 31 December 2024
	Not adjusted for split	Adjusted for split	Not adjusted for split	Adjusted for split	
Basic and diluted earnings per share (US Dollars per share):	35.705	0.357	15.596	0.156	0.086

The earnings and weighted average number of outstanding shares used in the calculation of basic and diluted earnings per share are as follows:

	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024
Profit for the period attributable to shareholders of the parent company (USD mln)	5 458	2 384	1 313

Weighted average number of shares outstanding

	For the year ended 31 December 2022		For the year ended 31 December 2023		For the year ended 31 December 2024
	Adjusted for split	Not adjusted for split	Adjusted for split	Not adjusted for split	
Shares outstanding at 1 January	15,286,339,700	152,863,397	15,286,339,700	152,863,397	15,286,339,700
Shares outstanding at 31 December	15,286,339,700	152,863,397	15,286,339,700	152,863,397	15,286,339,700
Weighted average number of issued ordinary shares	**15,286,339,700**	**152,863,397**	**15,286,339,700**	**152,863,397**	**15,286,339,700**

The number of authorised and issued shares has been adjusted for a proportional change in their number, as if the split of shares had been completed at the beginning of the earliest period presented.

American Depositary Receipts (ADRs)

On 28 April 2023 the term of permission of the Government Commission for the Control of Foreign Investments in the Russian Federation to continue trading of ADRs certifying the rights to the Company's shares outside the Russian Federation lapsed. In accordance with clause 5 of Article 6 of Federal Law No. 114-FZ On Amendments to the Federal Law On Joint-Stock Companies and Certain Legislative Acts of the Russian Federation dated 16 April 2022, starting that date the Company's shares, which remain accounted for on depo accounts of depository programs are not vested with voting rights for holders, not considered for counting votes and no dividends are paid on them. ADR holders retain the right to surrender their ADRs in exchange for obtaining the Company's shares. At the same time, the foreign issuing bank closed the conversion of ADRs into Company's shares with the date of opening currently being unknown. In accordance with the procedure established by the Federal Law "On Joint Stock Companies" for the unclaimed dividends, they may be claimed by those who were ADR holders as of 28 April 2023 and who received the Company's shares upon conversion of the ADRs belonging to them. Accordingly, dividends declared but not remitted to holders of ADRs remain on demand by recipients and are presented as dividends payable in the disclosed consolidated statement of financial position, as described below.

On 23 May 2023, the ADRs were removed from the list of securities admitted to trading on the London Stock Exchange. According to the latest information available to the Group, the percentage of Company`s shares remaining on depo accounts of depository programs was 5.27% of the share capital of the Company as at 7 October 2024.

Dividends

Dividends declared and paid in Russian roubles were translated to US dollars using prevailing RUB/USD rates at the declaration date and payment date, respectively, as presented in the table below.

		Dividends declared			Dividends paid		Receipt of dividends not remitted to shareholders and ADR holders
Dividends for the period	Declaration period	Per share RUB	Per share USD	Total USD million	Payment period	Total USD million	Total USD million
9 months 2023	December 2023	915.33	9.87	1,508	January February 2024	1,480	16
Annual 2021	June 2022	1,166.22	18.94	2,895	June 2022	3,146	544
9 months 2021	December 2021	1,523.17	20.81	3,181	January 2022	3,050	–

Dividends declared per share in the table above are shown without taking into account the effect of the split of shares.

Dividends on demand by recipients are presented in the table below:

	At 31 December		
	2022	2023	2024
Dividends on demand by recipients declared for the period:			
9 months 2023	–	1,560	108
12 months 2021	460	359	315
other periods	36	5	3
Total dividends payable	**496**	**1,924**	**425**

At 31 December 2024, dividends for 9 months 2023 were not remitted primarily to holders of ADRs on the basis of Article 6 of Federal Law No. 114-FZ dated 16 April 2022 On Amendments to the Federal Law "On Joint-Stock Companies" and certain legislative acts of the Russian Federation.

At 31 December 2024, 2023 and 2022, annual dividends for 2021 were not remitted primarily to holders of ADRs due to restrictions placed by the Decree the President of the Russian Federation No. 95 at 5 March 2022 and the decision of the Board of Directors of the Central Bank of the Russian Federation at 10 June 2022.

23. Non-controlling interest

At 31 December 2024, 2023 and 2022 aggregated financial information relating to the subsidiary, LLC "GRK "Bystrinskoye", that has material non-controlling interest, before any intra-group eliminations, is presented below:

	At 31 December		
	2022	2023	2024
Non-current assets	1,268	981	886
Current assets	1,774	1,537	2,310
Non-current liabilities	(88)	(72)	(120)
Current liabilities	(86)	(68)	(753)
Net assets	2,868	2,378	2,323
Net assets attributable to non-controlling interest	**1,434**	**1,189**	**1,162**

	For the year ended 31 December		
	2022	2023	2024
Net profit for the year	793	971	1,001
Other comprehensive (loss)/income for the year	90	(494)	(328)
Total comprehensive income for the year	883	477	673
Profit attributable to non-controlling interest	396	486	500
Other comprehensive (loss)/income attributable to non-controlling interest	**45**	**(247)**	**(164)**

	For the year ended 31 December		
	2022	2023	2024
Cash flows from operating activities	783	737	849
Cash flows (used in)/from investing activities	(650)	310	(996)
Cash flows used in financing activities	(177)	(977)	–
Net (decrease)/increase in cash and cash equivalents	**(44)**	**70**	**(147)**

24. Loans and borrowings

	Currency	Fixed or floating interest rate	Average nominal % rate During the year ended 31 December 2022	2023	2024	Maturity	At 31 December 2022	2023	2024
Unsecured loans									
Loan agreements with contractual maturity of less than 12 months	RUB	floating	12.67%	11.14%	17.80%	2025	995	1,226	503
	RUB	fixed	–	12.00%	–	2024	–	3	–
Loan agreements with contractual maturity of more than 12 months	USD	floating	3.17%	6.44%	6.75%	2025-2028	5,055	2,679	571
	RUB	floating	13.3%	11.92%	19.40%	2026-2028	697	1,558	3,735
	EUR	floating	0.99%	4.14%	4.63%	2025-2028	19	17	13
	CNY	floating	–	–	11.40%	2027	–	–	144
Total loans							6,766	5,483	4,966
Bonds	USD	fixed	3.38%	2.98%	2.68%	2025-2026	2,743	1,746	998
	CNY	floating	3.75%	3.69%	3.52%	2025	703	700	660
	CNY	fixed	3.95%	3.95%	3.95%	2025	562	560	528
	RUB	fixed	8.48%	8.48%	9.75%	2025	710	556	245
	RUB	floating	–	12.41%	19.07%	2028-2029	–	667	2,549
Total bonds							4,718	4,229	4,980
Total							**11,484**	**9,712**	**9,946**
Less: current portion due within twelve months							(4,295)	(4,335)	(2,834)
Non-current loans and borrowings							**7,189**	**5,377**	**7,112**

The Group is obliged to comply with a number of restrictive financial and other covenants, including maintaining certain financial ratios and restrictions on pledging and disposal of certain assets. At 31 December 2024, 2023 and 2022 the Group fulfills its obligations on loans and borrowings in accordance with loans and bonds transactional documentation. The Group confirms its intentions to fulfill its obligations on loans and borrowings in full on time and comply with covenants and does not expect their violation for at least 12 months after the reporting date.

At 31 December 2024, 2023 and 2022 loans and borrowings were not secured by any collateral.

In 2022 – 2024 all loans were raised on market terms existing at the drawdown dates reflecting such factors as the currency of the debt, expected maturities, changes in the key rate and credit risks inherent to the Group. The Group did not use collateral and did not assume any financial obligations to lenders other than servicing the debt.

During the year ended 31 December 2024 the Group received a floating rate rouble loan from an unrelated party in the amount of USD2,504 million (at the USD/RUB exchange rate effective as of drawdown date) with maturity in 2028. In 2023 the Group received floating rate rouble loans from unrelated parties in the amounts of USD1,699 million and USD1,092 million (at the USD/RUB exchange rates effective as of drawdown dates) with maturity in 2028 and 2024, respectively. The lenders can use various instruments to fund their own activities, including issuing bonds to an unlimited range of qualified investors.

In October and March 2024, the Group issued two rouble-denominated exchange-traded bonds on the Moscow Exchange (MOEX) in the amounts of USD1,041 million and USD1,078 million at the USD/RUB exchange rates effective as of the issuance dates.

In May 2023 the Group issued rouble-denominated exchange-traded bonds on the Moscow Exchange (MOEX) in the amount of USD748 million at the USD/RUB exchange rates effective as of the issuance date.

In accordance with the requirements of Presidential Decree No. 430 dated 5 July 2022 (as amended on 22 May 2023) "On repatriation of foreign and Russian currency by the residents who participate in international economic activity", on 20 and 22 December 2023 the Company placed two issues of replacement bonds, which were paid for on issue by transfer of Eurobonds or in cash with proceeds intended for the purchase of Eurobonds. Replacement bonds were placed in the amount of USD316 million and USD338 million in respect of Eurobond issues maturing in 2025 and 2026, respectively. The coupon rate, payment schedule, currency and maturity of the replacement bonds are identical to the Eurobond issues in respect of which they were placed. The amount of the Group's debt as a result of the placement of replacement bonds has not changed.

25. Lease liabilities

	Average borrowing rate during the year ended 31 December, %				At 31 December		
Currency	2022	2023	2024	Maturity	2022	2023	2024
Lease liabilities							
RUB	9.52%	10.07%	11.33%	2025-2071	210	496	443
USD	2.81%	3.37%	4.25%	2026-2033	12	13	11
EUR	6.88%	6.80%	6.95%	2025-2050	11	11	8
Total lease liabilities					233	520	462
Less: current portion of lease liabilities					(43)	(54)	(81)
Non-current lease liabilities					**190**	**466**	**381**

At 31 December 2024 lease liabilities with original term of lease payments in excess of 15 years amounted to USD67 million (31 December 2023: USD85 million and 31 December 2022: USD67 million).

In May 2023, the Group received the railway infrastructure in Norilsk region for free use for a period of 49 years under the agreement with the Federal Property Management Agency with a corresponding obligation to incur expenditure in order to comply with the regulatory requirements for non-public railways in the Russian Federation. The Group recognised this agreement in accordance with IFRS 16 Leases, therefore, the Group recognised a liability at the discounted value of cash outflows in the amount of USD322 million and a corresponding right-of-use asset.

26. Provisions

	Decommissioning	Environmental	Tax	Other	Total
Balance at 1 January 2022	**768**	**259**	**4**	**9**	**1,040**
Accruals	–	–	7	8	**15**
Utilization	(32)	(18)	(4)	(4)	**(58)**
Change in estimates	(36)	93	(4)	(7)	**46**
Unwinding of discount	73	29	–	–	**102**
Effect of translation to presentation currency	(37)	(13)	1	–	**(49)**
Balance at 31 December 2022	**736**	**350**	**4**	**6**	**1,096**
Accruals	–	–	2	14	**16**
Utilisation	(50)	(8)	(1)	(6)	**(65)**
Change in estimates	(75)	(32)	(1)	(3)	**(111)**
Unwinding of discount	49	29	–	–	**78**
Effect of translation to presentation currency	(154)	(79)	–	(2)	**(235)**
Balance at 31 December 2023	**506**	**260**	**4**	**9**	**779**
Accruals	284	25	6	74	**389**
Utilisation	(48)	(15)	(1)	(3)	**(67)**
Change in estimate	(4)	(22)	–	(4)	**(30)**
Unwinding of discount	68	36	–	–	**104**
Effect of translation to presentation currency	(87)	(32)	(1)	(1)	**(121)**
Balance at 31 December 2024	**719**	**252**	**8**	**75**	**1,054**
including the current portion:					
At 31 December 2022	146	24	4	6	180
At 31 December 2023	61	16	4	9	90
At 31 December 2024	73	17	8	75	173

Fuel spill in Norilsk

On 29 May 2020 an incident occurred at the site of heat and power plant No. 3 (HPP-3) in the Kayerkan neighbourhood of Norilsk: diesel fuel storage reservoir was damaged through sudden failure of support posts, which resulted in approximately 21.2 kt of diesel fuel leakage. According to the Group's assessment, the incident was caused by defects in design and construction as well as by unusually hot weather, which led to thawing of permafrost resulting in sinking of support posts.

The incident resulted in contamination of nearby water bodies and land in the area of leakage as well as damage to biological resources. The main stage of clean-up works following the incident was completed in 2020. As at the reporting date the Group has mainly settled its liabilities with respect to compensation of damages to water bodies, soil, wildlife and broader environment. The Group's liabilities with respect to compensation of damages to aquatic bioresources are described below.

On 29 July 2021, Yenisei territorial administration of the Federal Agency for Fishery (Rosrybolovstvo) filed a lawsuit for compensation of damages to aquatic bioresources for the total amount of RUB58.65 billion (USD810 million).

On 3 September 2021 during the court hearing, the parties agreed to proceed with the dispute settlement by negotiating an amicable agreement, which would include compensation in kind of the damage caused to aquatic life by artificially reproducing the affected fish species and releasing the fry to the water bodies.

Subsequently on 15 April 2022 the amount of claims was increased by the Federal Agency for Fishery to RUB58.96 billion (USD725 million).

On 22 July 2022, the court confirmed the amicable agreement between the parties. In accordance with the terms of the agreement the Group's subsidiary will fully compensate damage to aquatic bioresources in kind by releasing the fry of different fish species (sturgeon, muksun, broad whitefish, vendace and nelma) to the water bodies of the Norilo-Pyasinskoe lake and river system damaged by the incident in years 2033-2050. Before 2033, the Group's subsidiary plans annual early release of the fry of the Siberian sturgeon to the Yenisei river starting 2023.

In addition, in order to ensure scientific support of recovery measures the Group 's subsidiary will provide financing of scientific research from 2023 to 2051 by Russian Federal Research Institute of Fisheries and Oceanography (VNIRO) with respect to assessment of the water bioresources conditions and their environment.

The key assumptions for determining the estimation of liabilities under the amicable agreement inherently contain a high degree of uncertainty, primarily due to the following: fishery research results, the cost of construction and operation of fish-breeding infrastructure, the costs of operation at the water bodies of the Norilo-Pyasinskoe lake and river system, the future fry purchase prices for aquatic bioresources, the possibility of achieving stable recovery of the population of the reproduced water bioresources, macroeconomic assumptions (including applicable inflation rates and risk-free rates), and the material effect of the discount factor for longer terms.

On 2 December 2022, the Russian Supreme Court received a cassation appeal from the Prosecutor General's Office against judgements of lower instance courts that upheld and confirmed the legitimacy of an amicable agreement between the Federal Agency for Fishery (Rosrybolovstvo), the Group's subsidiary and Russian Federal Research Institute of Fisheries and Oceanography (VNIRO) in a lawsuit initiated by Rosrybolovstvo.
On 30 January 2023, a judge of the Supreme Court ruled to reject the submission of the cassation appeal of the Prosecutor General's Office for a court hearing by the Judicial Chamber for Economic Disputes of the Supreme Court.
On 13 March 2023, the Deputy Chairman of the Supreme Court of the Russian Federation considered

a complaint filed by the Prosecutor General's Office of the Russian Federation on 6 February 2023 and upheld the earlier ruling of the Supreme Court of the Russian Federation.

At 31 December 2024, 2023 and 2022 the total discounted amount of the provision in relation to the diesel fuel spill at HPP-3 in Norilsk was recognised in the environmental provision in the disclosed consolidated statement of financial position.

The amount of the provision is subject to a high degree of uncertainty and will be adjusted in the future reporting periods as new facts and circumstances arise, including the reassessment of forecast cost for environment remediation, changes in macroeconomic and other factors. However, to the best of its knowledge and in accordance with the requirements of law the Group does not expect new significant claims to be filed with respect to the HPP-3 fuel spill in the future periods.

During the year ended 31 December 2024, the Group recognised an additional decommissioning provision in the amount of USD284 million due to the planned reconfiguration of production facilities in Norilsk after 2027 (see Note 14).

Key assumptions used in estimation of decommissioning obligations and environmental provisions were as follows:

	At 31 December		
	2022	2023	2024
Discount rates Russian entities	7.2% – 11.1%	12.0% – 12.7%	13.7% – 18.1%
Expected period of mine closure	from 2023 to 2125	from 2024 to 2125	from 2025 to 2125
Expected inflation over the period from 2025 to 2044	2.7% – 6.9%	2.3% – 6.1%	3.2%-6.9%
Expected inflation over the period from 2045 onwards	2.4% – 2.7%	2.1% – 2.2%	3.1% -3.2%

Present value of expected cost to be incurred for settlement of long-term provisions was as follows:

	At 31 December		
	2022	2023	2024
Due in years 2 – 5	412	332	472
Due in years 6 – 10	230	169	238
Due in years 11 – 15	134	84	83
Due in years 16 – 20	23	36	22
Due thereafter	117	68	66
Total	**916**	**689**	**881**

27. Social liabilities

Social liabilities of the Group include social provisions and payables relating to social commitments of the Group.

The table below represents changes in social liabilities of the Group during the year ended 31 December 2024, separately detailing changes in the provision in respect of the Comprehensive Social and Economic Development Plan for Norilsk (see the description below).

	Social liabilities	Incl. Comprehensive plan provision
Balance at 1 January 2022	**791**	**518**
Accruals of provision and payables	475	–
Utilisation and payment	(454)	(23)
Change in estimates	(68)	(14)
Unwinding of discount	78	50
Effect of translation to presentation currency	(8)	(2)
Balance at 31 December 2022	**814**	**529**
Accruals of provision and payables	267	–
Utilisation and payment	(304)	(34)
Change in estimates	(62)	(41)
Unwinding of discount	61	41
Effect of translation to presentation currency	(170)	(114)
Balance at 1 January 2024	606	381
Accruals of provision and payables (Note 11)	190	–
Utilisation and payment	(282)	(45)
Change in estimate (Note 11)	(64)	(53)
Unwinding of discount	73	48
Effect of translation to presentation currency	(60)	(40)
Balance at 31 December 2024	**463**	**291**
including the current portion:		
At 31 December 2022	201	100
At 31 December 2023	207	93
At 31 December 2024	164	80

Present value of expected cost to be incurred for settlement of long-term social provisions was as follows:

	At 31 December		
	2022	2023	2024
Due in years 2 – 5	320	188	192
Due in years 6 – 10	213	119	98
Due in years 11 – 15	77	90	8
Due in years 16 – 20	2	1	1
Due thereafter	1	1	–
Total	**613**	**399**	**299**

Carrying value of social provisions is determined based on the discounted cash flows required to settle the present obligation. The discount rate was between 15.0% to 18.1% at 31 December 2024 (31 December 2023: 12.0% and 12.7%; 31 December 2022: 7.2% and 10.5%).

In 2017–2024, the Group entered into several agreements with the governments of the regions where it operates, namely the Zabaikalsky Territory, the Krasnoyarsk Territory and the Murmansk Region. These agreements imply the Group's financial commitments in respect of the social and economic development of the regions, including the construction of social infrastructure facilities.

At 31 December 2024 the provision recognised with respect to the above-mentioned agreements in Social liabilities in the disclosed consolidated statement of financial position amounted to USD69 million (31 December 2023: USD74 million and 31 December 2022: USD67 million).

Comprehensive Social and Economic Development Plan for Norilsk

In February 2021, the Group entered into a four-party agreement with the Ministry for the Development of the Russian Far East and Arctic, the Krasnoyarsk Territory Government, and the Norilsk Municipality to implement comprehensive social and economic development programmes in Norilsk.

In December 2021, the Government of the Russian Federation approved the Comprehensive Social and Economic Development Plan for Norilsk (the "Comprehensive Plan"), which includes a schedule of mutual financial commitments of the Government of the Russian Federation, the Krasnoyarsk Territory Government, and the Group for the social and economic development of the city up to 2035. The Comprehensive Plan covers housing renovation, the overhaul and modernisation of the city's engineering and utilities infrastructure, construction, repair, reconstruction and development of social infrastructure facilities and resettlement of Norilsk and Dudinka citizens to areas with more favourable living conditions. In addition, the Comprehensive Plan provides for the preparation and subsequent update of the Norilsk development strategy setting the city as a core hub for the Taimyr development, designing the concept of regional tourism development and implementation of support programmes for small and medium-sized businesses in Norilsk. The financial commitments of the Company for 2021–2035 amount to RUB81.3 billion (USD1,094 million at the USD exchange rate at 31 December 2021).

In line with the Group's accounting policy (Note 4), in respect of the part of its obligations under the four-party agreement and the Comprehensive Plan amounting to RUB69.3 billion, the Group recognised a provision in its disclosed consolidated income statement for the year ended 31 December 2021 at the present value of cash outflows in the amount of RUB37.9 billion (USD514 million).

The remaining RUB12 billion (USD162 million at the USD exchange rate at 31 December 2021) in financial commitments under the Comprehensive plan will be recognised in the disclosed consolidated statement of financial position as part of property, plant and equipment once the expenditure is incurred.

At 31 December 2024, the Group recognised USD3 million under the Comprehensive Plan within property, plant and equipment in its disclosed consolidated statement of financial position (at 31 December 2023 and 2022: USD2 million).

In case of any changes to the nature, timing or amount of financing of particular measures stipulated by the Comprehensive Plan during its implementation, the Group will update the amount of social provisions in its disclosed consolidated financial statements accordingly.

During the year ended 31 December 2024, the Group also accrued USD7 million (for the year ended 31 December 2023: USD25 million; for the year ended 31 December 2022: USD121 million) of social provisions under various social programmes and contributions other than those referred to above.

28. Trade and other payables

	At 31 December		
	2022	2023	2024
Trade payables	614	422	370
Liabilities for acquisition of property, plant and equipment	546	561	575
Other creditors	171	206	165
Advances received under contracts with customers	50	84	99
Total	**1,381**	**1,273**	**1,209**

The contractual settlement terms of the liabilities for the purchase of the property, plant and equipment are presented below:

	At 31 December 2024	
	liabilities that are not part of supply chain finance	liabilities assigned by suppliers under supply chain finance
Due within 3 months	344	–
Due from 3 to 11 months	4	–
Due in 12 months	17	210
Total	**365**	**210**

According to the Group`s information, the amount of payables financed by financial agents matches the total amount of payables assigned in their favor at the reporting date.

29. Employee benefit obligations

Amounts recognised in the disclosed consolidated income statement in respect of employee benefits were as follows:

	For the year ended 31 December		
	2022	2023	2024
Wages and salaries	2,441	2,003	1,966
Social security costs including pension contributions to the Social Fund of the Russian Federation	633	573	549
Corporate pension plans (non-state pension fund)	11	9	10
Other employee benefits	177	198	157
Total	**3,262**	**2,783**	**2,682**

Corporate pension plans from the table above relate to defined contribution plans.

30. Related parties transactions and outstanding balances

Related parties include major shareholders and entities under their ownership and control; associates, joint ventures and joint operation, non-state pension fund, transactions with which are disclosed in Note 29, and key management personnel. The Group defines major shareholders as shareholders, which have significant influence over the Group activities. The Company and its subsidiaries, in the ordinary course of their business, enter into various sale, purchase and service transactions with related parties. Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Transactions and outstanding balances are included in / excluded from the disclosure starting the date an entity has become / or ceased to be a related party, respectively.

Details of transactions between the Group and related parties are disclosed below:

	Entities under ownership and control of the Group's major shareholders			Associates, joint ventures and joint operation		
	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024
Transactions with related parties						
Purchase of assets and services and other operating expenses	116	5	5	36	13	11
Sales of goods and services and other income	1	–	1	12	12	10
Repayments of loans and borrowings	800	225	–	–	–	7
Interest expense repaid	10	11	–	–	–	–
Interest expense accrued	10	11	–	–	–	–
Interest received	4	1	–	–	–	–
Interest income accrued	4	1	–	–	–	–
Proceeds from loans and borrowings	1,025	–	–	–	3	16
Fair value gain on the cross-currency interest rate swap contracts	41	–	–	–	–	–
Loans issued	–	–	–	–	30	9
Repayments of loans issued	–	–	–	–	27	9

	Entities under ownership and control of the Group's major shareholders			Associates, joint ventures and joint operation		
	At 31 December 2022	At 31 December 2023	At 31 December 2024	At 31 December 2022	At 31 December 2023	At 31 December 2024
Outstanding balances with related parties						
Accounts payable and lease liabilities	26	12	18	2	1	–
Accounts receivable	–	–	–	1	2	1
Cash and cash equivalents	258	–	–	–	–	–
Loans and borrowings	225	–	–	11	3	–
Derivatives (liabilities)	21	–	–	–	–	–

During the year ended 31 December 2024 the Group declared dividends in the amount of USD216 million to a related party, which is a non-controlling interest owner (during the year ended 31 December 2023: USD349 million; during the year ended 31 December 2022: none).

At 31 December 2022 the Group had USD42 million of guarantees received from a related party in respect of advances paid by the Group to its suppliers

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Compensation of key management personnel

Key management personnel of the Group consists of members of the Management Board and the Board of Directors. For the year ended 31 December 2024 remuneration of key management personnel of the Group including salary and performance bonuses amounted to USD72 million out of which long-term remuneration amounted to USD8 million (for the year ended 31 December 2023: USD90 million, no long-term remuneration, and for the year ended 31 December 2022: USD80 million, no long-term remuneration).

31. Commitments

Capital commitments

At 31 December 2024, contractual capital commitments not including Group's share in contractual capital commitments of the Group`s joint ventures (Note 16) amounted to USD1,935 million (31 December 2023: USD2,292 million and 31 December 2022: USD2,299 million).

Leases

The Group is a party to a number of lease contracts with variable lease payments that do not depend on an index or market rental rates, and hence are not recognised as lease liabilities. At 31 December 2024 total future non-discounted variable lease payments under such contracts with the maturity up to 2073 amounted to USD252 million (31 December 2023: USD280 million and 31 December 2022: USD358 million).

32. Contingencies

Legal contingent liabilities

The Group has a number of legal contingent liabilities with the probability of outflow of economic benefits being assessed by the management of the Group as possible, including matters arising from claims and disputes of a civil law and public law nature. At 31 December 2024 these liabilities amounted to USD40 million (31 December 2023: USD4 million and 31 December 2022: USD14 million).

Taxation contingencies in the Russian Federation

The Russian Federation currently has a number of laws related to various taxes imposed by both federal and regional governmental authorities. Applicable taxes include value-added (VAT), income tax, mandatory social security contributions to the Social Fund of the Russian Federation, mineral extraction tax and other levies. Tax returns, together with other legal compliance areas (for example, customs and currency control matters), are subject to review and investigation by government authorities, which are authorised by law to impose severe fines, penalties and interest charges. Generally, tax returns remain open and subject to inspection for a period of three years following the fiscal year.

While the management of the Group believes that it has recognised adequate provisions for tax liabilities based on its interpretation of the relevant legislation, the risk remains that the tax authorities in the Russian Federation could take a different view with regard to interpretive issues. This uncertainty may expose the Group to additional taxation, fines and penalties.

In March 2022, amendments to the Russian tax legislation were adopted. According to them, foreign exchange gains are accounted for tax purposes in the reporting period, when the underlying asset or liability is settled. Starting from 1 January 2023, the same tax accounting rules apply to foreign exchange losses. In December 2022 amendments to the Russian tax legislation allowed an early adoption of the above tax treatment of foreign exchange losses for the year ended 31 December 2022 at a taxpayer's option. The Group used this option. According to the Federal Law No. 259-FZ dated August 08, 2024 these tax accounting rules will apply up to 2027.

In accordance with Article 3 of Federal Law No. 302-FZ dated 3 August 2018, the agreement, which had established the consolidated taxpayers group (CTG), expired on 1 January 2023. Therefore, all entities of the Group that had previously been part of the CTG started to accrue and pay income tax on an individual basis from 1 January 2023.

On 1 January 2023, amendments to the Tax code of the Russian Federation were adopted. According to them, each company of the Group located in the Russian Federation pays taxes in a single tax payment (STP) to a unified taxpayer account.

Russia has legislation on transfer pricing, which reflects the basic principles established by the Organisation for Economic Cooperation and Development (OECD). The impact of any additional taxation in relation to transfer pricing may be material to the financial statements of the Group. Yet, the probability of such additional taxation cannot be reliably assessed.

The transfer pricing rules provide for an obligation for the taxpayers to prepare transfer pricing documentation with respect to controlled transactions and stipulate the principles and mechanisms for accruing additional taxes and interest in case prices in the controlled transactions differ from the market level.

Current Russian transfer pricing legislation requires businesses to conduct transfer pricing analysis for the majority of cross-border and major domestic inter-company transactions. Starting 2019, transfer pricing control, as a general rule, is applied to domestic transactions only if both criteria are met: the parties apply different income tax rates, and the annual turnover of transactions between them exceeds RUB1 billion (USD11 million at RUB/USD rate at 31 December 2024).

In addition to performing transfer pricing audits, Russian tax authorities may also review prices used in intra-group transactions. They may impose additional taxes if they conclude that taxpayers have received unjustified tax benefits as a result of those transactions.

In November 2023, amendments to the Tax Code of the Russian Federation introduced a mechanism for secondary adjustment of transfer pricing and provided for an additional withholding tax with respect to the tax base transferred outside Russia as a result of non-compliance with established transfer pricing control rules. In addition, the amendments significantly increased tax penalties for transfer pricing offenses.

According to Russia's Ministry of Finance, foreign states that take hostile actions against the Russian Federation, its legal entities and individuals have effectively stopped sharing information for tax purposes with the Russian Federation. It complicates tax control of pricing, including identification of the fact that parties to a transaction are related. The list of states and territories providing preferential tax treatment and/or not disclosing and sharing information on financial transactions (offshores) has been amended by including "unfriendly" states. Thereby transactions with counterparties from these countries may be recognised as controlled for tax purposes starting from 1 January 2024.

In August 2023 in accordance with the Presidential Decree No. 585 the core provisions of 38 double taxation agreements between Russia and "unfriendly" countries were suspended. The suspension effectively leads to application of standard withholding income tax rates as opposed to previously applied reduced rates in relation to the main types of passive and other income received by residents of these countries.

The Russian Government's Regulation No. 1538 dated 21 September 2023 introduced export customs duties on Group`s metal products for the period from 1 October 2023 to 31 December 2024. Unrefined or semi-refined gold (including gold with a platinum electroplated coating) or gold powder were exempted from these duties by the Russian Government's Decree No. 532 dated 25 April 2024.

On 20 December 2021, the OECD released Global Anti-Base Erosion Model Rules (GloBE) under Pillar Two (GloBE\Pillar Two) to assist in the implementation of global minimum top-up tax for multinational enterprises and address the tax challenges arising from the digitalisation and globalisation of the economy. Under these rules, multinational enterprises will have to pay additional income tax arising in the jurisdictions where they operate, if income in those jurisdictions is taxed at an effective tax rate below 15%. To this end, Pillar Two rules need to be adopted at the national level.

In 2023, the International Accounting Standards Board (IASB) published International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12 – Income Taxes).

The Group operates in countries where the new tax legislation on the global minimum tax (Pillar Two) has already been partially enacted and applies to the income tax due for the period from 1 January 2024. In 2024 the application of the GloBE rules affected only the Group's subsidiaries in Cyprus and Switzerland. In Switzerland, the Qualified Domestic Minimum Top-Up Tax (QDMTT) rule is applied, allowing Switzerland to charge additional income tax under the GloBE rules locally without applying the additional tax rule at the level of the ultimate parent company (Income Inclusion Rule) or at the level of other Group`s subsidiaries (Undertaxed Payments Rule), if the effective tax rate on the qualified income of the Group's companies in Switzerland is below 15%. Additional tax obligations in Switzerland for 2024 are not expected to exceed USD1 milllion. In Cyprus only the Income Inclusion Rule was applied for 2024. Additional tax obligations in Cyprus for 2024 are not expected to exceed USD1 million. Obligations under the Undertaxed Payments Rule, which allocates the additional tax payment to the Group's subsidiaries if for any reason it has not been paid by the ultimate parent company, do not arise for the Group, as the respective legislation has not been in effect in any of the countries where the Group operates in 2024.

The Group applies the exception with respect to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes in accordance with IAS12.

Environmental matters

The Group is subject to extensive federal, regional and local environmental controls and regulations in the countries where it operates. The Group's operations result in air and water pollutant emissions, as well as generation and disposal of production waste. The Group recognises expenditure on negative environmental impact levies as other levies in Costs of metal sales.

The Group periodically evaluates its environmental provisions pursuant to the environmental legislation in the countries where it operates. Such provisions are recognised in the disclosed consolidated financial statements as and when obligating events occur.

The management of the Group believes that there are no material obligations for environmental damage other than those recognised in these disclosed consolidated financial statements. However, potential liabilities, which may arise due to changes in environmental laws and regulations, cannot be reliably estimated but may be material. The Group is unable to predict the timing or extent to which environmental laws and regulations may change. Such change, if it takes place, may require that the Group modernises its technological processes to meet more stringent statutory requirements.

Russian Federation risk

The Group's operations are primarily located in the Russian Federation. Consequently, the Group is influenced by the economic and financial markets of the Russian Federation, which display the characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop, which poses a risk of their varying interpretations and frequent change. This, together with other legal and fiscal impediments, creates additional challenges for entities operating in the Russian Federation.

Starting 2014, the United States of America, the European Union and some other countries have imposed and gradually expanded restrictive economic measures against a number of Russian individuals and legal entities. Starting February 2022, the above countries have been imposing additional stringent restrictive measures against the Russian Government, large financial institutions and other legal entities and individuals in Russia. In addition, restrictions were imposed on exports and imports of certain goods and business-relevant services, including accounting, auditing, tax and management consulting and certain legal, engineering, architectural and IT consulting services, as well as aviation and maritime transportation sectors. In light of the imposed restrictive measures, a number of large international companies from the USA, the European Union and some other countries ceased, materially reduced or suspended their activities in the Russian Federation and business relationships with Russian citizens and legal entities. Moreover, there is a risk that further restrictive measures and similar types of pressure will be imposed. In response, the Russian Government has implemented a set of economic measures in order to secure and stabilise the Russian economy, as well as retaliatory restrictive measures, currency control measures, a number of key interest rate changes and other special economic measures.

The imposition and further tightening of the restrictive measures has led to an increased economic uncertainty, including the lowering of liquidity and high volatility in the equity markets, volatility of the Russian rouble exchange rates and key interest rate, a reduction in both local and foreign direct investment inflows, procedural difficulties in currency payments for Russian issuers and significant limitations in the availability of debt financing. In addition, many Russian companies are practically devoid of access to international stock and debt capital markets, thus having to look for alternative ways to raise financing and growing more dependent on the state support. The Russian economy is in the process of adaptation, involving the substitution of export markets that become unavailable, replacement of procurement and technology import markets, as well as changes in the logistics and production chains.

On 28 February 2022, the stock market of the Moscow Exchange discontinued trading in shares and corporate bonds. Trading in shares and corporate bonds on the Moscow Exchange was resumed in late March 2022, while restrictions continue to apply to a number of securities transactions made by non-residents of Russia. On 3 March 2022, the London Stock Exchange suspended trading in depositary receipts (ADRs) issued for the Company's ordinary shares. In accordance with Federal Law No. 114-FZ On Amendments to the Federal Law On Joint-Stock Companies and Certain Legislative Acts of the Russian Federation an automatic and a forced conversion of ADRs into the Company's shares was implemented in 2022. ADRs the rights to which are recorded by Russian depositories were converted automatically. ADRs the rights to which are recorded by foreign depositaries could have been converted based on an application until 10 November 2022. Before the end of the 2022 as part of the forced conversion, the Company's shares were credited to the applicants that submitted the required documents.

On 21 July 2022 and on 26 July 2022 the European Union and Great Britain respectively, introduced a ban against the import of gold of Russian origin on top of other restrictive measures.

On 16 December 2022, the European Union, among other restrictive measures, introduced a ban on investments in the mining industry in Russia and also banned the supply of various equipment, including industrial. At the same time in accordance with the European Union ruling these restrictive measures do not apply to mining and production of palladium, nickel, copper, cobalt, rhodium and iron ore.

On 24 February 2023 the US Department of the Treasury's Office of Foreign Assets Control (OFAC) identified the mining and metallurgical sector of the Russian economy as a sector against which further sanctions may be imposed.

On 29 June 2022, the United Kingdom imposed personal restrictions against Potanin V. O. These restrictions are mandatory within the UK and for all British citizens and legal entities registered in the UK. According to the advice of an external legal counsel and the management's assessment, these restrictions do not expand to the Group and its subsidiaries.

On 15 December 2022, OFAC updated Specially Designated Nationals and Blocked Persons List (SDN List) to include Potanin V. O. SDN list also included legal entities associated with one of the major shareholders.

OFAC also stated that the restrictive measures do not apply to the Company. In the current geopolitical circumstances, as each counterparty doing business with the Group independently decides on the application of its own internal restrictions on interaction with Russian legal entities, the management has to assume that some counterparties might reconsider their trade, financial or other operations with the Group.

On 14 December 2023, the United Kingdom adopted amendments to the sanction legislation, which, among other things, establish a ban on trade in a number of metals, which originate or are located in Russia. These restrictions are applicable to, among some other metals, to nickel, copper and cobalt that are produced by the Group. Initially the UK Government published a Trade License authorizing UK persons to purchase warrants for Russian metals on international metal exchanges, provided that such trade does not involve physical delivery of such metals to the territory of the United Kingdom or to UK persons. At the same time, on 12 April 2024, the United States and UK issued a joint statement and established a ban on the import of nickel, copper and aluminum of Russian origin into their territory, as well as a ban on the provision of services related to the purchase of these metals, including the issuance of warrants. As a part of this ban, The United Kingdom terminated a trade license, which caused an effective ban on trading of Russian metals on the London Metal Exchange produced after 12 April 2024.

On 12 June 2024, OFAC have expanded the sanctions lists by targeting Russian financial infrastructure and adding to the SDN list such entities as The Moscow Exchange (MOEX), The National Clearing Center (NCC) and The Non-Bank Credit Institution Joint Stock Company National Settlement Depository (NSD).

On 23 August 2024, OFAC expanded sanctions against Russia and included several support and service subsidiaries of the Group, as well as one mining subsidiary of the Group in the SDN list based on U.S. Presidential Decree No. 14024.

The Group believes that these sanctions should not affect its status as a reliable counterparty and will not significantly affect the Group's operations.

The longer-term effects of potential additional restrictive measures are difficult to determine. Still, they may have a significant impact on the Group`s business.

Supply and distribution channels reconfiguration

In 2022, most of suppliers fully withdrew from the Russian market while others suspended deliveries of goods and services to Russian legal entities. As a result, procurement from these suppliers has become unavailable to the Group. During the year ended 31 December 2024, the Group has finished transition to alternative suppliers from Russia and other countries. However, such deliveries may take longer time due to complicated logistics and financial arrangements, which in turn affects the schedules of a number of investment projects and investment obligations.

The Group is also in the process of reconfiguring its distribution channels, which led to extended sales logistics chains and revision of the supply basis of the part of the Group`s metals, which alongside with restrictive measures and time-consuming processes of reengineering the customer base and sales markets had multidirectional effect on the finished goods inventories level. These processes also led to the increase of the level of accounts receivable and concentration of the Group's credit risk. The Group plans to implement measures to accelerate the turnover of accounts receivable during 2025. The Group has also reallocated a significant part of its copper, nickel and precious metal sales volumes from Europe mainly to Asian and Russian markets.

Overall impact of risks and uncertainties on the Group's financial position and financial results

These disclosed consolidated financial statements provide the management's point of view on the level of impact of the current business environment in the Russian Federation on the Group's operations and financial position. Taking into account the measures taken by the Group in respect of the risks stemming from imposed economic restrictions and overall changes in business environment, Group management does not expect an adverse impact on going concern of the Group for at least 12 months after 31 December 2024. The actual impact of the future business environment may differ from the management's assessment.

The management will continue to monitor the situation closely and will implement necessary measures to mitigate negative consequences of possible future events and circumstances, as they occur.

33. Climate change

The Group acknowledges that climate change is one of the most significant and urgent global issues that poses high risks to the Group's economic activities and society as a whole. The Group's climate change vision is outlined in a number of key documents, including Environmental and Climate Change Strategy, Climate Change Policy and Environmental Policy.

The Group considers the impact of climate change on judgements and estimates made when preparing the Group's disclosed consolidated financial statements. While not a primary judgment or estimate on its own, climate change could significantly influence various judgements and estimates made by the Group, particularly where these are reliant on longer-term forecasts. Potential impacts of climate change on judgements and estimates relate to physical risks and transition risks and opportunities.

Physical risks

The Group is aware of and monitors climate change in the regions where it operates. This change is currently assessed more as a source of risks rather than opportunities. The Arctic regions of the Group operations are more vulnerable to risks due to the pace of climate change, which is higher than the global average, in particular related to mean temperature rise and permafrost degradation. Linear infrastructure facilities such as power grids and gas and water pipelines located in the permafrost areas are expected to be more affected by climate change risks.

In order to mitigate the effects of physical risks the Group has deployed a system to monitor the technical condition of buildings and structures located in permafrost areas and has been implementing measures to maintain and improve reliability of production facilities and infrastructure. In case the Group identifies risks related to stability of certain structure, the Group may be required to reassess useful economic life of respective assets and the associated decommissioning obligations.

As at the reporting date, the Group believes that there is no material impact of physical risks on the estimates used to prepare this disclosed consolidated financial statements.

Transition risks and opportunities

Climate-related transition risks and opportunities arise from global efforts to transition to a lower-carbon economy. Energy transition is one of the core instruments aiming to reduce greenhouse gas emissions and combat climate change. It refers to the global shift from fossil fuels to renewable energy sources, driven by government policies, international agreements like the Paris Agreement, and technological advancements in energy storage and efficiency.

The Group acknowledges that energy transition may lead to different trends on metal markets and therefore transition risks and opportunities may arise and indirectly impact the Group's revenue through fluctuations in product prices. The Group expects stronger demand for nickel and copper as one of the key transition materials, driven by the growth of "green" energy and battery production. At the same time, there are long-term expectations of decrease in demand for palladium, rhodium and platinum to some extent due to the replacement of internal combustion engine (ICE) vehicles with electric vehicles.

As the producer of diversified metals portfolio including metals tied to mature industries with a non-zero carbon footprint as well as those linked to "green" technologies, the Group currently expects the effect of transition risks and opportunities related to change in demand for its products to be relatively neutral.

34. Financial risk management

Capital risk management

The Group manages its capital in order to safeguard the Group's ability to continue as a going concern and to maximise the return to shareholders through the optimisation of debt (long and short-term borrowings) and equity (share capital and retained earnings) structure.

Management of the Group regularly reviews its level of leverage calculated as the ratio of Net Debt to EBITDA to ensure that it is in line with the Group's financial policy aimed at preserving investment grade credit ratings.

At 31 December 2024, 2023 and 2022 the Company maintained credit ratings from Russian rating agency Expert RA at RUAAA investment grade level. At 31 December 2024 the Russian rating agency NCR also assigned the Group at RUAAA investment grade level.

Financial risk factors and risk management structure

In the normal course of its operations, the Group is exposed to a variety of financial risks: market risk (including interest rate and currency risk), credit risk and liquidity risk. The Group has an explicit risk management structure aligned with internal control and analysis procedures that enable it to assess, evaluate and monitor the Group's exposure to financial risks, including their change due to the current economic situation and imposition of restrictive economic measures.

Interest rate risk

Interest rate risk relates to changes in interest rates that could adversely impact the financial results of the Group. The Group's interest rate risk arises from borrowings at floating rates.

In order to manage this risk, the Group forms the structure of debt portfolio by balancing loans and borrowings with fixed and floating interest rates, while considering market opportunities and current macroeconomic parameters, in particular, the parameters and measures of the monetary policy of the Central Bank of the Russian Federation and official medium-term forecasts of macroeconomic indicators, including the value of base rates.

At 31 December 2024, the share of loans and borrowings of the Group with the rate linked to the key interest rate of the Central Bank of the Russian Federation and other rouble floating rates, was 68.2% of the total amount of loans and borrowings and (at 31 December 2023: 35.5% and at 31 December 2022: 15% (see Note 24)).

During the year ended 31 December 2022, the key interest rate was changed several times following restrictive measures imposed by the USA, the EU and other countries and changes in key macroeconomic parameters, such as inflation rate and rouble exchange rate. The key interest rate was increased to 20% in the end of February 2022, followed by a gradual decrease to 7.5% by the end of December 2022. During the year ended 31 December 2023, the key interest rate of the Bank of Russia was increased from 7.5% to 16% by the end of December. During the year ended 31 December 2024 the key interest rate of the Bank of Russia was increased from 16% to 21% by the end of December.

In 2023 a fundamental reform of major interest rate benchmarks was implemented globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group's unsecured US dollar-denominated floating rate loans used USD LIBOR1M rates, which ceased to be published after 30 June 2023. The Group signed amendments to certain loan agreements to replace LIBOR rate with the alternative rate – Term Secured Overnight Financing Rate (Term SOFR) not later than USD LIBOR publication stop date and switched the remaining loan agreements with floating interest rates to the alternative rates in 2023.

Management believes that the Group's exposure to interest rate risk fluctuations is at an acceptable level.

Currency risk

Currency risk relates to changes in the fair value or future cash flows of a financial instrument denominated in foreign currency because of changes in exchange rates.

The major part of the Group's revenues and related trade accounts receivable are denominated and/or settled in US dollars and Chinese Yuans, while expenditure is primarily denominated in Russian roubles and therefore the Group is exposed to fluctuations of the USD and CNY exchange rate. Currency risk arising from other currencies is assessed by management of the Group as immaterial.

Restrictive measures imposed by the USA, the EU and some other countries in 2022 with respect to the Central Bank of the Russian Federation and Russia's international reserves as well as the counter-measures of the Russian government and the Central Bank relating to capital flows controls and currency control led to an increased volatility of the rouble exchange rate. The RUB/USD exchange rate ranged from 82.63 roubles for 1 US Dollar to 109.58 roubles for 1 US Dollar during the year ended 31 December 2024 (during the year ended 31 December 2023: from 67.57 roubles for 1 US Dollar to 101.36 roubles for 1 US Dollar and during the year ended 31 December 2022: from 51.16 roubles for 1 US Dollar to 120.38 roubles for 1 US Dollar). Taking into account the exchange rates at 31 December 2024, 2023 and 2022, the Group preserves its financial stability.

On 12 June 2024, the United States introduced restrictive measures against the Moscow Stock Exchange, so exchange trading and settlements of deliverable derivatives in US dollars and Euros were suspended. Since 13 June 2024, the Central Bank of the Russian Federation has been setting the official exchange rates of US dollar and Euro against Russian rouble based on the results of interbank currency conversion transactions on the over-the-counter foreign exchange market as reported by the credit institutions.

The currency risk is managed by analysis of currency position, efficiency control of currency exchange operations and the best possible matching of cash inflows and cash outflows denominated in the same currency, although the restrictive measures and Russia's respective counter-measures limit the efficiency and availability of the above mentioned instruments of the Group currency risk management.

At 31 December 2024, 2023 and 2022, the carrying amounts of monetary assets and liabilities, excluding cross-currency interest rate swaps, denominated in foreign currencies other than functional currencies of the individual Group entities were as follows:

	At 31 December 2022			At 31 December 2023			At 31 December 2024		
	USD	CNY	Other currencies	USD	CNY	Other currencies	USD	CNY	Other currencies
Cash and cash equivalents	1,169	266	70	879	759	228	352	710	155
Trade and other receivables	1,425	–	134	992	90	66	1,601	15	9
Other assets	22	–	53	2	–	15	11	29	11
Total assets	2,616	266	257	1,873	849	309	1,964	754	175
Trade and other payables	761	3	63	556	7	95	537	9	44
Loans and borrowings	7,798	1,265	20	4,425	1,260	15	1,569	1,332	12
Lease liabilities	12	–	11	13	–	11	11	–	8
Other liabilities	7	–	8	2	–	–	2	–	1
Total liabilities	8,578	1,268	102	4,996	1,267	121	2,119	1,341	65

Given that the Group exposure to the currency risk for the USD- and CNY-denominated monetary liabilities is offset by the revenue from metal sales denominated in respective currencies, as well as the high correlation of the CNY and the USD, management believes that the Group's exposure to the currency risk is at an acceptable level.

The sensitivity analysis of interest rate and currency risks

At the reporting date the Group's monetary liabilities denominated in foreign currency exceed its corresponding assets. The table below shows a possible decrease in profit before tax from the remeasurement of the carrying value of the Group's net monetary liabilities denominated in foregin currency. Base assumption is a 20% strengthening of foreign exchange rates against the Russian rouble relative to the exchange rates on that date.

	Decrease of profit before tax for the year ended 31 December		
	2022	2023	2024
Interest rate risk			
1 p.p. RUB rate increase impact	(17)	(35)	(68)
1 p.p. USD rate increase impact	(45)	(24)	(6)
1 p.p. CNY rate increase impact	(7)	(7)	(8)
Currency risk			
USD20% strengthening against RUB	(1,261)	(695)	(31)
CNY 20% strengthening against RUB	(200)	(84)	(117)

The sensitivity analysis is prepared including cross-currency interest rate swap effects and assuming that the amount of loans and borrowings at floating rates outstanding at the reporting date was outstanding for the whole reporting period.

Credit risk

Credit risk means that a debtor may default on its contractual obligations as they fall due resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents, bank deposits, uncollateralised trade and other receivables, as well as loans issued.

The Group mitigates the credit risk mainly through its allocation to a large number of counterparties and respective credit limits approval based on counterparties' financial position analysis and uses, if possible, trade financing and insurance instruments, bank guarantees and documentary forms of settlement.

The Group believes that credit risk remains at an acceptable level, taking into account ongoing measures to reconfigure sales channels (see Supply and distribution channels reconfiguration in the Note 32).

To analyse counterparty solvency, the Group uses information from credit rating agencies about the counterparty's assigned credit ratings and projections for its changes; should such information be lacking, financial stability and overall creditworthiness is assessed by calculating financial indicators and analysing the counterparty's financial statements for several reporting periods.

The outstanding balances of five financial institutions and five largest customers are presented below. In accordance with the conservative liquidity management policy the Group's cash and cash equivalents are placed at Russian and international credit and financial institutions, which mostly had credit rating according to the national scale Expert RA not lower than RUA+ for Russian banks, on the international Fitch scale not lower than BB- and/or on the scale of the rating agency Dagong scale is not lower than AA+ for international banks at 31 December 2024, 2023 and 2022.

	Outstanding balance at 31 December		
	2022	2023	2024
Cash and cash equivalents			
Bank A	510	616	423
Bank B	366	476	231
Bank C	258	183	221
Bank D	204	137	175
Bank E	88	134	168
Other	456	593	604
Total	**1,882**	**2,139**	**1,822**
Trade and other receivables			
Customer A	163	93	875
Customer B	160	90	105
Customer C	47	86	64
Customer D	38	65	39
Customer E	34	46	36
Other	404	384	255
Total	**846**	**764**	**1,374**

Management of the Group believes that the credit risk associated with cash and cash equivalents and trade and other receivables is at an acceptable level due to the high credit rating of the banks where these cash and cash equivalents are placed, as well as the implementation of measures to manage the credit risk associated with counterparties the Group interacts with.

At 31 December 2024, the Group does not expect a significant increase in expected credit losses on trade and other receivables and other financial assets.

The Group is not economically dependent on a limited number of customers because the majority of its products are metals traded on the global commodity markets.

Information on sales to the Group's customers is presented below:

	For the year ended 31 December 2022		For the year ended 31 December 2023		For the year ended 31 December 2024	
	Revenue USD million	%	Revenue USD million	%	Revenue USD million	%
Largest customer	1,950	12	1,292	9	2,126	17
Next 9 largest customers	5,861	35	4,904	34	4,623	37
Total 10 largest customers	7,811	47	6,196	43	6,749	54
Remaining customers	9,065	53	8,213	57	5,786	46
Total	**16,876**	**100**	**14,409**	**100**	**12,535**	**100**

The following table provides information about the exposure to credit risk for financial assets, excluding trade receivables measured at fair value through profit and loss:

		At 31 December		
	Note	2022	2023	2024
Cash and cash equivalents	20	1,882	2,139	1,822
Loans and other long-term receivables		100	46	34
Trade and other receivables other than those measured at fair value through profit and loss	19	283	264	206
Bank deposits over 3 months included in other financial assets		11	11	40

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle all liabilities as they fall due.

The Group's centralised treasury regularly monitors forecast and actual cash flows and analyses the repayment schedules to take timely and appropriate measures in order to minimise potential adverse effects, including through liquidity management and proactive loan portfolio management aimed at minimising the amount of short-term debt and maintaining the weighted average term of the loan portfolio at an acceptable level.

Current liquidity management involves detailed budgeting procedures, as well as analysis and structuring of a daily payment position for a 30-day period. The payment position is calculated separately for each currency and bank account. In addition to the continuous analysis of the payment position, at least three times a month the Group updates its rolling cash flow forecast model with a horizon of up to 12 months.

The Group manages liquidity risk by maintenance of liquid funds and a portfolio of committed credit facilities and overdrafts with a number of banks at a level, which is sufficient to cover possible revenue fluctuations taking into account market risks.

In particular, the Group had available committed debt facilities and overdrafts to finance its day-to-day liquidity requirements of USD7,153 million at 31 December 2024 (31 December 2023: USD3,819 million and 31 December 2022: USD2,788 million).

The Group continues its activities on expansion of credit limits capacity of its portfolio of confirmed and treasury credit lines. In order to optimise the average duration of liabilities and minimise risk of excess concentration of debt payments the Group considers all available options for arranging financing on the Russian market and holds negotiations with international financial institutions pursuing proactive debt portfolio management.

In accordance with the permissions received on a regular basis from government agencies on foreign currency payments of debt and interest to foreign creditors, the Group continues to service its debt in compliance with the terms of respective loan or bond facilities, including timing and currency of payments.

In September 2022, the consent of the holders of all 5 Eurobond issues of the Group was obtained to amend the transaction documentation, according to which the Company received the right to make payments to holders of Eurobonds in Russian depositories, bypassing a foreign paying agent, which allowed to (a) ensure compliance with the requirements of the Russian legislation and (b) continue payments to foreign depositories through a payment agent.

The maturity profile of the Group's trade payables, liabilities for the purchase of property, plant and equipment and other creditors, with their remaining contractual maturities before repayment was as follows:

	At 31 December		
	2022	2023	2024
Trade and other accounts payable except for advances received			
Due within 1 month	950	694	609
Due from 1 to 3 months	340	225	301
Due from 3 to 12 months	41	270	200
Total	**1,331**	**1,189**	**1,110**

The following table shows the maturity profile of the Group's borrowings, lease liabilities and derivative instruments based on contractual undiscounted payments, including interest, in accordance with management's plans and contractual terms regarding the maturity profile. The analysis of future interest payments on floating rate loans and borrowings at 31 December 2024 was performed using the interest rates applicable to the relevant instruments as of the reporting date.

At 31 December 2024	Total	Due in the first year	Due in the second year	Due in the third year	Due in the fourth year	Due in the fifth year	Due there- after
Fixed rate bank loans and borrowings							
Principal	**1,774**	1,274	500	–	–	–	–
Interest	**86**	72	14	–	–	–	–
	1,860	**1,346**	**514**	**–**	**–**	**–**	**–**
Floating rate bank loans and borrowings							
Principal	**8,187**	1,561	1,072	2,094	2,477	983	–
Interest	**4,318**	1,463	1,356	950	513	36	–
	12,505	**3,024**	**2,428**	**3,044**	**2,990**	**1,019**	**–**
Lease liabilities							
Lease liabilities	782	125	108	89	84	77	299
Total	**15,147**	**4,495**	**3,050**	**3,133**	**3,074**	**1,096**	**299**

At 31 December 2023	Total	Due in the first year	Due in the second year	Due in the third year	Due in the fourth year	Due in the fifth year	Due there- after
Fixed rate bank loans and borrowings							
Principal	**2,872**	1,032	1,340	500	–	–	–
Interest	**211**	121	76	14	–	–	–
	3,083	**1,153**	**1,416**	**514**	**–**	**–**	**–**
Floating rate bank loans and borrowings							
Principal	**6,859**	3,310	1,100	597	788	1,064	–
Interest	**1,476**	548	353	308	204	63	–
	8,335	**3,858**	**1,453**	**905**	**992**	**1,127**	**–**
Lease liabilities							
Lease liabilities	868	98	107	101	92	87	383
Cross-currency interest rate swap							
Payable	**364**	364	–	–	–	–	–
Receivable	**(271)**	(271)	–	–	–	–	–
	93	93	–	–	–	–	–
Total	**12,379**	**5,202**	**2,976**	**1,520**	**1,084**	**1,214**	**383**

At 31 December 2022	Total	Due in the first year	Due in the second year	Due in the third year	Due in the fourth year	Due in the fifth year	Due there- after
Fixed rate bank loans and borrowings							
Principal	**4,022**	1,000	1,105	1,417	500	–	–
Interest	**387**	155	134	84	14	–	–
	4,409	**1,155**	**1,239**	**1,501**	**514**	**–**	**–**
Floating rate bank loans and borrowings							
Principal	**7,488**	3,303	2,084	1,675	414	7	5
Interest	**480**	240	147	80	13	–	–
	7,968	**3,543**	**2,231**	**1,755**	**427**	**7**	**5**
Lease liabilities							
Lease liabilities	522	63	54	34	23	21	327
Cross-currency interest rate swap							
Payable	**375**	11	364	–	–	–	–
Receivable	**(368)**	(23)	(345)	–	–	–	–
	7	(12)	19	–	–	–	–
Total	**12,906**	**4,749**	**3,543**	**3,290**	**964**	**28**	**332**

Reconciliation of changes in liabilities and cash flows from financing activities:

	Loans and borrowings	Lease liabilities	Other	Total
Balance at 1 January 2022	10,226	235	72	10,533
Proceeds from loans and borrowings	9,104	–	–	**9,104**
Repayments of loans and borrowings	(7,775)	–	–	**(7,775)**
Payments of lease liabilities	–	(50)	–	**(50)**
Payments on exchange of flows under cross-currency interest rate swaps	–	–	(19)	**(19)**
Changes from financing cash flows	1,329	(50)	(19)	1,260
Other non-cash changes:				
Recognition of lease liabilities	–	169	–	**169**
Changes in fair value of the cross-currency interest rate swap	–	–	18	**18**
Effect of changes in foreign exchange rates	153	(17)	(4)	**132**
Changes arising from disposal of subsidiaries	–	(96)	–	**(96)**
Borrowing costs and amortisation of loans at effective interest rate	(224)	–	–	**(224)**
Other	–	(8)	–	**(8)**
Balance at 31 December 2022	**11,484**	**233**	**67**	**11,784**
Proceeds from loans and borrowings	5,569	–	–	**5,569**
Repayments of loans and borrowings	(6,642)	–	–	**(6,642)**
Payments of lease liabilities	–	(45)	–	**(45)**
Proceeds on exchange of flows under cross-currency interest rate swaps	–	–	8	**8**
Changes from financing cash flows	(1,073)	(45)	8	(1,110)
Other non-cash changes:				
Recognition of lease liabilities	–	417	–	**417**
Changes in fair value of the cross-currency interest rate swap	–	–	60	**60**
Effect of changes in foreign exchange rates	(705)	(85)	(19)	**(809)**
Borrowing costs and amortisation of loans at effective interest rate	6	–	–	**6**
Balance at 31 December 2023	**9,712**	**520**	**116**	**10,348**
Proceeds from loans and borrowings	7,273	–	–	**7,273**
Repayments of loans and borrowings	(6,229)	–	–	**(6,229)**
Payments of lease liabilities	–	(55)	–	**(55)**
Payments on exchange of flows under cross-currency interest rate swaps	–	–	(99)	**(99)**
Changes from financing cash flows	1,044	(55)	(99)	890
Other non-cash changes:				
Recognition of lease liabilities	–	59	–	**59**
Changes in fair value of the cross-currency interest rate swap	–	–	(16)	**(16)**
Effect of changes in foreign exchange rates	(812)	(62)	(1)	**(875)**
Borrowing costs and amortisation of loans at effective interest rate	2	–	–	**2**
Balance at 31 December 2024	**9,946**	**462**	**–**	**10,408**

Interest payable on loans and borrowings and lease liabilities (Notes 24 and 25) arising from financing activities is short-term and is paid within 12 months from the date of accrual.

35. Fair value of financial instruments

Financial instruments that are measured at fair value subsequent to initial recognition, are grouped into Levels 1 to 3 of fair value hierarchy based on the degree to which their fair value is observable as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data.

The management believes that the carrying value of financial instruments such as cash and cash equivalents (Note 20), other financial assets, trade and other receivables except for trade and other receivables at fair value through profit or loss and current accounts payable (Note 28) either approximates to their fair value or may not significantly differ from it. The fair value of trade and other receivables at fair value through profit or loss, as well as the level of the fair value hierarchy and the method of measuring are disclosed in Note 19.

The information below presents financial instruments not measured at fair value, including loans and borrowings (Note 24), trade and other long-term payables (Note 28).

	At 31 December 2022		At 31 December 2023		At 31 December 2024	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Fixed and floating rate bonds (Level 1)	4,156	3,323	3,668	3,155	4,452	4,115
Floating rate loans and borrowings (Level 2)	6,766	6,535	5,480	5,183	4,966	4,803
Fixed rate bonds (Level 2)	562	562	561	557	528	496
Fixed rate loans (Level 2)	–	–	3	3	–	–
Trade and other long-term payables (Level 2)	56	56	51	50	41	40
Total	**11,540**	**10,476**	**9,763**	**8,948**	**9,987**	**9,454**

The fair value of financial liabilities presented in the table above is determined as follows:

- the fair value of corporate bonds (Level 1 of fair value hierarchy) was determined as their market price at the reporting dates;
- the fair value of floating and fixed rate loans and borrowings and fixed rate corporate bonds (Level 2 of fair value hierarchy) at 31 December 2024, 2023 and 2022 was determined as the present value of future cash flows (principal and interest), discounted at the market interest rates, which are determined as of the reporting date based on the currency of a loan or a bond, its expected maturity and credit risks attributable to the Group;
- the fair value of trade and other long-term payables at 31 December 2024, 2023 and 2022 was determined as the present value of future cash flows, discounted at the best management estimate of market interest rates.