

# President's letter

2023 results confirmed Nornickel's ability to demonstrate operational resilience even in a challenging economic and geopolitical environment.



**Dear shareholders,**

Looking back on 2023, I would immediately highlight the fact that the year confirmed Nornickel's ability to demonstrate operational resilience even in a challenging economic and geopolitical environment. As this Report shows, we have succeeded in highlighting that the Company we all build together is ready to face any critical challenge through strict adherence to our production schedule, a responsible approach to investment, and coordinated efforts of the entire team.

Last year, Nornickel and the broader Russian economy grappled with severe sanctions, which, coupled with inflation and volatility across global commodity and financial markets, adversely affected the Company's key financials. Lower market prices for almost all of our metals drove down our revenue and EBITDA. However, we were able to reverse the negative trends of 2022, caused by the need to rethink our logistics and distribution chains. The Company sold all metal volumes produced in 2023 as well as some of its inventories that built up over 2022.

We have maximised our focus on metrics within our control and achieved notable successes in these areas, substantially cutting our operating costs and working capital.

CAPEX totalled close to USD 3 billion in 2023, remaining at a record-high level in rouble terms.

We are currently adjusting our long-term investment plans due to a changing geopolitical situation, self-sanctioning by some of our partners, and a more challenging macroeconomic environment. We are redesigning some projects, exploring alternative solutions, and looking into import substitution opportunities.

In October 2023, Nornickel launched the Sulphur Project at Nadezhda Metallurgical Plant in Norilsk. This is a flagship project of national importance, believed to be the largest environmental programme in Russia.

Construction has taken more than three years. Although certain international vendors refused to provide critical equipment to Russia, we successfully sourced alternative suppliers and completed the project on schedule. As a result, Norilsk now hosts in effect a brand new facility with approximately 500 new jobs. The key thing, however, is that air quality in Norilsk has improved dramatically.

Last year, we approved our Sustainable Development Strategy until 2030, which encompasses four pillars: occupational health and safety, talent management, technological development, and social advancement and enhancements to the quality of life. We fully recognise that major businesses are responsible for developing local communities and for promoting the well-being of wider society, and we reiterate our commitments to stakeholders.

In 2023, Nornickel launched an innovative corporate programme, Digital Investor, under which as many

as over 60 thousand employees have already been granted digital financial assets with a value equivalent to the price of Nornickel shares and received their first dividends.

In conclusion, I would like to express confidence that together we will achieve our goals and will unlock the full potential of our business to the benefit of our employees, investors, and all stakeholders who care about our success.

**Vladimir Potanin**  
 President  
 Chairman of the Management Board MMC Norilsk Nickel

