

President's letter

Dear shareholders,

Let me briefly summarise our performance in 2024 and outline Nornickel's near-term plans and priorities.

Sanctions pressure on our business, new financial infrastructure restrictions, and a continued low-price environment for nickel and palladium had a significant negative impact on our financial results.

Our revenue decreased 13% to USD 12.5 billion, while EBITDA was down 25% to USD 5.2 billion. In this context, Nornickel's management focused on operational measures to partially offset the impact of macroeconomic and geopolitical headwinds. Thanks to the record-fast completion of furnace repairs at Nadezhda Metallurgical Plant and the successful rollout of our operational efficiency programme, we exceeded our production guidance, maintaining metal output at near 2023 levels. Cost control efforts helped reduce cash operating costs by 3%, almost completely offsetting inflationary pressures. We also managed to reverse the negative, upward trend in working capital, which had been one of the biggest challenges over the past three years due to mounting sanctions pressure on Russian companies.

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The Company continued to expand sales into new markets and launched production of premium nickel brands for the electroplating sector in China. At the Kola site, the carbonyl nickel section was successfully brought back online following repairs, and the production of specialty nickel powders commenced. Additionally, we increased the share of premium copper cathodes to 84.3%. We stayed on track with our USD 2.4 billion investment programme, focusing on mining projects, debottlenecking in concentration and metallurgy, and, naturally, environmental protection. A major milestone in 2024 was the verification of the Sulphur Project's effectiveness at Nadezhda Metallurgical Plant, which has already reduced sulphur dioxide emissions in Norilsk by nearly 390 kt. The Sulphur

Project is aimed at dramatically reducing sulphur dioxide emissions in the Norilsk Industrial District and improving the quality of life for Norilsk residents. The Company has developed and launched an automated air quality monitoring system – one of the first such urban-focused projects in Russia providing real-time air monitoring.

Our top priorities include occupational health and safety as well as social stability. This commitment goes beyond safe operations – we are equally focused on creating conditions that foster productivity and providing opportunities for professional growth and development. In 2024, employee salaries were increased by 10% to reflect the cost-of-living adjustment. Between 2019 and 2024, total wage growth amounted

to 69%. We also extended our collective bargaining agreement for the 2024–2027 period, aligning the interests of both employees and the Company. This agreement remains one of the best in the industry, with Nornickel continuing to offer support well beyond statutory requirements.

We have successfully adapted to the challenges and constraints brought on by the discontinuation of equipment supplies from foreign vendors. Recently, we signed a partnership agreement to pursue a promising new line of business – the production of state-of-the-art mining equipment that meets the highest global standards. We launched the development of a mining equipment production facility in the Krasnoyarsk Territory, which will also offer repair services for the equipment produced.

Last year, we launched an operational efficiency programme covering all aspects of the Group's operations – from boosting labour productivity and ore output to improving recovery rates, enhancing finished product quality, and reducing both production and non-production costs. We are confident that its successful implementation will enhance the Company's resilience to external pressures and improve its financial performance over the coming years.

Managing debt amid limited capital market access and in an exceptionally high key rate environment warrants special mention. We continue to take a conservative approach to debt metrics, with a comfortable repayment schedule in place for our debt portfolio over the next few years and sufficient capital reserves

to meet all obligations – even in the event that new financing becomes completely unavailable.

In conclusion, I wish to reiterate our unwavering commitment to honouring all obligations to our employees and the state. In the face of ongoing commodity market volatility and elevated geopolitical risks, we believe that maintaining the Company's financial strength, improving operational efficiency, and investing in future markets and products serve the best interests of all our shareholders.

Vladimir Potanin
President,
MMC Norilsk Nickel

