

## RUSAL ANNOUNCES RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

**Moscow, 15 March 2024 – RUSAL (SEHK: 486; Moscow Exchange: RUAL), a leading global aluminium producer, announces its results for the year ended 31 December 2023.**

### Key highlights

- In 2023, global economic uncertainty continued putting pressure on the demand for aluminium. Meanwhile, geopolitical tensions, including the unprecedented regime of external restrictions and supply chain disruptions, as well as a significant drop in aluminium prices, had a negative impact on the Company's results.
- In this environment, the Company continued to focus on securing its independence in raw materials supplies, restructuring its export sales channels, developing the domestic market, and implementing its investment programme based on the fundamental principles of sustainable development and social responsibility, and aimed at ensuring the Company's continuous operation and further development.
- In 2023, sales of primary aluminium and alloys increased by 6.6% to 4,153 thousand tonnes (3,896 thousand tonnes in 2022), driven by release in 2023 of excess inventory accumulated as at the end of 2022.
- This was offset by a 16.8% decrease in the price of aluminium on the London Metal Exchange (LME) over the corresponding period, reaching an average of USD2,252 per tonne in 2023 (compared to USD2,707 per tonne in 2022), and by a 18.0% decrease in the weighted-average realised aluminium price<sup>1</sup> to USD2,439 per tonne (compared to USD2,976 per tonne in 2022).
- As a result, the 2023 revenue decreased by 12.6% compared to 2022 and amounted to USD12,213 million (USD13,974 million in 2022), adjusted EBITDA decreased by 61.2% to USD786 million (compared to USD2,028 million in 2022), adjusted EBITDA margin decreased to 6.4% (compared to 14.5% in 2022).

### Financial and operating performance

	Six months ended 31 December		Change, % (2H to 2H)	Six months ended 30 June 2023		Change, % (2H to 1H)	Year ended 31 December		Change, % (year-on- year)
	2023 <i>unaudited</i>	2022 <i>unaudited</i>		2023 <i>unaudited</i>	2022				
<i>('000 tonnes)</i>									
Primary aluminium	1,935	1,944	(0.5%)	1,913	1,913	1.2%	3,848	3,835	0.3%
Alumina	2,615	2,653	(1.4%)	2,518	2,518	3.9%	5,133	5,953	(13.8%)
Bauxite (wet)	6,622	5,579	18.7%	6,754	6,754	(2.0%)	13,376	12,319	8.6%
Sales of primary aluminium and alloys	2,218	2,133	4.0%	1,935	1,935	14.6%	4,153	3,896	6.6%
<i>(USD per tonne)</i>									
Aluminium segment cost per tonne <sup>2</sup>	2,062	2,325	(11.3%)	2,297	2,297	(10.2%)	2,173	2,190	(0.8%)
Aluminium price per tonne quoted on the	2,172	2,339	(7.1%)	2,331	2,331	(6.8%)	2,252	2,707	(16.8%)

<sup>1</sup> The realised price includes three components: LME component, commodity premium and VAP upcharge.

<sup>2</sup> For any period, "Aluminium segment cost per tonne" is calculated as aluminium segment revenue (excluding sales of third parties' metal) less aluminium segment results less amortization and depreciation (excluding margin on sales of third parties' metal and alumina intersegment margin) divided by sales volume of the aluminium segment (excluding volumes of third parties' aluminium sold).

LME <sup>3</sup>								
Average premiums over LME price <sup>4</sup>	175	283	(38.2%)	200	(12.5%)	186	309	(39.8%)
Average sales price Alumina price per tonne <sup>5</sup>	2,385	2,654	(10.1%)	2,501	(4.6%)	2,439	2,976	(18.0%)
	335	327	2.4%	352	(4.8%)	343	362	(5.2%)

### Key selected data from the consolidated statement of income

	Six months ended 31 December		Change, % (2H to 2H)	Six months ended 30 June 2023		Change, % (2H to 1H)	Year ended 31 December		Change, % (year-on-year)
	2023 <i>unaudited</i>	2022 <i>unaudited</i>		2023 <i>unaudited</i>	2022				
<i>(USD million)</i>									
Revenue	6,268	6,821	(8.1%)	5,945	5.4%	12,213	13,974	(12.6%)	
Adjusted EBITDA	496	221	124.4%	290	71.0%	786	2,028	(61.2%)	
Margin (% of revenue)	7.9%	3.2%	NA	4.9%	NA	6.4%	14.5%	NA	
Net (Loss)/Profit for the period	(138)	113	NA	420	NA	282	1,793	(84.3%)	
Margin (% of revenue)	(2.2%)	1.7%	NA	7.1%	NA	2.3%	12.8%	NA	
Adjusted Net Profit for the period	(242)	36	NA	315	NA	73	725	(89.9%)	
Margin (% of revenue)	(3.9%)	0.5%	NA	5.3%	NA	0.6%	5.2%	NA	
Recurring Net Profit	175	159	10.1%	527	(66.8%)	702	2,165	(67.6%)	
Margin (% of revenue)	2.8%	2.3%	NA	8.9%	NA	5.7%	15.5%	NA	

### Key selected data from consolidated statement of financial position

	As at 31 December 2023	As at 31 December 2022
<i>(USD million)</i>		
Total assets	21,464	24,631
Total working capital <sup>6</sup>	3,665	4,833
Net Debt <sup>7</sup>	5,779	6,261

### Key selected data from consolidated statement of cash flows

	Year ended 31 December	
	2023	2022
<i>(USD million)</i>		
Net cash generated from/(used in) operating activities	1,760	(412)
Net cash (used in)/generated from investing activities	(1,030)	472
Interest paid	(422)	(428)

<sup>3</sup> Aluminium price per tonne quoted on the LME represents the average of the daily closing official London Metals Exchange ("LME") prices for each period.

<sup>4</sup> Average premiums over LME realized by the Company based on management accounts.

<sup>5</sup> The average alumina price per tonne provided in this table is based on the daily closing spot prices of alumina according to Non-ferrous Metal Alumina Index FOB Australia USD per tonne.

<sup>6</sup> Total working capital is defined as inventories plus trade and other receivables, plus prepayments and input VAT, plus current income tax receivables minus trade and other payables, minus advances received, minus other tax payable.

<sup>7</sup> Net Debt is calculated as Total Debt less cash and cash equivalents as at the end of any period. Total Debt refers to UC RUSAL's loans and borrowings and bonds outstanding at the end of any period.

## Market overview<sup>8</sup>

- In 2023, global economic uncertainty, high inflation and the constant threat of recession continued putting pressure on the demand for aluminium. Geopolitical tensions were affecting the global economy, disrupting the supply chains and the end markets.
- In 2023, the average LME aluminium price dropped by USD455 to USD2,252 per tonne, its lowest point was USD2,069 per tonne in August 2023, after reaching USD2,636 per tonne in mid-January 2023.
- Aluminium consumption increased despite all the above headwinds in 2023 to 70.2 million tonnes, up 1.7% from the previous year. In China, consumption increased to 42.8 million tonnes, which is 4.9% higher than last year's figure. China's decarbonization efforts have increased demand for aluminium, which is a key material for renewable energy-related manufacturing, ranging from electric vehicles to solar panels. Aluminium consumption in the rest of the world (the world excluding China, the "RoW") in 2023 contracted 2.8% year-on-year and amounted to 27.4 million tonnes, showing the figures, previously seen in 2015 and 2016. The demand was supported mainly by sectors with a particular focus on green transformation, namely the automotive and electrical industries. Only these two areas contributed to consumption growth in 2023.
- The worldwide supply of primary aluminium was up by 3.5% year-on-year in 2023, reaching 70.5 million tonnes. RoW production went up by 0.9% to 29.0 million tonnes due to production restart and capacity expansions in South America and India. Nonetheless, around 1.1 million tonnes of aluminium production in Europe was frozen due to high power cost in previous years.
- Aluminium production in China increased by 3.4% year-on-year in 2023 to 41.5 million tonnes and is expected to grow further in 2024 due to the expected growth in new capacity. In China, the industry recorded around 1.5 million tonnes of net capacity increase by end of 2023, as a result of the creation of 3.9 million tonnes of new capacity and additional restart of previously closed production, and 2.4 million tonnes of capacity being closed due to temporal supply cuts in certain provinces. By the end of 2023, China had 45.3 million tonnes of installed aluminium capacity.
- China shipped out a lower volume of unwrought aluminium and alloys to the RoW in 2023 as compared to the previous year due to weak demand in the RoW. China's exports of unwrought aluminium, alloys and semis dropped by 14.0% year-on-year to 5.7 million tonnes in 2023. At the same time, China's imports of unwrought aluminium and alloys rose significantly during 2023 - by 58.8% year-on-year to 2.7 million tonnes. China will increase its import of primary metal in the upcoming years as its production is reaching its capacity limit and to satisfy the healthy demand in aluminium.
- During 2023, aluminium inventories in the LME after rising in high volatility trading in the five months ended 31 May 2023 trended mostly downward until mid-December; and surged by 120 thousand tonnes to 566 thousand tonnes by the end of the year, in particular, the Russian metal supply accounted for 90% of the total LME inventories as at the end of 2023. Metal held outside of LME warehouses (off-warrant reported stocks) wavered during the year and rose by 142 thousand tonnes to 439 thousand tonnes at the end of November 2023.
- Regional aluminium premiums were mostly dropping during the 11 months ended 30 November 2023 due to the downward price pressure from increased supply and weakening global spot demand. In December 2023, premiums stabilised approximately at 18.80 cent per pound for U.S. Midwest aluminium premium, and began to rise in Europe amid wide contango, sanctions against Russian aluminium and risks of supply chain disruption in the Middle East. By the end of 2023, European P1020 Duty Unpaid premium at warehouse Rotterdam stood at USD145 per tonne.
- Overall, the global aluminium market was roughly balanced in 2023.

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<sup>8</sup> Unless otherwise stated, data for the "Market overview" section is sourced from Bloomberg, CRU, CNIA, IAI and Antaika.

## Financial overview

### Revenue

Revenue	Year ended 31 December 2023			Year ended 31 December 2022		
	USD million	'000 tonnes	Average sales price (USD/t)	USD million	'000 tonnes	Average sales price (USD/t)
Sales of primary aluminium and alloys	10,129	4,153	2,439	11,593	3,896	2,976
Sales of alumina	340	759	448	550	1,169	470
Sales of foil and other aluminium products	550	—	—	581	—	—
Other revenue <sup>9</sup>	1,194	—	—	1,250	—	—
<b>Total revenue</b>	<b>12,213</b>			<b>13,974</b>		

Total revenue decreased by USD1,761 million or by 12.6% to USD12,213 million in 2023 compared to USD13,974 million in 2022.

Revenue from sales of primary aluminium and alloys decreased by USD1,464 million, or by 12.6%, to USD10,129 million in 2023, as compared to USD11,593 million in 2022, primarily due to 18.0% decrease in the weighted-average realized aluminium price per tonne (to an average of USD2,439 per tonne in 2023 from USD2,976 per tonne in 2022) driven by a decrease in the LME aluminium price (to an average of USD2,252 per tonne in 2023 from USD2,707 per tonne in 2022), which was partially offset by a 6.6% increase in the sales volumes between the compared periods.

Revenue from sales of alumina decreased by 38.2% to USD340 million for the year ended 31 December 2023 from USD550 million for the year ended 31 December 2022 due a decrease in the alumina sales volume by 35.1% as well as a decrease by a 4.7% in the average sales price.

Revenue from sales of foil and other aluminium products decreased by USD31 million, or by 5.3%, to USD550 million in 2023, as compared to USD581 million in 2022, due to a decrease in revenue from sales of foil by 11.9% between the compared periods.

Revenue from other sales, including sales of other products, bauxite and energy services, decreased by 4.5% to USD1,194 million for the year ended 31 December 2023 as compared to USD1,250 million for the previous year, due to a decrease in sales of other materials (such as anode blocks by 12.1%, aluminium powder by 15.3%, silicon by 28.0%), which was partially offset by an increase in revenue from the sale of bauxite, and also due to a 27.0% decrease in revenue from the sale of services (mainly a 36.8% decrease in revenue from the sale of energy services, what was caused by the weakening of the Russian rouble against the US dollar).

### Cost of sales

The following table demonstrates the breakdown of UC RUSAL's cost of sales for the year ended 31 December 2023 and 2022, respectively:

	Year ended 31 December 2023	Year ended 31 December 2022	Change, % (year-on-year)	Share of costs,%
<i>(USD million)</i>				
Cost of alumina	2,029	1,847	9.9%	19.4%
Cost of bauxite	235	331	(29.0%)	2.2%
Cost of other raw materials and other costs	3,074	3,835	(19.8%)	29.4%
Purchases of primary aluminium from JV	656	940	(30.2%)	6.3%

<sup>9</sup> Including energy and bauxite.

Energy costs	2,288	2,658	(13.9%)	21.9%
Depreciation and amortization	513	481	6.7%	4.9%
Personnel expenses	667	781	(14.6%)	6.4%
Repairs and maintenance	455	532	(14.5%)	4.4%
Net change in provisions for inventories	(12)	171	NA	(0.1%)
Change in finished goods	540	(806)	NA	5.2%
<b>Total cost of sales</b>	<b>10,445</b>	<b>10,770</b>	<b>(3.0%)</b>	<b>100.0%</b>

Total cost of sales decreased by USD325 million, or by 3.0%, to USD10,445 million for the year ended 31 December 2023, as compared to USD10,770 million for the year ended 31 December 2022.

The cost of alumina increased by USD182 million, or by 9.9%, to USD2,029 million in 2023 as compared to USD1,847 million in 2022 primarily due to the increase in alumina purchase volume by 11.9% between the periods which was partially offset by the decrease in alumina purchase price.

The cost of raw materials (other than alumina and bauxite) and other costs decreased by 19.8% in 2023 compared to 2022, due to a decrease in raw materials purchase price (prices for the raw pitch coke went down by 38.3%, pitch by 16.3%, anode blocks by 28.1%, caustic soda by 28.9%).

Energy costs decreased by USD370 million, or by 13.9%, to USD2,288 million for the year ended 31 December 2023, as compared to USD2,658 million for the year ended 31 December 2022 due to a decrease by 13.9% in the average electricity tariff between the comparable periods (USD3.18 cent/kWh in 2023 as compared to USD3.69 cent/kWh in 2022) that was caused by the weakening of Russian rouble against US dollar during the reporting period.

The finished goods mainly consist of primary aluminium and alloys (approximately 95% of the total volume). The change dynamics between the reporting periods was driven by the fluctuations of primary aluminium and alloys physical inventory between the reporting periods: 27.7% decrease in 2023 and 33.3% increase in 2022.

## Results from operations and Adjusted EBITDA

<i>(USD million)</i>	Year ended 31 December		Change, % (year-on-year)
	2023	2022	
<b>Reconciliation of Adjusted EBITDA</b>			
Results from operating activities	(79)	1,316	NA
<i>Add:</i>			
Amortization and depreciation	540	503	7.4%
Impairment of non-current assets	321	196	78.1%
Loss on disposal of property, plant and equipment	4	13	(69.2%)
<b>Adjusted EBITDA</b>	<b>786</b>	<b>2,028</b>	<b>(61.2%)</b>

Adjusted EBITDA, defined as results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment, decreased to USD786 million for the year ended 31 December 2023, as compared to USD2,028 million for the year ended 31 December 2022. The factors that contributed to the decrease in Adjusted EBITDA margin were the same that influenced the operating results of the Company.

## Profit for the period

As a result of the above, the Company recorded a profit of USD282 million in 2023, as compared to USD1,793 million in 2022.

## Adjusted and Recurring Net Profit

	Six months ended 31 December		Change, % (2H to 2H)	Six months ended 30 June		Change, % (2H to 1H)	Year ended 31 December		Change, % (year-on- year)
	2023 <i>unaudited</i>	2022 <i>unaudited</i>		2023 <i>unaudited</i>	2022		2023	2022	
<i>(USD million)</i>									
<b>Reconciliation of Adjusted Net (Loss)/Profit</b>									
Net (loss)/profit for the period	(138)	113	NA	420	NA	282	1,793	(84.3%)	
Adjusted for:									
Share of profits and other gains and losses attributable to Norilsk Nickel, net of tax effect	(417)	(123)	239.0%	(212)	96.7%	(629)	(1,440)	(56.3%)	
Change in the fair value of derivative financial liabilities, net of tax (20%)	59	(127)	NA	40	47.5%	99	176	(43.8%)	
Impairment of non-current assets	254	173	46.8%	67	279.1%	321	196	63.8%	
<b>Adjusted Net Profit</b>	<b>(242)</b>	<b>36</b>	<b>NA</b>	<b>315</b>	<b>NA</b>	<b>73</b>	<b>725</b>	<b>(89.9%)</b>	
<b>Add back:</b>									
Share of profits of Norilsk Nickel, net of tax	417	123	239.0%	212	96.7%	629	1,440	(56.3%)	
<b>Recurring Net Profit</b>	<b>175</b>	<b>159</b>	<b>10.1%</b>	<b>527</b>	<b>(66.8%)</b>	<b>702</b>	<b>2,165</b>	<b>(67.6%)</b>	

Adjusted Net Profit/(Loss) for any period is defined as the net profit/(loss) adjusted for the net effect of the Company's investment in Norilsk Nickel, the net effect of derivative financial instruments and the net effect of non-current assets impairment. Recurring Net Profit/(Loss) for any period is defined as Adjusted Net Profit/(Loss) plus the Company's net effective share in Norilsk Nickel results.

## Segment reporting

The Group has four reportable segments, as described in the Annual Report, which are the Group's strategic business units: Aluminium, Alumina, Energy and Mining and Metals. These business units are managed separately and results of their operations are reviewed by the General Director on a regular basis.

The core segments are Aluminium and Alumina.

	Year ended 31 December			
	2023		2022	
	Aluminium	Alumina	Aluminium	Alumina
<i>(USD million)</i>				
Segment revenue				
<i>thousand tonnes</i>	3,972	4,340	3,693	5,373
<i>USD million</i>	9,682	1,926	10,962	2,620
Segment result	685	34	2,526	(77)
Segment result margin	7.1%	1.8%	23.0%	(2.9%)
Segment EBITDA <sup>10</sup>	1,052	88	2,872	2
Segment EBITDA margin	10.9%	4.6%	26.2%	0.1%
Capital expenditure	(682)	(249)	(768)	(311)

<sup>10</sup> Segment EBITDA for any period is defined as segment result adjusted for amortization and depreciation for the segment.

The Company presents two metrics for Aluminium segment: (1) total segment information and (2) information on own aluminium production. The difference between two metrics relates to the intersegment margins, sales of third parties metal and related costs and other non-production costs and expenses. Segment information for the year ended 31 December 2023 presented above relates to own aluminium production that is different from the relevant segment information presented in the Company's consolidated financial statements for the year ended 31 December 2023.

Key drivers for the decrease in margin in the aluminium segment are disclosed in "Revenue", "Cost of sales" and "Adjusted EBITDA and results from operating activities" sections above. Detailed segment reporting can be found in the consolidated financial statements for the year ended 31 December 2023.

## Capital expenditure

UC RUSAL recorded a total capital expenditure of USD1,056 million for the year ended 31 December 2023. UC RUSAL's capital expenditure in 2023 was aimed at maintaining existing production facilities.

The table below shows the breakdown of RUSAL's capital expenditure for the six months ended 31 December 2023 and 2022:

	Year ended 31 December	
	2023	2022
<i>(USD million)</i>		
<b>Development capital expenditure</b>	393	410
<b>Maintenance:</b>		
Pot rebuilds costs	81	206
Re-equipment	582	623
<b>Total capital expenditure</b>	<b>1,056</b>	<b>1,239</b>

## Forward-looking statements

This announcement contains statements about future events, projections, forecasts and expectations that are forward-looking statements. Any statement in this announcement that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause UC RUSAL's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include those discussed or identified in the prospectus for UC RUSAL. In addition, past performance of UC RUSAL cannot be relied on as a guide to future performance. UC RUSAL makes no representation on the accuracy and completeness of any of the forward-looking statements, and, except as may be required by applicable law, assumes no obligations to supplement, amend, update or revise any such statements or any opinion expressed to reflect actual results, changes in assumptions or in UC RUSAL's expectations or changes in factors affecting these statements. Accordingly, any reliance you place on such forward-looking statements will be at your sole risk.

## About RUSAL

RUSAL (www.rusal.com, SEHK: 486) is a leader in the global aluminium industry and a leading low-carbon. In 2023, the Company accounted for about 5.5% of global production of aluminium and 3.8% of global production of alumina. RUSAL's offices and production facilities are located in over 20 countries all over the world and across 5 continents. The carbon footprint of the Company's low-carbon aluminium ALLOW is 5 times lower than the industry's average (Scope 1 and 2, at the smelter).

### *Disclaimer*

*The information contained in this press release is for media advice only. The contents are true and accurate at the time of publishing, however, may change over time.*

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