

Financial performance (MD&A)

FY2024 Highlights

- Consolidated revenue decreased 13% y-o-y amounting to USD 12.5 billion driven by the decline of nickel and PGM prices;
- EBITDA decreased 25% y-o-y to USD 5.2 billion owing to lower revenue and export duties effective for the full year, while EBITDA margin was down 7 p.p. to 41%;
- Cash operating costs decreased 3% y-o-y to USD 5.1 billion mostly driven by the weakening of Russian rouble, decrease in mineral extraction tax owing to lower metal prices and continuing execution of operating efficiency programme that allowed to mitigate growing inflation in Russia and the expenses related to export duties;
- CAPEX decreased 20% y-o-y to USD 2.4 billion driven by lower rouble exchange rate, as well as the execution of investment efficiency programme including optimization of payments to contractors and prioritization of investment projects using risk-based approach;
- The Sulphur Programme at Nadezhda Plant reached its designed capacity with sulfur dioxide emissions being reduced by 390 thousand tonnes y-o-y and the efficiency of cleaning sulfur-containing gases confirmed by the government watchdog Rospirodnadzor at 99.1%;
- Net working capital decreased 3% y-o-y to USD 3 billion driven mostly by lower work-in-progress metal inventory and materials as well as weaker Russian rouble;
- Free cash flow was down 31% to USD 1.9 billion. Free cash flow adjusted for interest and lease payments amounted to USD 335 mln;
- Net debt increased 6% y-o-y to USD 8.6 billion with net debt/ EBITDA ratio as of December 31, 2024 remained at conservative level of 1.7x;
- In March and October, the Company placed two 100-billion roubles corporate bonds, which became a record on the Russian public debt market.

Key corporate highlights (USD MILLION, UNLESS STATED OTHERWISE)

Indicators	2023	2024	Change
Revenue	14,409	12,535	–13%
EBITDA ¹	6,884	5,196	–25%
EBITDA margin, %	48	41	–7 p.p.
Net profit	2,870	1,815	–37%
Capital expenditures	3,038	2,438	–20%
Net working capital ²	3,092	3,007	–3%
Net debt ²	8,093	8,586	6%
Net debt / 12M EBITDA	1.2x	1.7x	0.5x
Dividends paid per share, USD ³	–	9.7	100%
Free cash flow ²	2,686	1,858	–31%
Free cash flow (adjusted) ⁴	1,347	335	–75%

In 2024, revenue of GMK Group segment decreased 8% to USD 9,653 million primarily owing to decrease in matte sales to Kola Division, lower volumes of PGM sales due to high base effect in 2023 and lower metal prices.

Revenue of South cluster segment decreased 33% to USD 715 million driven by lower volume of semi-products sales to GMK Group as well as lower prices of semi-products realized.

Revenue of Kola division segment decreased 20% to USD 6,684 million primarily owing to lower nickel and palladium prices.

Revenue of GRK Bystrinskoye segment increased 13% to USD 1,511 million driven by higher gold and copper prices.

Revenue of Other non-metallurgical segment decreased 5% and amounted to USD 1,008 million.

In 2024, EBITDA of GMK Group segment remained almost unchanged and amounted to USD 3,594 million. Negative effect of lower revenue in 2024 was offset by partial shift from processing of purchased concentrates of South cluster to own feed and decrease in cash operating costs.

EBITDA of South cluster segment decreased 48% to USD 251 million primarily owing to lower revenue that was partially offset by decrease in cash operating costs.

EBITDA of Kola division segment decreased 61% to USD 882 million primarily owing to lower revenue that was partially offset by decrease in cash operating costs.

EBITDA of GRK Bystrinskoye segment increased 15% to USD 1,108 million primarily due to higher revenue.

EBITDA of Other non-metallurgical segment increased by USD 7 million to the negative USD 18 million.

Negative EBITDA impact unallocated to segments decreased by USD 97 million and amounted to USD 679 million mainly due to decrease in administrative costs driven by the Russian rouble depreciation against US dollar.

Key segmental highlights⁵ (USD MILLION, UNLESS STATED OTHERWISE)

Indicators	2023	2024	Change
Revenue	14,409	12,535	–13%
GMK Group	10,488	9,653	–8%
South cluster	1,066	715	–33%
Kola division	8,396	6,684	–20%
GRK Bystrinskoye	1,340	1,511	13%
Other non-metallurgical	1,064	1,008	–5%
Eliminations	–7,945	–7,036	–11%
EBITDA	6,884	5,196	–25%
GMK Group	3,641	3,594	–1%
South cluster	484	251	–48%
Kola division	2,254	882	–61%
GRK Bystrinskoye	963	1,108	15%
Other non-metallurgical	–25	–18	–28%
Eliminations	343	58	–83%
Unallocated	–776	–679	–13%
EBITDA margin	48%	41%	–7 p.p.
GMK Group	35%	37%	2 p.p.
South cluster	45%	35%	–10 p.p.
Kola division	27%	13%	–14 p.p.
GRK Bystrinskoye	72%	73%	1 p.p.
Other non-metallurgical	–2%	–2%	0 p.p.

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

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

³ Paid during the current period before the split of shares.

⁴ Commented further in the text.

⁵ Segments are defined in the consolidated financial statements.



Metal sales

In 2024, revenue from metal sales was down 14% (or USD 1,854 million) y-o-y to USD 11,848 million driven by:

- lower metal prices (USD 1,585 million) for palladium and nickel, which were partially offset by higher prices for copper and gold;
- decrease of metal sales volume (USD 269 million) primarily due to the high base effect of precious metal stock sales in 2023.

Other sales

In 2024, other sales decreased 3% (or USD 20 million) to USD 687 million primarily due to the Russian rouble depreciation and the decrease in revenue from resale of icebreaking and sea transportation services, which was partially offset by the increase in revenue from oil products and rentals.

Cost of sales

Cost of metal sales

In 2024, the cost of metal sales decreased 2% (or USD 112 million) to USD 6,232 million, driven by the following factors:

- decrease in cash operating costs by 3% (or USD 182 million);
- increase in depreciation and amortization by 2% (or USD 21 million);
- comparative effect related to change in metal inventories y-o-y leading to the cost of metal sales increase by USD 49 million.

Cash operating costs

In 2024, total cash operating costs decreased 3% (or USD 182 million) to USD 5,129 million mainly due to decrease in mineral extraction tax and other levies (USD –125 million), decrease in third party services (USD –88 million), decrease in materials and supplies (USD –67 million), decrease in labour costs (USD 54 million) and in transportation

expenses (USD –54 million), that was partly compensated by the introduction of export customs duties from October 1, 2023 (USD +229 million).

Inflationary growth of cash operating costs amounted to +USD 281 million while Russian rouble depreciation against US Dollar amounted to cash operating costs decrease of USD –351 million.

Cost of metal sales (USD MILLION)

Indicators	2023	2024	Change
Labour	1,892	1,838	–3%
Materials and supplies	985	918	–7%
Third party services	894	806	–10%
Mineral extraction tax and other levies	873	748	–14%
Export customs duties	121	350	3x
Transportation expenses	216	162	–25%
Fuel	157	153	–3%
Electricity and heat energy	115	108	–6%
Purchases of raw materials and semi-products	33	26	–21%
Purchases of refined metals for resale	5	–	–100%
Other costs	20	20	0%
Total cash operating costs	5,311	5,129	–3%
Depreciation and amortisation	939	960	2%
Decrease in metal inventories	94	143	2x
Total	6,344	6,232	–2%

Labour

In 2024, labour costs decreased 3% (or USD 54 million) to USD 1,838 million amounting to 36% of the Group's total cash operating costs driven by the following factors:

- USD –158 million — Russian rouble depreciation against US Dollar;
- USD +104 million — primarily increase in labour costs due to indexation of salaries and wages.

Materials and supplies

In 2024, expenses for materials and supplies decreased 7% (or USD 67 million) to USD 918 million driven by the following factors:

- USD –76 million — Russian rouble depreciation against US Dollar;
- USD +75 million — inflationary growth of materials and supplies prices;

- USD –66 million — primarily lower repairs volume driven by improvement of efficiency in planning and execution of repairs as well as high base effect in 2023.

Mineral extraction tax and other levies

In 2024, mineral extraction tax and other levies decreased 14% (or USD 125 million) to USD 748 million primarily due to lower metal prices partly offset by higher ore production volumes.

Third-party services

In 2024, cost of third-party services decreased 10% (or USD 88 million) to USD 806 million mainly driven by:

- USD –85 million — primarily due to cost optimization driven by improvement of efficiency

- in planning and execution of repairs as well as high base effect in 2023;
- USD +50 million — inflationary growth of third-party services prices;
- USD –53 million — Russian rouble depreciation against US Dollar.

Transportation expenses

In 2024, transportation expenses decreased 25% (or USD 54 million) to USD 162 million driven by the following factors:

- USD –17 million — Russian rouble depreciation against US Dollar;
- USD +11 million — inflationary growth of transportation expenses;
- USD –48 million — primarily due to optimization of logistics routes.

Fuel

In 2024, fuel expenses decreased 3% (or USD 4 million) to USD 153 million mainly due to Russian rouble depreciation against US Dollar that was partially offset by inflation of fuel price.

Purchases of raw materials and semi-products

In 2024, purchases of raw materials and semi-products decreased 21% (or USD 7 million) and amounted to USD 26 million.

Depreciation and amortisation

In 2024, depreciation and amortisation expenses increased 2% (or USD 21 million) to USD 960 million mainly due to increase in property, plant and equipment that was partly offset by Russian rouble depreciation against US Dollar.

Electricity and heat energy

In 2024, electricity and heat energy expenses decreased 6% (or USD 7 million) to USD 108 million primarily due to Russian rouble depreciation against US Dollar that was partially offset by inflation.

Other costs

In 2024, other costs remained almost unchanged and amounted to USD 20 million.

Decrease in metal inventories

Comparative effect of change in metal inventory amounted to USD +49 million resulted in a corresponding increase in cost of metal sales.

Cost of other sales

In 2024, cost of other sales decreased by USD 32 million to USD 656 million primarily due to Russian rouble depreciation against the US Dollar and lower revenue from resale

of icebreaking and sea transportation services, which was partially offset by the increase in oil products sales and rentals.

Selling and distribution expenses

Selling and distribution expenses (USD MILLION)

Indicators	2023	2024	Change
Export customs duties	43	176	4x
Transportation expenses	135	124	−8%
Staff costs	28	26	−7%
Depreciation and amortisation	23	23	0%
Marketing expenses	29	23	−21%
Other	38	36	−5%
Total	296	408	38%

In 2024, selling and distribution expenses increased 38% (or USD 112 million) to USD 408 million primarily driven by:

- USD +133 million — export customs duties introduced on October 1, 2023;
- USD −14 million — Russian rouble depreciation against US Dollar.

General and administrative expenses

General and administrative expenses (USD MILLION)

Indicators	2023	2024	Change
Staff costs	705	665	−6%
Third party services	181	183	1%
Depreciation and amortisation	110	91	−17%
Property tax and other miscellaneous taxes	75	77	3%
Other	22	30	36%
Total	1,093	1,046	−4%

In 2024, general and administrative expenses decreased 4% (or USD 47 million) to USD 1,046 million. The main factors of the change were:

- USD −88 million — Russian rouble depreciation against US Dollar;
- USD +20 million — primarily indexation of salaries;
- USD +16 million — increase in third-party services primarily driven by consulting services expenses.

Other operating expenses

Other operating expenses, NET (USD MILLION)

Indicators	2023	2024	Change
Social expenses	205	126	−39%
Change in other allowances	47	74	57%
Loss on disposal of property, plant and equipment and intangible assets	36	36	0%
Change in decommissioning obligations	45	5	−89%
Change in environmental provisions	−32	3	n.a.
Expenses on industrial incidents response	10	2	−80%
Proceeds from insurance claims settlements	−27	−35	30%
Other, net	−15	−33	2x
Total	269	178	−34%

In 2024, other operating expenses, net decreased by USD 91 million to USD 178 million driven by the following factors:

- USD −79 million — decrease in social expenses;
- USD +35 million — change in environmental provisions related to compensation for environmental damages;
- USD +27 million — change in other allowances;
- USD −40 million — comparative effect of changes in decommissioning obligations.

Finance costs

Finance costs, NET (USD MILLION)

Indicators	2023	2024	Change
Interest expense, net of amounts capitalised	337	620	84%
Unwinding of discount on provisions	147	185	26%
Interest expense on lease liabilities	35	52	49%
Loss/(gain) from currency conversion operations	−5	45	n.a.
Fair value (gain)/ loss on the cross-currency interest rate swap contracts	60	−16	n.a.
Other, net	−7	10	n.a.
Total	567	896	58%

In 2024, finance costs, net increased 58% (or USD 329 million) y-o-y to USD 896 million primarily driven by the following factors:

- USD +283 million — increase in interest expenses related to replacement of foreign currency debt with RUB-denominated debt facilities at high nominal interest rates; nominal interest rates continued to rise in 2024 as a result of the Bank of Russia's measures to raise the key rate;
- USD +50 million — negative revaluation of the results from currency conversion operations due to a change in the structure and increased volatility of the

domestic foreign exchange market (a significant widening of bid-ask spreads) following the imposition of sanctions on the Moscow Exchange, as well as changes in the methodology of official exchange rate calculation by the Bank of Russia;

- USD +38 million — increase in unwinding of discount on provisions due to the increase in interest rates and provisions in 2024;
- USD −76 million — revaluation of cross-currency interest rate swaps to fair value mainly driven by comparative changes in the rouble exchange rate: the partial

appreciation of the Russian rouble against the US dollar compared to that expected in estimations at the maturity of the swaps in 2024 and the depreciation of the Russian rouble in 2023.

Income tax expense

The breakdown of the income tax expense (USD MILLION)

Indicators	2023	2024	Change
Current income tax expense	966	340	−65%
Deferred tax /benefit (−) /expense	−302	249	n.a.
Total income tax expense	664	589	−11%

In 2024, income tax expense decreased by USD 75 million driven mostly by lower profit before tax.

The effective income tax rate in 2024 of 24.5% was above the Russian statutory tax rate of 20%, which was

primarily driven by the non-deductible provision for impairment of non-financial assets, net.

EBITDA

EBITDA (USD MILLION)

Indicators	2023	2024	Change
Operating profit	5,540	3,574	−35%
Depreciation and amortisation	1,165	1,181	1%
Impairment of non-financial assets, net	179	441	2x
EBITDA	6,884	5,196	−25%
EBITDA margin	48%	41%	−7 p.p.

In 2024, EBITDA decreased 25% (or USD 1,688 million) to USD 5,196 million primarily driven by lower revenue, which was partially offset by the decrease in cash operating costs.

Statement of cash flows

Statement of cash flows (USD MILLION)

Indicators	2023	2024	Change
Cash generated from operations before changes in working capital and income tax	7,121	5,275	−26%
Movements in working capital in the cash flow statement	−229	−504	2x
Income tax paid	−1 164	−338	−71%
Net cash generated from operating activities	5,728	4,433	−23%
Capital expenditure	−3,038	−2,438	−20%
Other investing activities	−4	−137	34x
Net cash used in investing activities	−3,042	−2,575	−15%
Free cash flow	2,686	1,858	−31%
Interest paid	−791	−1,468	86%
Payments of lease liabilities	−45	−55	22%
Dividends paid to non-controlling interests	−503	−	−100%
Free cash flow (adjusted)	1,347	335	−75%
Other financing activities	−1,065	−519	−51%
Net cash used in financing activities	−2,404	−2,042	−15%
Effects of foreign exchange differences on balances of cash and cash equivalents	−25	−133	5x
Net change in cash and cash equivalents	257	−317	n.a.

In 2024, net cash generated from operating activities decreased 23% to USD 4,433 million. Decrease in EBITDA and increase in working capital in 2024 were partly offset by decrease in income tax payments.

In 2024, free cash flow decreased 31% to USD 1,858 million following the decrease in net cash generated from operating activities, which was partly offset by the decrease in cash used in investing activities.

non-controlling interests) decreased by USD 1,012 million and amounted to USD 335 million following the decrease in free cash flow and increase in interest paid.

In 2024, net cash used in investing activities decreased 15% to USD 2,575 million primarily driven by decrease in capital expenditures.

In 2024, free cash flow adjusted for regular financing outflows (interest paid, payments of lease liabilities, dividends paid to

Net working capital changes between the balance sheet and cash flow statement (USD MILLION)

Indicators	2023	2024
Change of the net working capital in the balance sheet	911	85
Foreign exchange differences	−780	−299
Change in income tax payable	208	−103
Change of provisions, reserves and long term components of working capital included in cash flow	−412	−161
Other changes	−156	−26
Change of working capital per cash flow	−229	−504

Capital investments breakdown by project (USD MILLION)

Indicators	2023	2024	Change
Polar Division, including:	1,223	849	−31%
• Skalisty mine	90	75	−17%
• Taymirsky mine	73	121	66%
• Komsomolsky mine	41	16	−61%
• Oktyabrsky mine	5	52	10x
• Talnakh Enrichment Plant	123	46	−63%
• Capitalised repairs	93	62	−33%
• Purchase of equipment	219	192	−12%
• Other Polar Division projects	579	285	−51%
Kola MMC	233	264	13%
Environmental program (Sulfur Program at the Nadezhda Plant)	454	343	−24%
South cluster	248	185	−25%
Energy and gas infrastructure modernization	408	355	−13%
Bystrinsky project (Chita)	65	98	51%
Other production projects	355	300	−15%
Other non-production assets	52	44	−15%
Total	3,038	2,438	−20%

In 2024, CAPEX decreased 20% (or USD 600 million) to USD 2,438 million driven by the effect of the Russian rouble depreciation against US Dollar, launch of the Sulfur Programme and the execution of investment efficiency programme including optimization of payments to contractors and prioritization of investment projects using risk-based approach.

Debt and liquidity management

As of December 31, 2024, the Company’s total debt increased 2% compared to December 31, 2023 and

amounted to USD 10,408 million. Share of long-term debt in loan portfolio structure increased significantly.

As of December 31, 2024, the Company’s net debt increased by USD 493 million due to the increase in total debt and decrease in cash.

Debt and liquidity (USD MILLION)

Indicators	As of 31 December 2023	As of 31 December 2024	Change	
			USD million	%
Non-current loans and borrowings	5,377	7,112	1.735	32%
Current loans and borrowings	4,335	2,834	−1.501	−35%
Lease liabilities	520	462	−58	−11%
Total debt	10,232	10,408	176	2%
Cash and cash equivalents	2,139	1,822	−317	−15%
Net debt	8,093	8,586	493	6%
Net debt /12M EBITDA	1.2x	1.7x	0.5x	

The Company fully meets its financial obligations in line with transactional documentation.

In April 2024, rating agency NCR assigned the credit rating to the Company at the highest investment-grade level of “AAA.ru”. In November 2024, national rating agency Expert RA confirmed the Company’s credit rating at the highest investment level “ruAAA”.