



Interim Report 2022

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FINANCIAL AND OPERATING HIGHLIGHTS

	For the six months ended 30 June	
<i>USD million (unless otherwise specified)</i>	2022	2021
Revenue	7,153	5,449
Adjusted EBITDA	1,807	1,315
Adjusted EBITDA Margin	25.3%	24.1%
Share of Profits of Associates and Joint Ventures	1,366	1,171
Profit before taxation	2,364	2,161
Net Profit	1,680	2,018
Net Profit Margin	23.5%	37.0%
Adjusted Net Profit	689	679
Adjusted Net Profit margin	9.6%	12.5%
Recurring Net Profit	2,006	1,803
Recurring Net Profit Margin	28.0%	33.1%
Earnings per Share (USD)	0.1106	0.1328
	As at 30 June 2022	As at 31 December 2021
Total Assets	25,419	20,906
Total Equity	14,854	10,524
Net Debt	5,868	4,749

CHAIRMAN'S LETTER

Dear Shareholders,

I am pleased to present to you RUSAL's 2022 Interim Report. The ongoing macroeconomic tension has continued to present significant economic challenges over the last few months, across all businesses and industries, as well as creating instability and volatility for the aluminium market. Today we find ourselves living in a new reality and we are forced to quickly adapt and keep moving forward.

In the first half of 2022, we encountered numerous difficulties, which we are overcoming. One of the most important was the confusion around the scope of various sanctions. We have since observed further compliance checks from the banks as well as several institutions choosing to reduce exposure to financing commodities originating from Russia.

The volatility of commodity markets, currency markets and interest rates, create significant uncertainty. Management continues to evaluate the current situation and prepares forecasts taking into account different scenarios and conditions.

Overall, we entered 2022 with a strong balance sheet and we have been largely able to overcome the challenges mentioned above. We can say that, for the time being, problems with operations, logistic and supply chain are resolved, allowing the Company to execute all contracts in full.

We have had a half year with many uncertainties, however, we have continued to focus on our people, sustainability developments, community outreach and executing the broader business strategy.

Since RUSAL is the largest global low-carbon aluminium producer and a key primary aluminium supplier, our goal is to remain a stabilizing factor for the global aluminium sector. Whilst there are challenges ahead, we will do our best to adapt and overcome any obstacles. I would like to thank the Directors and senior management, who have worked tirelessly to ensure RUSAL continues leading the industry, and also thousands of team members who have dedicated their time to carrying us through what continue to be extraordinary times.

Bernard Zonneveld
Chairman of the Board
12 August 2022

GENERAL DIRECTOR'S LETTER

Dear shareholders,

I am glad to present to you RUSAL's 2022 Interim Report. Clearly, the scale of challenges we are facing now is unprecedented. Geopolitical tensions rise, increasing volatility in the commodities, stock and currency markets, which cannot help but negatively affect the Company's operations.

Over the past few years, RUSAL has gone through global financial crises, sanctions pressure and epidemic outbreaks. However, today we face a challenge, which might turn out to be the toughest in our history. The disorganization caused by the pandemic and the geopolitical turbulence of recent months have converged into a single set of negative factors.

The Australian government's ban on alumina and bauxite exports to Russia along with the Nikolaev Alumina Refinery suspension due to the situation in Ukraine, have a direct impact on the availability of raw materials for RUSAL. Logistical issues are forcing us to rebuild our supply chains and sales.

The strengthening of the ruble, combined with other factors, has led to an increase in the cost of aluminium production.

Nevertheless, I am proud to say, that RUSAL has a significant margin of safety and is capable of adapting to changes and respond to challenges effectively. The Company will have to continue to realign its business processes and operations. We have done a lot, but there is still a long way to go.

Apart from the obvious difficulties, the current situation provides the opportunity to reset our priorities and get a better understanding of what is important for the Company. We remain committed to our long-term priorities, strategic vision and business goals, intending to continue to provide support to our customers, partners and team members.

Evgenii Nikitin
General Director
12 August 2022

Overview of Trends in the Aluminium Industry and Business Environment

Market overview¹

- Most of base metals continue to drop in prices amid a deteriorating demand outlook. The latest economic data showed global manufacturing activity growth slowing further in June, and a larger-than expected decline in US consumer spending/confidence. On top of the weak economic data, the US dollar rallied toward parity with the Euro as the FED and ECB intend interest rates hikes will continue despite higher recession risks partially in EU. In the second quarter of 2022, the LME aluminium price dropped below USD2,400 per tonne level after reaching a record high USD3,985 per tonne in the first quarter 2022. This was despite continued soaring power prices in Europe and US due to significantly increased electricity and natural gas prices. In addition, a number of European and US aluminium smelters faced a significant smelting cost pressure and negative margins. As a result, more than 1 million tonnes of combined EU and US aluminium smelting capacity was fully or partly closed during the first half of 2022 and an additional 1.0 million tonnes of capacity is at a high risk of closure. Overall, at current aluminium prices, around 13 million tonnes or 20% of global aluminium production generate negative margins.
- In the first half of 2022, global primary aluminium demand grew by 0.8% year-on-year to 34.2 million tonnes. In the rest of the world (“**RoW**”) demand increased by 3.8% to 14.5 million tonnes, while demand in China contracted by 1.3% to 19.7 million tonnes. Demand in China was negatively affected by COVID lockdowns during the first half of 2022.
- The worldwide supply of primary aluminium was stalled by 0.6% year-on-year in the first half of 2022 to 33.6 million tonnes. The RoW production declined by 0.9% to 14.0 million tonnes. High gas prices in Europe have caused significant disruption to the aluminium smelting production due to smelters’ negative cash margins. Nine European smelters with 1.63 million tonnes per annum capacity executed or announced approximately 1 million of operating aluminium capacity cuts starting from the fourth quarter of 2021.

¹ Unless otherwise stated, data for the “Market overview” section is sourced from Bloomberg, CRU, CNIA, IAI and Antaike.

MANAGEMENT DISCUSSION AND ANALYSIS

- Aluminium production in China was almost unchanged in the first half of 2022 at 19.7 million tonnes and expected to grow rapidly in the second half of 2022. In China, significant easing of power supply tightness resulted in full restart of previously closed 2.2 million tonnes of aluminium smelting capacity and additional 1.6 million of new capacity. As expected additional 0.4 million tonnes of new capacity can be potentially ramped up during the second half of 2022.
- As a result, global aluminium market was in 0.5 million tonnes of deficit during the first half of 2022, with 0.5 million tonnes of deficit in the Rest of the World, while in China the market was practically balanced for the same period.
- China shipped out a record volume of aluminium to the rest of the world in the first half of 2022. China's exports of unwrought aluminium, alloy and aluminium products rose 34.1% year-on-year on a monthly adjusted basis to 3.51 million tonnes in the first half of 2022. The exports have now marked a year-on-year growth for 14 straight months. This result was largely due to attractive export arbitrage and rising overseas demand. At the same time import of unwrought aluminium and alloy declined during the first half of 2022 by 30% year-on-year to approximately 0.9 million tonnes.
- During 2022, aluminium inventories were mostly falling and reaching new historic lows, starting from January 2022, with total LME stocks staying below 0.4 million tonnes at the end of the first half of 2022. Metal held outside of LME warehouses (off-warrant reported stocks) fell to 197 thousand tonnes by the end of March 2022, but during April – May stocks rebounded to 290 thousand tonnes.
- Overall, regional aluminium premiums remained strong with some softness due to container freight rates decline and stable supply with Midwest aluminium premium ranging between 28.5-29.0 cents per lb and EU DU premium – above USD460-480 per tonne. These premiums in the EU and US continue to be well supported in anticipation of possible further smelting disruptions in Europe and the US following a significant rise in the cost of power.

Our Business

The principal activities of the Group are bauxite and nepheline ore mining and processing, alumina refining and aluminium smelting, as well as sales of bauxite, alumina and various primary aluminium and secondary products. There were no significant changes in the Group's principal activities for the six months ended 30 June 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and operating performance

The tables below provide key selected financial, production and other information for the Group.

	Six months ended 30 June	
	2022	2021
Key operating data²		
<i>(thousand tonnes)</i>		
Primary aluminium	1,891	1,868
Alumina	3,300	4,102
Bauxite (wet)	6,740	7,637
Sales of primary aluminium and alloys	1,763	2,000
<i>(USD per tonne)</i>		
Aluminium segment cost per tonne ³	2,028	1,523
Aluminium price per tonne quoted on the LME ⁴	3,075	2,245
Average premiums over LME price ⁵	342	203
Alumina price per tonne ⁶	396	288

² Figures based on total respective attributable output.

³ 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).

⁴ Aluminium price per tonne quoted on the LME represents the average of the daily closing official LME prices for each period.

⁵ Average premiums over LME realized by the Company based on management accounts.

⁶ 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Key selected data from the consolidated interim condensed statement of income

<i>(USD million)</i>	Six months ended 30 June	
	2022	2021
Revenue	7,153	5,449
Cost of sales	(4,762)	(3,819)
Gross profit	2,391	1,630
Adjusted EBITDA	1,807	1,315
<i>Margin (% of revenue)</i>	<i>25.3%</i>	<i>24.1%</i>
Profit for the period	1,680	2,018
<i>Margin (% of revenue)</i>	<i>23.5%</i>	<i>37.0%</i>
Adjusted Net Profit for the period	689	679
<i>Margin (% of revenue)</i>	<i>9.6%</i>	<i>12.5%</i>
Recurring Net Profit	2,006	1,803
<i>Margin (% of revenue)</i>	<i>28.0%</i>	<i>33.1%</i>

Aluminium production

RUSAL produced 1.891 million tonnes of aluminium in the six months ended 30 June 2022, compared to 1.868 million tonnes in the same period of 2021. The increase is due to start of Taishet aluminium smelter.

The value-added production volumes for the six months ended 30 June 2022 decreased to 883 thousand tonnes from 965 thousand tonnes in the same period of 2021 due to deterioration of market conditions and decrease of buying interest.

MANAGEMENT DISCUSSION AND ANALYSIS

Alumina production

Production of alumina in the first half of 2022 decreased by 19.56% year-on-year to 3.3 million tonnes (for comparison: RUSAL produced 4.1 million tonnes in the first half of 2021). The decrease in output is due to:

- the suspension of production at the Nikolaev Alumina Refinery in Ukraine;
- the inability to process Australian bauxite and export 20% of alumina from the Australian Queensland Alumina Limited (“QAL”) plant from April 2022 due to the refusal of Australian partners to fulfill contractual obligations⁷ based on the sanctions imposed by the Australian Government;
- a slight reduction in production at Alumina refinery Aughinish is due to the replacement of the bauxite processed.

Alumina plants located in the Russian Federation increased production by 30 thousand tonnes (2%) compared to the same period last year.

The needs of aluminium production in alumina are fully provided with alternative supplies.

Bauxite and nepheline production

The production of bauxite in the first half of 2022 decreased by 11.75% compared to the same period last year and amounted to 6.74 million tonnes (for comparison: in the first half of 2021 RUSAL produced 7.64 million tonnes of bauxite). The decrease in production is due to a decrease in the need for bauxite with a drop in alumina production (the suspension of alumina production at the Nikolaev Alumina Refinery had the greatest impact).

Production of nepheline in the first half of 2022 decreased by 0.16% compared to the same period last year and amounted to 2.158 million tonnes (for comparison: in the first half of 2021 RUSAL produced 2.161 million tonnes of nepheline). More difficult geological conditions for mining at lower levels of nepheline ore deposits caused an insignificant reduction in the output.

⁷ Challenged in court.

MANAGEMENT DISCUSSION AND ANALYSIS

Foil and packaging productions

Aluminium foil and packaging material production by the Group's plants totaled 54.7 thousand tonnes for the six months ended 30 June 2022. There was a 1.7% increase from 53.8 thousand tonnes in the six months ended 30 June 2021.

Foil mills <i>(thousand tonnes)</i>	Six months ended 30 June		Change
	2022	2021	six months on six months %
Russia			
Sayanal	19.9	19.2	3.8%
Ural Foil	14.9	14.9	0.2%
Sayana Foil	3.8	2.8	34.7%
<hr/>			
Armenia			
Armenal	16.1	16.9	(4.8)%
<hr/>			
Total production	54.7	53.8	1.7%

MANAGEMENT DISCUSSION AND ANALYSIS

Other business

RUSAL's output from its non-core business recorded the following results for the six months ended 30 June 2022 compared to the respective period in the previous year.

<i>(thousand tonnes)</i>	Six months ended 30 June		Change
	2022	2021	six months on six months %
Secondary alloys	7.7	7.4	4.0%
Silicon	23.5	13.2	78.9%
Powder	15.8	14.3	10.4%
Wheels <i>(thousand units)</i>	1,180	1,456	(19.0%)

Production of wheels in the first half of 2022 decreased by 19.0% comparing to the same period in the first half of 2021 due to a fall in the domestic auto market, and a halt in production at the car factories.

Coal production results

Coal production, which is represented by the Group's 50% share in LLP Bogatyr Komir, decreased by 1.9% to 10.916 million tonnes in the first half of 2022 compared to 11.122 million tonnes in the first half of 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Revenue	Six months ended 30 June 2022			Six months ended 30 June 2021		
	USD million	thousand tonnes	Average sales price (USD/t)	USD million	thousand tonnes	Average sales price (USD/t)
Sales of primary aluminium and alloys	5,932	1,763	3,365	4,574	2,000	2,287
Sales of alumina	299	624	479	276	830	333
Sales of foil and other aluminium products	286			232		
Other revenue ⁸	636			367		
Total revenue	7,153			5,449		

Total revenue increased by USD1,704 million, or 31.3% to USD7,153 million in the first six months of 2022 from USD5,449 million in the corresponding period of 2021.

Revenue from sales of primary aluminium and alloys for the first six months of 2022 increased by USD1,358 million, or by 29.7%, to USD5,932 million, as compared to USD4,574 million for the first half of 2021, primarily due to 47.1% increase in the weighted-average realized aluminium price per tonne (to an average of USD3,365 per tonne in the first six months of 2022 from USD2,287 per tonne in the first six months of 2021) driven by an increase in the LME aluminium price (to an average of USD3,075 per tonne in the first six months of 2022 from USD2,245 per tonne in the first six months of 2021), which was partially offset by a 11.9% decrease in primary aluminium and alloys sales volume.

Revenue from sales of alumina increased by 8.3% to USD299 million in the first six months of 2022 from USD276 million in the corresponding period of 2021 primarily due to an increase in the average sales price by 43.8% despite the fact that sales volumes decreased by 24.8%.

⁸ Including energy and bauxite.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from sales of foil and other aluminium products increased by USD54 million, or by 23.3%, to USD286 million in the first six months of 2022, as compared to USD232 million for the corresponding period of 2021, primarily due to an increase in sales volumes of foil between the comparable periods.

Revenue from other sales, including sales of other products, bauxite and energy services increased by 73.3% to USD636 million in the first six months of 2022 as compared to USD367 million for the respective period of 2021, due to a 76.0% increase in sales of other materials (such as anode blocks by 122.5%, silicon by 105.1%, aluminium powder by 60.3%, soda by 58.0%).

The table below shows the breakdown of the Group's revenues by geographic segment for the six months ended 30 June 2022 and 2021, showing the percentage of revenue attributable to each region:

	Six months ended 30 June			
	2022		2021	
	USD million	% of revenue	USD million	% of revenue
Europe	2,866	40%	1,980	37%
CIS	2,103	29%	1,692	31%
America	501	7%	497	9%
Asia	1,616	23%	1,213	22%
Other	67	1%	67	1%
Total	7,153	100%	5,449	100%

Note: Data based on location of customers, which may differ from the location of final consumers.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales

The following table demonstrates the breakdown of RUSAL's cost of sales for the six months ended 30 June 2022 and 2021:

	Six months ended 30 June 2022	Six months ended 30 June 2021	Change year- on-year, %	Share of costs,% (Six months ended 30 June 2022)
<i>(USD million)</i>				
Cost of alumina	675	356	89.6%	14.2%
Cost of bauxite	186	225	(17.3%)	3.9%
Cost of other raw materials and other costs	2,040	1,428	42.9%	42.8%
Purchases of primary aluminium from joint ventures	519	305	70.2%	10.9%
Energy costs	1,183	985	20.1%	24.8%
Depreciation and amortization	234	303	(22.8%)	4.9%
Personnel expenses	362	278	30.2%	7.6%
Repairs and maintenance	227	182	24.7%	4.8%
Net change in provisions for inventories	155	5	3,000.0%	3.3%
Change in finished goods	(819)	(248)	230.2%	(17.2%)
Total cost of sales	4,762	3,819	24.7%	100.0%

Total cost of sales increased by USD943 million, or 24.7%, to USD4,762 million for the first six months of 2022, as compared to USD3,819 million for the corresponding period of 2021.

The dynamic was predominantly driven by the increase in alumina and other raw material prices, average electricity and transportation tariffs.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit

As a result of the foregoing factors, RUSAL reported a gross profit of USD2,391 million for the six months ended 30 June 2022 compared to USD1,630 million for the same period of 2021, representing an increase in gross profit margin to 33.4% from 29.9% between the periods.

Results from operations and Adjusted EBITDA

<i>(USD million)</i>	Six months ended 30 June		Change, year- on-year, %
	2022	2021	
Reconciliation of Adjusted EBITDA			
Results from operating activities	1,532	942	62.6%
Add:			
Amortization and depreciation	247	317	(22.1%)
Impairment of non-current assets	23	55	(58.2%)
Loss on disposal of property, plant and equipment	5	1	400.0%
Adjusted EBITDA	1,807	1,315	37.4%

Adjusted EBITDA, defined as results from operating activities adjusted for amortization and depreciation, impairment charges and loss on disposal of property, plant and equipment, increased to USD1,807 million during the first six months of 2022, as compared to USD1,315 million for the corresponding period of 2021. The factors that contributed to the increase in Adjusted EBITDA were the same that influenced the operating results of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance income and expenses

<i>(USD million)</i>	Six months ended 30 June		Change, year- on- year
	2022	2021	
Finance income			
Interest income on third party loans and deposits	42	12	250.0%
Revaluation of investments measured at fair value through profit and loss, incl. forex income	164	13	1,161.5%
	206	25	724.0%
Finance expenses			
Interest expense on bank and company loans, bonds and other bank charges, including:	(172)	(184)	(6.5%)
<i>Interest expense</i>	(160)	(168)	(4.8%)
<i>Bank charges</i>	(12)	(16)	(25.0%)
Change in fair value of derivative financial instruments, including:	(348)	(235)	48.1%
<i>Change in fair value of embedded derivatives</i>	(8)	(65)	(87.7%)
<i>Change in other derivatives instruments</i>	(340)	(170)	100.0%
Net foreign exchange loss	(216)	(48)	350.0%
Interest expense on provisions	(4)	(2)	100.0%
	(740)	(469)	57.8%

Finance income increased by USD181 million, or 724.0% to USD206 million for the first six months of 2022 compared to USD25 million for the same period of 2021 primarily due to an increase in the revaluation of investments measured at fair value through profit and loss, incl. forex income between the comparable periods.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance expenses increased by USD271 million or by 57.8% to USD740 million for the first six months of 2022 as compared to USD469 million for the corresponding period of 2021, primarily due an increase in net foreign exchange loss between the comparable periods as well as an increase in the net loss from change in fair value of derivative financial instruments for the first six months of 2022.

Share of profits of associates and joint ventures

<i>(USD million)</i>	Six months ended 30 June		Change, year- on-year, %
	2022	2021	
Share of profits of Norilsk Nickel, with Effective shareholding of	1,317 26.39%	1,124 26.39%	17.2%
Share of profits of associates	1,317	1,124	17.2%
Share of profits of joint ventures	49	47	4.3%

Share of profits of associates was USD1,317 million in the first six months of 2022 compared to share of profits of associates USD1,124 million in the corresponding period of 2021. Share of profits of associates in both periods resulted from the Company's investment in Norilsk Nickel.

The market value of RUSAL's stake in Norilsk Nickel was USD13,720 million as at 30 June 2022, as compared to USD12,395 million as at 31 December 2021.

The share of profits of joint ventures was USD49 million in the first six months of 2022 as compared to USD47 million for the same period of 2021. The Company's joint ventures include investments in BEMO, LLP Bogatyr Komir, Mega Business and Alliance (coal and transportation business in Kazakhstan).

MANAGEMENT DISCUSSION AND ANALYSIS

Profit before taxation

As a result of the foregoing factors, the Company's profit before taxation was USD2,364 million for the first six months of 2022 compared to the profit before taxation of USD2,161 million for the same period of 2021.

Income tax

The Company recognized income tax expense in amount of USD684 million for the six months ended 30 June 2022 as compared to USD143 million income tax expense for the first half of 2021.

Profit for the period

As a result of the above, profit for the period comprised of USD1,680 million for the first half of 2022 as compared USD2,018 million for the same period of 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Adjusted and Recurring Net Profit

	2022	Six months ended 30 June 2021	Change, year- on-year, %
<i>(USD million)</i>			
Reconciliation of Adjusted and Recurring Net Profit			
Profit for the period	1,680	2,018	(16.7%)
Adjusted for:			
Share of profits and other gains and losses attributable to Norilsk Nickel, net of tax effect, with	(1,317)	(1,124)	17.2%
Change in the fair value of derivative financial liabilities, net of tax (20%)	303	222	36.5%
Impairment of non-current assets, net of tax	23	55	(58.2%)
Gain from partial disposal of investment in associate	–	(492)	(100.0%)
Adjusted Net Profit	689	679	1.5%
Add back:			
Share of Profit of Norilsk Nickel, net of tax	1,317	1,124	17.2%
Recurring Net Profit	2,006	1,803	11.3%

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 impairment of non-current assets. Recurring Net Profit/(Loss) for any period is defined as Adjusted Net Profit/(Loss) plus the Company's net effective share in Norilsk Nickel's results.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

	Six months ended 30 June			
		2022		2021
	Aluminium	Alumina	Aluminium	Alumina
<i>(USD million)</i>				
Segment revenue				
<i>thousand tonnes</i>	1,678	3,139	1,853	3,777
<i>USD million</i>	5,622	1,453	4,209	1,183
Segment result	2,053	(43)	1,215	(39)
Segment result margin	36.5%	(3.0%)	28.9%	(3.3%)
Segment EBITDA ⁹	2,218	(2)	1,386	64
Segment EBITDA margin	39.5%	(0.1%)	32.9%	5.4%
Capital expenditure	(299)	(116)	(293)	(86)

Key drivers for the increase 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 Interim Condensed Financial Statements included in this Interim Report.

⁹ Segment EBITDA for any period is defined as segment result adjusted for amortization and depreciation for the segment.

MANAGEMENT DISCUSSION AND ANALYSIS

Working capital

The following table sets forth the Group's current assets, current liabilities and working capital as at the dates indicated:

	As at 30 June 2022	As at 31 December 2021
<i>(USD million)</i>		
Current assets		
Inventories	4,548	3,692
Trade and other receivables	2,543	1,646
Dividends receivable	–	827
Short-term investments	130	167
Derivative financial assets	200	120
Cash and cash equivalents	1,431	1,984
Total current assets	8,852	8,436
Current liabilities		
Loans and borrowings	3,752	1,894
Trade and other payables	1,948	2,408
Derivative financial liabilities	5	145
Provisions	144	145
Total current liabilities	5,849	4,592
Net current assets	3,003	3,844
Working Capital	5,143	2,930

The Group had working capital of USD5,143 million as at 30 June 2022, up by 75.5% from USD2,930 million as at 31 December 2021. Inventories increased by USD856 million, or 23.2%, to USD4,548 million as at 30 June 2022 from USD3,692 million as at 31 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Trade and other receivables increased by USD897 million, or 54.5%, to USD2,543 million as at 30 June 2022 from USD1,646 million as at 31 December 2021, due to the increase in trade receivables from third parties.

Trade and other payables decreased by USD460 million, or 19.1%, to USD1,948 million at 30 June 2022 from USD2,408 million at 31 December 2021. The drop was primarily attributable to a decrease in advances received from the Group's main customers.

Capital expenditure

RUSAL recorded capital expenditures (which constitute payments for the acquisition of property, plant and equipment and intangible assets) of USD465 million in the first half of 2022. RUSAL's capital expenditure for the six months ended 30 June 2022 was primarily aimed at maintaining existing production facilities.

The table below shows the breakdown of RUSAL's capital expenditure for the six months ended 30 June 2022 and 2021:

	Six months ended 30 June	
	2022	2021
<i>(USD million)</i>		
Development capital expenditure	176	182
Maintenance, including:		
Pot rebuilds costs	97	66
Re-equipment	192	306
Total capital expenditure	465	554

MANAGEMENT DISCUSSION AND ANALYSIS

Loans and borrowings

The nominal value of the Group's loans and borrowings was USD4,977 million as at 30 June 2022, not including bonds, which amounted to an additional USD2,312 million.

Below is an overview of certain key terms of the selected facilities in the Group's loan portfolio as at 30 June 2022:

Facility/Lender	Principal amount outstanding as at 30 June 2022	Tenor/Repayment schedule	Pricing
<i>Syndicated facilities</i>			
PXF Facility 2019	USD904 million	Up to USD1.085 billion syndicated aluminium pre-export finance term facility – until November 2024 equal quarterly repayments starting from January 2022	3 month LIBOR plus 2.1% p.a.
PXF Facility 2021	USD175 million	Up to USD200 million syndicated aluminium pre-export finance term facility – until January 2024 equal quarterly repayments starting from April 2022	3 month LIBOR plus 1.7% p.a.
Taishet project financing	RUB9 billion	Syndicated project finance facility – until December 2035, quarterly repayments starting from March 2023	Key rate of the Bank of Russia plus 3.15% p.a.
<i>Bilateral loans</i>			
Bank Loan	USD200 million	November 2022, bullet repayment at final maturity date	4.65% p.a.
Bank Loan	USD2.1 billion	December 2027, quarterly repayments starting from September 2024	3 month LIBOR plus 3.0% p.a.
	RUB17.9 billion		Key rate of the Bank of Russia plus 1.9% p.a.

MANAGEMENT DISCUSSION AND ANALYSIS

Facility/Lender	Principal amount outstanding as at 30 June 2022	Tenor/Repayment schedule	Pricing
Bank Loan	RUB30.0 billion	March 2025, bullet repayment at final maturity date	Key rate of the Bank of Russia plus 3.25% – 3.3% p.a.
<i>Bonds</i>			
Eurobond	USD459 million	May 2023, repayment at final redemption date	5.3% p.a.
Eurobond	USD485 million	February 2023, repayment at final redemption date	4.85% p.a.
RUB bonds	RUB70 billion	5 tranches, the last repayment is May 2030, repayments at final redemption dates, subject to bondholders' put option exercisable within 3.0-3.5 years	6.5% – 16.0%

The average maturity of the Group's debt as at 30 June 2022 was 2.3 years.

MANAGEMENT DISCUSSION AND ANALYSIS

Security

As of 30 June 2022, the Group's debt (save for several unsecured loans and bonds) is secured, among others, by assignment of receivables under specified contracts, certain pledges of shares and interest of a number of the Group's subsidiaries, designated accounts, shares in Norilsk Nickel (representing 25% +1 share of Norilsk Nickel's total nominal issued share capital).

Report on the Payment of Declared (Accrued) Dividends on Shares of a Joint-Stock Company

During 2021, the Board did not recommend or approve any dividends, the Annual General Meeting 2022 resolved not to distribute profit of the Company based on the results of 2021 and not to pay dividends based on the results of 2021.

During the first six months of 2022, the Company has no dividend payout arrears.

Dividends

No dividends were recommended or approved by the Board during the first six months of 2022.

Cash flows

The following table summarizes the Company's cash flows for the six months ended 30 June 2022 and 2021:

<i>(USD million)</i>	Six months ended 30 June	
	2022	2021
Net cash (used in)/generated from operating activities	(958)	666
Net cash generated from investing activities	1,244	1,220
Net cash used in financing activities	(975)	(355)
Net (decrease)/increase in cash and cash equivalents	(689)	1,531
Cash and cash equivalents at the beginning of the period	1,982	2,216
Cash and cash equivalents at the end of the period	1,429	3,753

MANAGEMENT DISCUSSION AND ANALYSIS

Net cash used in operating activities amounted to USD958 million in the first six months of 2022 compared to net cash generated from operating activities USD666 million for the corresponding period in 2021.

The Company generated USD1,244 million net cash from investing activities for the first six months of 2022 as compared to USD1,220 million for the first six months of 2021 primarily due USD1,640 million and USD618 million of dividends from associates and joint ventures between the comparable periods as well as proceeds from partial disposal of associate in amount USD1,421 million for the first six months of 2021. Net cash by acquisition of property, plant and equipment and intangible assets was USD465 million and USD554 million for the first six months of 2022 and for the first six months of 2021, respectively.

Net cash used in the financing activities increased by USD620 million to USD975 million in the first half of 2022 from USD355 million in the corresponding period in 2021 due to an increase in the net debt repayments as well as an increase in the net payments of settlements of derivatives in the first half of 2022 as compared to net payments on these items in the same period of the prior year.

Cash and cash equivalents

As at 30 June 2022 and 31 December 2021, cash and cash equivalents excluding restricted cash were USD1,429 million and USD1,982 million, respectively. Restricted cash amounted to USD2 million and USD2 million as at 30 June 2022 and 31 December 2021, respectively.

Financial ratios

Gearing

The Group's gearing ratio, which is the ratio of total debt (including both long-term and short-term borrowings and bonds outstanding) to the total assets was 28.7% and 32.2% as at 30 June 2022 and 31 December 2021, respectively.

Return on Equity

The Group's return on equity, which is the amount of net profit as a percentage of total equity, was 11.3% and 21.6% as at 30 June 2022 and 2021, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Interest Coverage Ratio

The Group's interest coverage ratio, which is the ratio of earnings before interest and taxes to net interest (excluding bank costs and interest expense on provision), was 21.0 and 14.9 for the six months ended 30 June 2022 and 2021, respectively.

Interest Rate and Foreign Currency Risk

A description of the Group's interest rate and foreign exchange risks is set out on page 217, 220 of the Annual Report. The information on interest rate and foreign currency rate risk disclosed in the consolidated financial statements for the year ended 31 December 2021 remains relevant as at 30 June 2022.

Employees

The following table sets forth the aggregate average number of people (full-time equivalents) employed by each division of the Group during the first half of 2021 and the first half of 2022 respectively.

Division	First half of 2022 ended 30 June 2022	First half of 2021 ended 30 June 2021
Aluminium	21,014	20,423
Alumina	25,308	24,755
Engineering and Construction	1,470	1,467
Energy	21	21
Downstream	4,827	4,591
Management	768	695
Technology and Process Directorate	2,013	1,516
Others	4,170	3,471
Total	59,591	56,939

MANAGEMENT DISCUSSION AND ANALYSIS

Remuneration and benefit policies

The fundamental principle of RUSAL's remuneration policy is creating a remuneration structure to ensure that a highly professional team is formed and works efficiently, which contributes to the dynamic development of the Company and achievement of its strategic goals.

Remuneration structure:

1. Remuneration for work

The Company has built a comprehensive personnel incentive system, the main component of which is a monetary remuneration for work. Such monetary remuneration for work is determined with reference to employee's skills, complexity, quantity, quality, and conditions of the work performed, as well as regional and industrial specifics. It comprises compensation and incentive components.

1.1. The key purposes of the Company's personnel incentive system include:

- encouraging employees to achieve the Company's goals;
- raising labor productivity, improving the quality of produced products;
- continuous improvement of the production and business processes and systems, promoting innovations;
- compliance with internal corporate regulations, performance discipline, standards and requirements in the field of health, occupational and fire safety;
- recruiting and retaining key and highly-skilled employees;
- developing the potential of employees, professional and personal competencies; and
- providing financial stability for employees and their families.

1.2. When managing the employee remuneration, the Company adheres to the following principles:

- full compliance with the applicable laws of the regions where the Company operates;
- impartiality and fairness of any decisions made;
- clarity and transparency of any applied tools and systems;
- dependence of the remuneration on individual and collective performance;

MANAGEMENT DISCUSSION AND ANALYSIS

- competitiveness of the remuneration structure and amount in the regions where the Company operates; and
- focus on the best market practices.

2. *Benefits and compensations*

2.1. RUSAL, being a socially oriented enterprise, apart from mandatory compensations (prescribed by the applicable laws), also provides its employees with a wide list of additional benefits and compensations, guided by the following key principles:

- connection of the benefits with the social priorities of the Company: social stability and protection of employees, opportunities for personal and professional development, healthy lifestyle;
- targeted nature of the benefits (the Company provides an employee with a benefit, not a cash compensation);
- loyalty to internal corporate suppliers of services and products;
- competitiveness of the benefits in the regions where the Company operates; and
- focus on the best market practices.

2.2. Being the most significant benefits in the Company's social package, the following benefits are provided in addition to those prescribed by the laws:

- shift/daily meal allowance that provides an employee with a hot three-course lunch during a business day;
- possibility to engage in sports and participate in sporting events free of charge;
- free of charge corporate medical services based on LLC RUSAL Medical Center;
- subsidized vouchers for health resort treatment and rehabilitation in health centers located in Russia;
- possibility to purchase voluntary medical insurance policies at subsidized prices both for employees and their family members;
- festivals devoted to anniversaries of production facilities and the professional holiday, Metal Industry Day. There are annual New Year celebrations for children of employees, where each child is presented with a gift from the Company;

MANAGEMENT DISCUSSION AND ANALYSIS

- financial aid to pensioners, who worked at the Company's production facilities before and are registered with charity foundations, as well as to WWII Veterans, Survivors of Siege, Prisoners, and Home Front Workers; and
- corporate housing program that enables employees to purchase housing on subsidized conditions.

3. Bonuses based on the results of the year

3.1. For employees of the White Collar Workers (WCW) category:

A system employed by the Company to set and assess employee performance indicators is a key tool used to manage performance of managers, specialists, and clerks.

Key target setting principles of the Group (SMART):

- **Specific:** the text of the KPI should give understanding of what needs to be done and should reflect a result that needs to be achieved; the KPI should avoid any vague or ambiguous wording; the KPI should answer questions like 'what needs to be done', 'what to needs to be accomplished', 'what needs to be achieved'.
- **Measurable:** the KPI should include an algorithm to assess its performance, outperformance or underperformance, and should be phrased in such a way that when its performance is assessed one could clearly judge whether it has been achieved or not, and to what extent; the KPI should contain a meaningful numerical or other objectively measurable metric that should be achieved, or a definite fact of something existing or non-existing (for instance, an approved order that either exists, signed and approved, or does not exist).
- **Achievable:** KPIs set for an employee should be ambitious and require additional efforts, but achievable at the same time.
- **Relevant:** an employee should be given KPIs that he/she can reasonably have control of within his/her powers and functional area;
- **Time-bound:** every KPI should have clear time limits that should not go beyond a reporting period.

3.2. For employees of the Workers category:

Bonuses are paid to workers for fulfillment of the production program pro rata to the time worked in the year (including the absence in regular vacations and business travels).

MANAGEMENT DISCUSSION AND ANALYSIS

The criteria for paying bonuses to the employees of the Company's production sites include:

- a bonus is paid to the employees who are hired and employed by the production site as of the date of bonus distribution;
- bonuses are paid to the staff pro rata according to the time that he or she has worked during a remuneration-covered period (including the scheduled vacations and business trips);
- the workers who had their monthly bonus reduced, or a disciplinary reprimand, or were dismissed from their work, receive a bonus adjusted by reduction/decreasing factors;
- no bonus will be paid to the workers who were dismissed during the reporting period (except from transferred employees within the Company) or who had a no-show at work or were detained while inebriated/intoxicated.

Audit Committee

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of RUSAL's financial reporting process, risk management and internal control systems, to oversee the audit process and to perform other duties and responsibilities assigned to the Audit Committee by the Board.

The Audit Committee consists of independent non-executive Directors. The members are as follows: four independent non-executive Directors, Mr. Kevin Parker (Chairman), Mr. Bernard Zonneveld, Mr. Dmitry Vasiliev, and Ms. Anna Vasilenko.

The Audit Committee held five meetings in the first half of 2022. At the meeting on 25 March 2022, the Audit Committee reviewed the consolidated and separate financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards ("IFRS") (the "**Financial Statements**"), and the Results Announcement for the year ended 31 December 2021 and recommended the Financial Statements for consideration of the Board. At the meeting on 18 May 2022, the Audit Committee reviewed the annual financial reporting of the Company for 2021, prepared in accordance with the Russian Accounting Standards (RAS).

On 10 August 2022, the Audit Committee held its sixth meeting in 2022. The Audit Committee considered matters regarding auditing and financial reporting, including the Consolidated Interim Condensed Financial Information for the six-month period ended 30 June 2022. The Audit Committee is of the opinion that the Consolidated Interim Condensed Financial Statements for the six-month period ended 30 June 2022 complies with the applicable accounting standards, the HKSE Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

MANAGEMENT DISCUSSION AND ANALYSIS

Contingencies

The Board has reviewed and considered contingent liabilities of the Company and disclosed information concerning such contingent liabilities in note 16 to the Consolidated Interim Condensed Financial Statements. For detailed information about contingent liabilities, please refer to note 16 of the Consolidated Interim Condensed Financial Statements. Details of the amounts of provisions are also disclosed in note 14 to the Consolidated Interim Condensed Financial Statements.

Business risks

In the Annual Report, the Company identified a number of business risks that affect its business. For the first half of 2022, the Company has identified the following risks affecting its business:

- possibility of a significant difficult-to-predict change in demand for primary metals and alloys, including a significant decrease in demand under current highly volatile of the global commodities' and money markets and risks of the recession of leading world economies;
- reduction in the turnout of production and other personnel involved in the Group's operating activities and in the production volume, non-fulfillment of obligations under the metal supply contracts due to a volatile market during the COVID-19 or other infection (virus) pandemic;
- the Group's competitive position in the global aluminium industry is highly dependent on the continued access to uninterrupted electricity supply, in particular, long-term contracts for such electricity. Increased electricity prices, as well as interruptions in the supply of electricity, could have a material adverse effect on the Group's business, financial condition and the results of operations;
- the Group relies on the provision of uninterrupted transportation services and access to infrastructure for the transportation of its materials and end products across significant distances which is outside of the Company's control, and depends on the prices for such services (particularly, rail tariffs) which could increase, as well as on their availability and timeliness which could be difficult under world supply chains disruption lasting since 2021;
- the Group is exposed to foreign currency fluctuations, which may affect its financial results;

MANAGEMENT DISCUSSION AND ANALYSIS

- the Group's business may be affected by labor disruptions, shortages of skilled labor and labor cost inflation;
- the Group relies on third-party suppliers for certain materials and raw materials, including risks of alumina and bauxites availability and purchasing cost related to uncertainty whether the Group's plants situated in the Ukraine can continue operations in the Group's production structure as well as to temporary lack of control over the Group's share in QAL during the court litigation on the Group's claim in regard to the criteria of control over that share;
- equipment failures or other difficulties may result in production curtailments or shutdowns, including due to delay of the supply because of lasting world supply chain crisis or because of imposed restrictions to import of certain goods to Russian Federation;
- the Group operates in an industry that gives rise to health, safety and environmental risks;
- the Group is exposed to risks relating to the multi-jurisdictional regulatory, social, legal, tax, and political environment in which the Group operates.

Investments in subsidiaries

There were no material acquisitions and disposals of subsidiaries for the six months ended 30 June 2022.

Details of the principal subsidiaries are set out in the financial statements for the year ended 31 December 2021 included in the Annual Report and save for the foregoing, there were no significant changes in the course of the half year ended 30 June 2022.

Interests in Associates and Joint Ventures

The market value of RUSAL's stake in Norilsk Nickel was USD13,720 million as at 30 June 2022 compared to USD13,800 million as at 30 June 2021 and USD12,395 million as at 31 December 2021.

For further information on interests in Associates and Joint Ventures, please refer to note 10 to the Consolidated Interim Condensed Financial Statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Material events in the first half of 2022 and since the end of that period

- 19 January 2022 Four additional production sites of RUSAL (The Kandalaksha aluminium smelter, two aluminium foil plants Sayanal and Armenal (Armenia) and Europe's largest alumina refinery Aughinish (Ireland) achieved Aluminium Stewardship Initiative (ASI) certification. ASI certification aims at fostering better sustainability practices across the whole supply chain.
- 09 February 2022 RUSAL announced fourth quarter and full year 2021 operating results.
- 10 February 2022 RUSAL introduced a new aluminium alloy for anodising. The Company developed an optimised 5xxx series aluminium alloy for further anodising. Production has now started at the Bratsk Aluminium Smelter (BrAZ).
- 17 February 2022 RUSAL completed the scheduled repayment of Eurobonds in the amount of USD512 million out of its own funds.
- 01 March 2022 RUSAL announced that due to unavoidable logistical and transport challenges on the Black Sea and surrounding area, it has been obliged to temporarily halt production at the Nikolaev Alumina Refinery located in Nikolaev Region, Ukraine.
- 08 March 2022 RUSAL shared that En+ Group's had started a strategic review with respect to the Company. In the En+ Group's statement, options under consideration include the possibility of carving out the Company's international business. En+ Group emphasized that the strategic review was at a preliminary stage and any future course of action would be subject to further consideration as well as discussions with the relevant regulatory bodies and key stakeholders.
- 21 March 2022 The Company noted that on 20 March 2022 the Australian government imposed an immediate ban on exports of alumina and aluminium ores, including bauxite, to Russia.
- 30 March 2022 RUSAL announced results for the year ended 31 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

- 08 April 2022 RUSAL disagreed that the operations of its subsidiary, Alumina & Bauxite Company Ltd (ABC), do not presently comply with the Australian Government's sanctions and disagreed with the decision made by QAL management that "step-in arrangements" under the joint venture terms have been triggered or that they are necessary.
- 11 April 2022 RUSAL noted that En+ Group on 11 April 2022 issued a statement confirming that the European Council's announcement has no impact on the En+ Group or its subsidiaries, and they remain free from sanctions worldwide. En+ Group also informed that Mr. Oleg Deripaska surrendered majority ownership and control of the Group as part of an agreement with OFAC in 2019 and that the robust corporate governance and ownership changes that were put in place in that landmark agreement remain effective and ongoing.
- 01 June 2022 RUSAL published its Sustainability Report for 2021.
- 07 June 2022 The Board of RUSAL approved the Strategy for the management of production waste until 2030.
- 13 July 2022 RUSAL announced that the Company proposed to issue up to a total of RUB100 billion worth of exchange-traded bonds and up to a total of CNY4 billion worth of exchange-traded bonds.
- 29 July 2022 RUSAL announced first Yuan bond placement in Russia. Coupon rate is fixed at 3.9% p.a. with the value at 4 billion Yuan.

INDEPENDENT AUDITORS' REPORT



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Report on Review of Interim Financial Statements

To the Board of Directors of
International public joint-stock company
United Company RUSAL

Introduction

We have reviewed the accompanying consolidated interim condensed financial statements of International public joint-stock company United Company RUSAL and its subsidiaries (the “**Group**”), which comprise the consolidated interim condensed statement of financial position as at 30 June 2022 and the related consolidated interim condensed statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the consolidated interim condensed financial statements (the consolidated interim condensed financial statements). The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited require the preparation of a report of consolidated interim condensed financial statements to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“**IAS 34**”). Management of the Group is responsible for the preparation and presentation of this interim financial statements in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

INDEPENDENT AUDITORS' REPORT



Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Emphasis of matter

We draw attention to Note 1 of the consolidated interim condensed financial statements as of 30 June 2022, which indicates that the geopolitical tensions and sanctions imposed by a range of countries, accompanied by the volatility of commodity, stock and currency markets, may significantly affect operational, investing and financing activity of the Group. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1 of the consolidated interim condensed financial statements, indicate that material uncertainty exist that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

M.S. Khachaturian

Partner

TSATR – Audit Services Limited Liability Company

11 August 2022

INDEPENDENT AUDITORS' REPORT



Details of the auditor

Name: TSATR – Audit Services Limited Liability Company

Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.

Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.

TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association “Sodruzhestvo”. TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the entity

Name: International public joint-stock company United Company RUSAL

Record made in the State Register of Legal Entities on 25 September 2020, State Registration Number 1203900011974.

Address: Russia 236006, Kaliningrad, Oktyabrskaya street, Office 410, b.8.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

Consolidated Interim Condensed Statement of Income

	Note	Six months ended 30 June	
		2022	2021
		(unaudited)	(unaudited)
		USD million	USD million
Revenue	5	7,153	5,449
Cost of sales	6(a)	<u>(4,762)</u>	<u>(3,819)</u>
Gross profit		2,391	1,630
Distribution expenses	6(b)	(309)	(246)
Administrative expenses	6(b)	(322)	(258)
Impairment of non-current assets	6(b)	(23)	(55)
Other operating expenses	6(b)	<u>(205)</u>	<u>(129)</u>
Results from operating activities		1,532	942
Finance income	7	206	25
Finance expenses	7	(740)	(469)
Share of profits of associates and joint ventures	10	1,366	1,171
Gain from partial disposal of investment in associate	10	<u>–</u>	<u>492</u>
Profit before taxation		2,364	2,161
Income tax	8	<u>(684)</u>	<u>(143)</u>
Profit for the period		<u>1,680</u>	<u>2,018</u>
Attributable to Shareholders of the Company		<u>1,680</u>	<u>2,018</u>
Profit for the period		<u>1,680</u>	<u>2,018</u>
Earnings per share			
Basic and diluted earnings per share (USD)	9	<u>0.1106</u>	<u>0.1328</u>
Adjusted EBITDA	4, 6(c)	<u>1,807</u>	<u>1,315</u>

The Consolidated Interim Condensed Statement of Income is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Statements set out on pages 47 to 85.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

Consolidated Interim Condensed Statement of Comprehensive Income

		Six months ended 30 June	
		2022	2021
		(unaudited)	(unaudited)
Note		USD million	USD million
	Profit for the period	<u>1,680</u>	<u>2,018</u>
	Other comprehensive income		
	<i>Items that will never be reclassified subsequently to profit or loss</i>		
	Actuarial gain on post retirement benefit plans	—	1
		<u>—</u>	<u>1</u>
	<i>Items that are or may be reclassified subsequently to profit or loss</i>		
	Reclassification of accumulated foreign currency translation loss to Statement of Income due to partial disposal of investment in associate	—	613
	Change in fair value of cash flow hedges	(214)	(28)
	Foreign currency translation differences on foreign operations	874	90
	Foreign currency translation differences for equity-accounted investees	1,990	103
		<u>2,650</u>	<u>778</u>
	Other comprehensive income for the period, net of tax	<u>2,650</u>	<u>779</u>
	Total comprehensive income for the period	<u><u>4,330</u></u>	<u><u>2,797</u></u>
	Attributable to:		
	Shareholders of the Company	<u><u>4,330</u></u>	<u><u>2,797</u></u>

There was no significant tax effect relating to each component of other comprehensive income or loss.

The Consolidated Interim Condensed Statement of Comprehensive Income is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Statements set out on pages 47 to 85.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

Consolidated Interim Condensed Statement of Financial Position

		30 June 2022	31 December 2021
		(unaudited)	
	Note	USD million	USD million
Assets			
Non-current assets			
Property, plant and equipment and investment properties		6,124	5,350
Intangible assets		2,871	2,411
Interests in associates and joint ventures	10	6,606	4,014
Deferred tax assets		121	113
Derivative financial assets	15	51	22
Investments in equity securities measured at fair value through profit and loss	11 (d)	620	315
Other non-current assets	11 (c)	174	245
Total non-current assets		16,567	12,470
Current assets			
Inventories		4,548	3,692
Short-term investments		130	167
Trade and other receivables and advances paid	11(a)	2,543	1,646
Dividends receivable		–	827
Derivative financial assets	15	200	120
Cash and cash equivalents		1,431	1,984
Total current assets		8,852	8,436
Total assets		25,419	20,906
Equity and liabilities			
Equity			
	12		
Share capital		152	152
Share premium		15,786	15,786
Other reserves		2,591	2,805
Currency translation reserve		(6,586)	(9,450)
Retained earnings		2,911	1,231
Total equity		14,854	10,524

The Consolidated Interim Condensed Statement of Financial Position is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Statements set out on pages 47 to 85.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

Consolidated Interim Condensed Statement of Financial Position

		30 June	31 December
		2022	2021
		(unaudited)	
	Note	USD million	USD million
Non-current liabilities			
Loans and borrowings	13	3,547	4,839
Provisions	14	381	378
Deferred tax liabilities		655	429
Derivative financial liabilities	15	–	61
Other non-current liabilities		133	83
Total non-current liabilities		4,716	5,790
Current liabilities			
Loans and borrowings	13	3,752	1,894
Trade and other payables	11(b)	1,948	2,408
Derivative financial liabilities	15	5	145
Provisions	14	144	145
Total current liabilities		5,849	4,592
Total liabilities		10,565	10,382
Total equity and liabilities		25,419	20,906
Net current assets		3,003	3,844
Total assets less current liabilities		19,570	16,314

Preliminary reviewed, approved and authorised for issue by the board of directors on 11 August 2022.

Evgenii V. Nikitin
General Director

Alexander V. Popov
Chief Financial Officer

The Consolidated Interim Condensed Statement of Financial Position is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Statements set out on pages 47 to 85.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

Consolidated Interim Condensed Statement of Changes in Equity

	Share capital USD million	Share premium USD million	Other reserves USD million	Currency translation reserve USD million	Accumulated profits/ (losses) USD million	Total equity USD million
– Balance at 1 January 2022	<u>152</u>	<u>15,786</u>	<u>2,805</u>	<u>(9,450)</u>	<u>1,231</u>	<u>10,524</u>
Profit for the period (unaudited)	–	–	–	–	1,680	1,680
Other comprehensive income for the period (unaudited)	–	–	(214)	2,864	–	2,650
– Total comprehensive income for the period (unaudited)	–	–	(214)	2,864	1,680	4,330
– Balance at 30 June 2022 (unaudited)	<u>152</u>	<u>15,786</u>	<u>2,591</u>	<u>(6,586)</u>	<u>2,911</u>	<u>14,854</u>
– Balance at 1 January 2021	<u>152</u>	<u>15,786</u>	<u>2,841</u>	<u>(10,113)</u>	<u>(2,123)</u>	<u>6,543</u>
Profit for the period (unaudited)	–	–	–	–	2,018	2,018
Other comprehensive income for the period (unaudited)	–	–	(27)	806	–	779
– Total comprehensive income for the period (unaudited)	–	–	(27)	806	2,018	2,797
– Balance at 30 June 2021 (unaudited)	<u>152</u>	<u>15,786</u>	<u>2,814</u>	<u>(9,307)</u>	<u>(105)</u>	<u>9,340</u>

The Consolidated Interim Condensed Statement of Changes in Equity is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Statements set out on pages 47 to 85.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

Consolidated Interim Condensed Statement of Cash Flows

		Six months ended 30 June	
		2022	2021
		(unaudited)	(unaudited)
Note		USD million	USD million
OPERATING ACTIVITIES			
Profit for the period		1,680	2,018
<i>Adjustments for:</i>			
Depreciation	6	235	314
Amortisation	6	12	3
Impairment of non-current assets	6(b)	23	55
Impairment of trade and other receivables	6(b)	102	67
Write-down of inventories to net realisable value		155	5
Pension provision		1	–
Change in fair value of derivative financial instruments	7	348	235
Net foreign exchange loss		219	48
Loss on disposal of property, plant and equipment	6(b)	5	1
Interest expense	7	176	186
Interest income	7	(42)	(12)
Income tax expense	8	684	143
Revaluation of investments measured at fair value through profit and loss, incl. forex income	7	(164)	(13)
Share of profits of associates and joint ventures	10	(1,366)	(1,171)
Gain on partial disposal of investment in associate	10	–	(492)
		<hr/>	<hr/>
Cash from operating activities before changes in working capital and provisions		2,068	1,387
Increase in inventories		(1,288)	(421)
Increase in trade and other receivables		(667)	(339)
Increase in prepaid expenses and other assets		(2)	(1)
(Decrease)/increase in trade and other payables		(674)	129
Decrease in provisions		(4)	(2)
		<hr/>	<hr/>
Cash (used in)/generated from operations before income tax paid		(567)	753
Income taxes paid		(391)	(87)
		<hr/>	<hr/>
Net cash (used in)/generated from operating activities		(958)	666
		<hr/>	<hr/>

The Consolidated Interim Condensed Statement of Cash Flows is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Statements set out on pages 47 to 85.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

Consolidated Interim Condensed Statement of Cash Flows

	Six months ended 30 June	
	2022	2021
	(unaudited)	(unaudited)
Note	USD million	USD million
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	2	6
Interest received	36	9
Acquisition of property, plant and equipment	(456)	(543)
Acquisition of intangible assets	(9)	(11)
Cash paid for investments in equity securities measured at fair value through profit and loss	11(d) (88)	(291)
Cash received from other investments	135	32
Acquisition/sale of a subsidiary (net)	(16)	(21)
Proceeds from partial disposal of associate	10 –	1,421
Dividends from associates and joint ventures	1,640	618
Net cash from investing activities	1,244	1,220
FINANCING ACTIVITIES		
Proceeds from borrowings	1,255	490
Repayment of borrowings	(1,666)	(568)
Interest paid	(179)	(185)
Payment of restructuring and other expenses	(6)	(27)
Settlement of derivative financial instruments	(379)	(65)
Net cash used in financing activities	(975)	(355)
Net increase/ (decrease) in cash and cash equivalents	(689)	1,531
Cash and cash equivalents at the beginning of the period	1,982	2,216
Effect of exchange rate changes on cash and cash equivalents	136	6
Cash and cash equivalents at the end of the period	1,429	3,753

Restricted cash amounted to USD2 million and USD2 million at 30 June 2022 and 31 December 2021, respectively.

The Consolidated Interim Condensed Statement of Cash Flows is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Statements set out on pages 47 to 85.

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1. Background

(a) Organisation

United Company RUSAL, international public joint-stock company (United Company RUSAL Plc prior to 25 September 2020) (“**UC RUSAL IPJSC**”, the “**Company**” or “**UC RUSAL**”) was established by the controlling shareholder of RUSAL Limited (“**RUSAL**”) as a limited liability company under the laws of Jersey on 26 October 2006. On 27 January 2010, the Company successfully completed a placing on the Main Board of The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) and changed its legal form from a limited liability company to a public limited company.

On 23 March 2015, the shares of the Company were admitted to listing on PJSC Moscow Exchange MICEX-RTS (“**Moscow Exchange**”) in the First Level quotation list. The trading of shares on Moscow Exchange commenced on 30 March 2015. There was no issue of new shares.

The extraordinary general meeting of the Company held on 1 August 2019 approved the application by the Company to the regulatory authorities in Russia for continuance as a company with the status of an International Company established under the laws of Russia (the “**Redomiciliation**”). On 25 September 2020 UC RUSAL changed its domicile to the Russian Federation as UC RUSAL IPJSC.

The Company’s registered office as at 30 June 2022 is Oktyabrskaya st. 8, office 410, Kaliningrad, Kaliningrad Region, 236006, Russian Federation (prior to 25 September 2020: 3rd floor, 44 Esplanade, St Helier, Jersey, JE4 9WG, Channel Islands).

The Company directly or through its wholly owned subsidiaries controls a number of production and trading entities engaged in the aluminium business and other entities, which together with the Company are referred to as “the Group”.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

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The shareholding structure of the Company as at 30 June 2022 and 31 December 2021 was as follows:

	30 June 2022	31 December 2021
EN+ GROUP IPJSC (“EN+”, former En+ Group Plc)	56.88%	56.88%
SUAL Partners Limited (“SUAL Partners”)	25.52%	21.52%
Zonoville Investments Limited (“Zonoville”)	–	4.00%
Mr. Oleg V. Deripaska	0.01%	0.01%
Publicly held	17.59%	17.59%
Total	100.00%	100.00%

At 30 June 2022 and 31 December 2021, the immediate parent of the Group was EN+ GROUP International public joint-stock company (EN+GROUP IPJSC) with the registered office at Oktyabrskaya st. 8, office 34, Kaliningrad, Kaliningrad Region, 236006, Russian Federation.

Based on the information provided by EN+, at the reporting date there is no individual that has an indirect prevailing ownership interest in EN+ GROUP IPJSC exceeding 50%, who could exercise voting rights in respect of more than 35% of EN+ GROUP IPJSC’s issued share capital or has an opportunity to exercise control over EN+ GROUP IPJSC. As at 30 June 2022 and 31 December 2021, Mr. Oleg Deripaska beneficially controls and exercises voting rights in respect of 35% of the voting shares of EN+ GROUP IPJSC and cannot exceed his direct or indirect shareholding over 44.95% of the shares of the EN+ GROUP IPJSC.

According to the information disclosed at the Stock Exchange of Hong Kong Limited Zonoville Investments Limited and SUAL Partners Limited were associates. Major ultimate beneficiaries of SUAL Partners are Mr. Victor Vekselberg and Mr. Len Blavatnik.

Related party transactions are disclosed in Note 17.

The consolidated financial statements of the Group as at and for the year ended 31 December 2021 are available at the Company’s website www.rusal.com.

(b) Seasonality

There are no material seasonal events in business activity of the Group.

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(c) Operations

The Group operates in the aluminium industry primarily in the Russian Federation, Ukraine, Guinea, Jamaica, Ireland, Italy and Sweden and is principally engaged in the mining and refining of bauxite and nepheline ore into alumina, the smelting of primary aluminium from alumina and the fabrication of aluminium and aluminium alloys into semi-fabricated and finished products. The Group sells its products primarily in Europe, Russia, other countries of the Commonwealth of Independent States (“CIS”), Asia and North America.

(d) Business environment in emerging economies

The Russian Federation, Ukraine, Jamaica and Guinea have been experiencing political and economic changes that have affected, and may continue to affect, the activities of enterprises operating in these environments. Consequently, operations in these countries involve risks that typically do not exist in other markets, including reconsideration of privatisation terms in certain countries where the Group operates following changes in governing political powers.

The imposition of economic sanctions on Russian individuals and legal entities by the European Union, the United States of America, Japan, Canada, Australia and others, as well as counter sanctions imposed by the Russian government, has resulted in increased economic uncertainty including more volatile equity, commodity and currency markets. The longer term effects of implemented sanctions, as well as the threat of additional future sanctions, are difficult to determine.

The consolidated financial statements reflect management’s assessment of the impact of the Russian, Ukrainian, Jamaican and Guinean business environments on the operations and the financial position of the Group. The future business environment may differ from management’s assessment.

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(e) **OFAC Sanctions**

On 6 April 2018, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") designated, amongst others, the Company, as a Specially Designated National ("SDN") (the "OFAC Sanctions").

As a result, all property or interests in property of the Company and its subsidiaries located in the United States or in the possession of U.S. Persons were blocked, must have been frozen, and could not be transferred, paid, exported, withdrawn, or otherwise dealt in. Several general licenses were issued at the time of the designation and later on authorizing certain transactions with the Company, its majority shareholder EN+GROUP IPJSC En+ Group Plc ("EN+", former En+ Group Plc "En+"), and with their respective debt and equity.

On 27 January 2019, OFAC announced removal of the Company and En+ from OFAC's SDN List with immediate effect. The removal was subject to and conditional upon the satisfaction of a number of conditions including, but not limited to, corporate governance changes, including, inter alia, overhauling the composition of the Board to ensure that independent directors constitute the majority of the Board, stepping down of the Chairman of the Board, and ongoing reporting and certifications by the Company to OFAC concerning compliance with the conditions for removal.

(f) **Going concern**

These interim condensed consolidated financial statements have been prepared assuming that the Group will continue as a going concern. Accordingly, these statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, the amounts and classification of liabilities or any other adjustments that might result in the Group being unable to continue as a going concern.

Ban of Australian government for the export of alumina and bauxite to Russia and temporary suspension of production at Mykolaiv Alumina Refinery Company Ltd due to developments in Ukraine may influence the availability of alumina and bauxite or increase the purchase prices for the Group. Difficulties with logistics will cause the Group to rebuild the supply and sales chains and may lead to additional logistics costs. If the situation in Ukraine and overall geopolitical tension persists or continues to develop significantly, including the loss of significant parts of foreign markets, which cannot be reallocated to new markets, it may affect the Group's business, financial condition, prospects and results of operations.

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As at 30 June 2022 the Group has inventory balances mostly represented by raw materials and WIP physically located on the territory of Mykolaiv Alumina Refinery. Due to the current geopolitical situation, temporary shutdown of production process at Mykolaiv Alumina Refinery and logistic problems the Group currently does not have the ability to complete the production of alumina at Mykolaiv Alumina Refinery, resell or move over these inventory balances to a safe territory. The potential uncertainty exists that over time circumstances may lead to the Group recognizing future losses, which cannot be reasonably estimated.

Potentially the Group may have difficulties with equipment deliveries that may postpone realization of some investment projects and modernization programs for existing production facilities. Sanctions against Russian financial sector including payment agents for bondholders, accounts blocking and assets freezing can make impossible to pay creditors to fulfill its financial obligations what could potentially lead an event of default.

The facts described above, as well as the volatility of commodity markets, stock, currency markets and interest rates, create material uncertainty in the Group's ability to meet its financial obligations on time and continue as a going concern entity. Management constantly evaluates the current situation and prepares forecasts taking into account different scenarios of the events and conditions development. The Group's management expects that prices on the world commodity markets will growth and improve the results of operating activities. The Group also revising supply and sales chains, ensuring an optimal equity and debt ratio, search for resolutions of logistic difficulties, as well as the ways to service its obligations in order to adapt the current economic changes to ensure the Group's operations.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

*Notes to the Consolidated Interim Condensed Financial Statements,
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2. Basis of preparation

(a) Statement of compliance

These consolidated interim condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

These consolidated interim condensed financial statements do not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards and therefore should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2021.

3. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group and listed below:

- *Onerous Contracts – Costs of Fulfilling a Contract* – Amendments to IAS 37;
- *Reference to the Conceptual Framework* – Amendments to IFRS 3;
- *Property, Plant and Equipment: Proceeds before Intended Use* – Amendments to IAS 16;
- IFRS 1 *First-time Adoption of International Financial Reporting Standards* – Subsidiary as a first-time adopter;
- IFRS 9 *Financial Instruments* – Fees in the ‘10 per cent’ test for derecognition of financial liabilities;
- *COVID-19-Related Rent Concessions* beyond 30 June 2021 Amendments to IFRS 16.

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4. Segment reporting

(a) Reportable segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. These business units are managed separately and the results of their operations are reviewed by the CEO on a regular basis.

Aluminium. The Aluminium segment is involved in the production and sale of primary aluminium and related products.

Alumina. The Alumina segment is involved in the mining and refining of bauxite into alumina and the sale of alumina.

Energy. The Energy segment includes the Group companies and projects engaged in the mining and sale of coal and the generation and transmission of electricity produced from various sources. Where the generating facility is solely a part of an alumina or aluminium production facility it is included in the respective reportable segment.

Mining and Metals. The Mining and Metals segment includes the equity investment in PJSC MMC Norilsk Nickel ("**Norilsk Nickel**").

Other operations include manufacturing of semi-finished products from primary aluminium for the transportation, packaging, building and construction, consumer goods and technology industries; and the activities of the Group's administrative centres. None of these segments meet any of the quantitative thresholds for determining reportable segments.

The Aluminium and Alumina segments are vertically integrated whereby the Alumina segment supplies alumina to the Aluminium segment for further refining and smelting with limited sales of alumina outside the Group. Integration between the Aluminium, Alumina and Energy segments also includes shared servicing and distribution.

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*Notes to the Consolidated Interim Condensed Financial Statements,
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(b) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of income tax assets and corporate assets. Segment liabilities include trade and other payables attributable to the production and sales activities of the individual segments. Loans and borrowings are not allocated to individual segments as they are centrally managed by the head office.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments excluding impairment.

The measure used for reporting segment results is the profit before income tax adjusted for items not specifically attributed to individual segments, such as finance income, costs of loans and borrowings and other head office or corporate administration costs. The segment profit or loss is included in the internal management reports that are reviewed by the Group's CEO. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue (including inter-segment revenue), the carrying value of investments and share of profits/(losses) of associates and joint ventures, depreciation, amortisation, impairment and additions of non-current segment assets used by the segments in their operations. Inter-segment pricing is determined on a consistent basis using market benchmarks.

Segment capital expenditure is the total cost incurred during the reporting period to acquire property, plant and equipment and intangible assets other than goodwill.

The Group acquired property, plant and equipment in the total amount of USD674 million for the six months ended 30 June 2022 (USD636 million, including investment properties in the total amount of USD73 million, for the six months ended 30 June 2021). The carrying amount of property, plant and equipment disposed during the six months ended 30 June 2022 comprised USD77 million (USD45 million for the six months ended 30 June 2021).

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(i) Reportable segments

Six months ended 30 June 2022

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	5,993	604	–	–	6,597
Inter-segment revenue	207	1,803	–	–	2,010
Total segment revenue	6,200	2,407	–	–	8,607
Segment profit	1,916	(255)	–	–	1,661
Depreciation/amortisation	180	54	–	–	234
Segment EBITDA	2,096	(201)	–	–	1,895
(Impairment)/reversal of impairment of non-current assets	(13)	3	–	–	(10)
Share of profits of associates and joint ventures	–	–	49	1,317	1,366
Non-cash income/(expense)	1	(212)	–	–	(211)
Capital expenditure	(299)	(116)	–	–	(415)
Non-cash adjustments to non-current segment assets related to site restoration	(4)	51	–	–	47

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Six months ended 30 June 2021

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	4,618	442	-	-	5,060
Inter-segment revenue	150	1,262	-	-	1,412
Total segment revenue	4,768	1,704	-	-	6,472
Segment profit	1,102	58	-	-	1,160
Depreciation/amortisation	184	116	-	-	300
Segment EBITDA	1,286	174	-	-	1,460
Impairment of non-current assets	(8)	(41)	-	-	(49)
Share of profits of associates and joint ventures	-	-	47	1,124	1,171
Non-cash expense	-	(4)	-	-	(4)
Capital expenditure	(293)	(86)	-	-	(379)
Non-cash adjustments to non-current segment assets related to site restoration	(4)	7	-	-	3

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At 30 June 2022

	Aluminium	Alumina	Energy	Mining and Metals	Total segment result
	USD million	USD million	USD million	USD million	USD million
Segment assets	11,338	2,634	–	–	13,972
Interests in associates and joint ventures	–	–	288	1,702	<u>1,990</u>
Total segment assets					<u>15,962</u>
Segment liabilities	(1,021)	(779)	(14)	–	<u>(1,814)</u>
Total segment liabilities					<u>(1,814)</u>

31 December 2021

	Aluminium	Alumina	Energy	Mining and Metals	Total segment result
	USD million	USD million	USD million	USD million	USD million
Segment assets	9,477	2,055	–	–	11,532
Interests in associates and joint ventures	–	–	738	3,274	<u>4,012</u>
Total segment assets					<u>15,544</u>
Segment liabilities	(1,095)	(758)	(14)	–	<u>(1,867)</u>
Total segment liabilities					<u>(1,867)</u>

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(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Revenue		
Reportable segment revenue	8,607	6,472
Elimination of inter-segment revenue	(2,010)	(1,412)
Unallocated revenue	556	389
	<u>7,153</u>	<u>5,449</u>
Consolidated revenue	<u>7,153</u>	<u>5,449</u>

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Profit		
Reportable segment profit	1,661	1,160
Impairment of non-current assets	(23)	(55)
Share of profits of associates and joint ventures	1,366	1,171
Loss on disposal of property, plant and equipment	(5)	(1)
Finance income	206	25
Finance expenses	(740)	(469)
Gain from partial disposal of investment in associate	–	492
Unallocated expense	(101)	(162)
	<u>2,364</u>	<u>2,161</u>
Consolidated profit before taxation	<u>2,364</u>	<u>2,161</u>

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	Six months ended 30 June	
	2022	2021
	USD million	USD million
Adjusted EBITDA		
Reportable segments EBITDA	1,895	1,460
Unallocated depreciation	13	17
Unallocated expenses	(101)	(162)
	1,807	1,315
Consolidated adjusted EBITDA	1,807	1,315
	30 June	31 December
	2022	2021
	USD million	USD million
Assets		
Reportable segment assets	15,962	15,544
Unallocated assets	9,457	5,362
	25,419	20,906
Consolidated total assets	25,419	20,906
	30 June	31 December
	2022	2021
	USD million	USD million
Liabilities		
Reportable segment liabilities	(1,814)	(1,867)
Unallocated liabilities	(8,751)	(8,515)
	(10,565)	(10,382)
Consolidated total liabilities	(10,565)	(10,382)

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5. Revenue

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Revenue from contracts with customers	7,153	5,449
Sales of products	6,971	5,340
Sales of primary aluminium and alloys	5,932	4,574
Sales of alumina and bauxite	305	277
Sales of foil and other aluminium products	286	232
Sales of other products	448	257
Provision of services	182	109
Supply of energy	147	80
Provision of transportation services	4	3
Provision of other services	31	26
Total revenue by types of customers	7,153	5,449
Third parties	6,632	5,056
Related parties – companies capable of exerting significant influence	97	123
Related parties – companies related through parent company	131	98
Related parties – associates and joint ventures	293	172
Total revenue by primary regions	7,153	5,449
Europe	2,866	1,980
CIS	2,103	1,692
America	501	497
Asia	1,616	1,213
Other	67	67

Revenue from sale of primary aluminium and alloys relates to aluminium segment (Note 4). Revenue from sales of alumina and bauxite relates to alumina segment. Revenue from sale of foil and other aluminium products and other products and services relates mostly to the revenue of non-reportable segments.

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6. Cost of sales and operating expenses

(a) Cost of sales

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Cost of alumina, bauxite and other materials	(2,644)	(1,663)
<i>Third parties</i>	<i>(2,620)</i>	<i>(1,641)</i>
<i>Related parties – companies capable of exerting significant influence</i>	<i>(12)</i>	<i>(7)</i>
<i>Related parties – companies related through parent company</i>	<i>(5)</i>	<i>(7)</i>
<i>Related parties – associates and joint ventures</i>	<i>(7)</i>	<i>(8)</i>
Purchases of primary aluminium	(568)	(481)
<i>Third parties</i>	<i>(47)</i>	<i>(170)</i>
<i>Related parties – companies related through parent company</i>	<i>(2)</i>	<i>(6)</i>
<i>Related parties – associates and joint ventures</i>	<i>(519)</i>	<i>(305)</i>
Energy costs	(1,183)	(985)
<i>Third parties</i>	<i>(684)</i>	<i>(613)</i>
<i>Related parties – companies capable of exerting significant influence</i>	<i>(21)</i>	<i>(18)</i>
<i>Related parties – companies related through parent company</i>	<i>(456)</i>	<i>(337)</i>
<i>Related parties – associates and joint ventures</i>	<i>(22)</i>	<i>(17)</i>
Personnel costs	(362)	(278)
Depreciation and amortisation	(234)	(303)
Change in finished goods	819	248
Other costs	(590)	(357)
<i>Third parties</i>	<i>(551)</i>	<i>(282)</i>
<i>Related parties – companies related through parent company</i>	<i>(13)</i>	<i>(14)</i>
<i>Related parties – associates and joint ventures</i>	<i>(26)</i>	<i>(61)</i>
	<u>(4,762)</u>	<u>(3,819)</u>

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(b) Distribution, administrative and other operating expenses, and impairment of non-current assets

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Transportation expenses	(227)	(202)
Personnel costs	(162)	(125)
Expected credit losses	(102)	(67)
Impairment of non-current assets	(23)	(55)
Consulting and legal expenses	(38)	(34)
Taxes other than on income	(25)	(23)
Packaging materials	(23)	(18)
Charitable donations	(20)	(18)
Security	(23)	(16)
Depreciation and amortisation	(13)	(14)
Repair and other services	(16)	(10)
Auditors' remuneration	(3)	(3)
Short-term lease and variable lease payments	(4)	(1)
Loss on disposal of property, plant and equipment	(1)	(1)
Other expenses	(179)	(101)
	<u>(859)</u>	<u>(688)</u>

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(c) EBITDA and operating effectiveness measures

Adjusted EBITDA is the key non-IFRS financial measure used by the Group as reference for assessing operating effectiveness.

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Results from operating activities	1,532	942
<i>Add:</i>		
Amortisation and depreciation	247	317
Impairment of non-current assets	23	55
Loss on disposal of property, plant and equipment	5	1
Adjusted EBITDA	1,807	1,315

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7. Finance income and expenses

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Finance income		
Interest income on third party loans and deposits	42	12
Revaluation of investments measured at fair value through profit and loss, incl. forex income	164	13
	<u>206</u>	<u>25</u>
Finance expenses		
Interest expense on bank loans and bonds wholly repayable within 5 years	(152)	(138)
Interest expense on bank loans and bonds wholly repayable after 5 years	(20)	(46)
Interest expense on provisions	(4)	(2)
Net foreign exchange loss	(216)	(48)
Change in fair value of derivative financial instruments (refer to Note 15)	(348)	(235)
	<u>(740)</u>	<u>(469)</u>

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8. Income tax

	Six months ended 30 June	
	2022	2021
	USD million	USD million
<i>Current tax</i>		
Current tax for the period	427	112
<i>Deferred tax</i>		
Origination and reversal of temporary differences	257	31
Income tax expense	684	143

The Company is a tax resident of Russia with an applicable corporate tax rate of 20%, for dividend income of the Company tax rate is 0%. Subsidiaries pay income taxes in accordance with the legislative requirements of their respective tax jurisdictions. For subsidiaries domiciled in Russia, the applicable tax rate is 20%; in Ukraine of 18%; Guinea of 0% to 30%; China of 25%; Kazakhstan of 20%; Australia of 30%; Jamaica of 25%; Ireland of 12.5%; Sweden of 20.6% and Italy of 26.9%. For the Group's subsidiaries domiciled in Switzerland the applicable tax rate for the period is the corporate income tax rate in the Canton of Zug, Switzerland, which may vary depending on the subsidiary's tax status. The rate consists of a federal income tax and cantonal/communal income and capital taxes. The latter includes a base rate and a multiplier, which may change from year to year. Applicable income tax rates are 9.08% and 11.85% for Swiss subsidiaries. For the Group's significant trading companies, the applicable tax rate is 0%. The applicable tax rates for the period ended 30 June 2021 were the same as for the period ended 30 June 2022 except for tax rates for Guinea and Italy which amounted to 0% and 27.9% accordingly. The applicable tax rates for the year ended 31 December 2021 were the same as for the period ended 30 June 2022 except for tax rates for subsidiaries domiciled in Switzerland which amounted to 9.55% and 11.85% accordingly.

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9. Losses or earnings per share

The calculation of basic losses or earnings per share is based on the loss or profit attributable to ordinary equity shareholders for the six-months periods ended 30 June 2022 and 30 June 2021.

Weighted average number of shares:

	Six months ended 30 June	
	2022	2021
Issued ordinary shares at beginning of the period	15,193,014,862	15,193,014,862
Effect of treasury shares	—	—
Weighted average number of shares at end of the period	<u>15,193,014,862</u>	<u>15,193,014,862</u>
Profit for the period, USD million	<u>1,680</u>	<u>2,018</u>
Basic and diluted earnings earnings per share, USD	<u><u>0,1106</u></u>	<u><u>0.1328</u></u>

There were no outstanding dilutive instruments during the periods ended 30 June 2022 and 30 June 2021.

No dividends were declared and paid during the periods presented.

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10. Interests in associates and joint ventures

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Balance at the beginning of the period	4,014	3,822
Group's share of profits	1,366	1,171
Partial disposal of investment in associate	–	(313)
Dividends	(764)	(611)
Foreign currency translation	1,990	103
	<hr/>	<hr/>
Balance at the end of the period	<u>6,606</u>	<u>4,172</u>
Goodwill included in interests in associates	<hr/> 2,691	<hr/> 1,902

Investment in Norilsk Nickel

The Group's share of profit of Norilsk Nickel was USD1,317 million, the foreign currency translation gain of USD1,703 million for the six months ended 30 June 2022. The carrying value of the Group's investment in the investee comprises USD5,530 million as at 30 June 2022.

The market value of the investment in Norilsk Nickel as at 30 June 2022 was USD13,720 million (31 December 2021: USD12,395 million). The market value was determined by multiplying the quoted bid price per share on the Moscow Exchange on reporting date by the number of shares held by the Group.

In 2021 the Group has participated in the repurchase of Norilsk Nickel shares to raise additional funds to finance its own investment programme. The Group sold 3,691,465 shares for RUR27,780 per share, with the aggregate consideration of USD1,418 million. The carrying value of the shares sold amounted to USD313 million, and USD613 million of currency translation reserve attributed to the shares sold was reclassified to profit/(loss) for the period, resulting in net gain of USD492 million recognised in the consolidated statement of income. The effective interest in Norilsk Nickel held by the Group after the transaction comprised 26.39%.

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11. Non-derivative financial instruments

(a) Trade and other receivables

	30 June 2022 USD million	31 December 2021 USD million
Trade receivables from third parties	1,136	757
Impairment loss on trade receivables	(40)	(17)
Trade receivables net of impairment loss from third parties	1,096	740
Trade receivables from related parties, including:	220	184
<i>Related parties – companies capable of exerting significant influence</i>	97	105
<i>Impairment loss on trade receivables from related parties – companies capable of exerting significant influence</i>	(32)	(1)
<i>Trade receivables net of impairment loss from related parties – companies capable of exerting significant influence</i>	65	104
<i>Related parties – companies related through parent company</i>	97	64
<i>Related parties – associates and joint ventures</i>	59	16
<i>Impairment loss on trade receivables from related parties – associates and joint ventures</i>	(1)	–
<i>Trade receivables net of impairment loss from related parties – associates and joint ventures</i>	58	–
VAT recoverable	733	382
Impairment loss on VAT recoverable	(75)	(25)
VAT recoverable net of impairment loss	658	357
Advances paid to third parties	321	118
Impairment loss on advances paid	(1)	(1)

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	30 June 2022 USD million	31 December 2021 USD million
Net advances paid to third parties	320	117
Advances paid to related parties, including:	92	110
<i>Related parties – companies related through parent company</i>	–	1
<i>Related parties – associates and joint ventures</i>	92	109
Prepaid expenses	8	8
Prepaid income tax	21	16
Prepaid other taxes	24	19
Other receivables from third parties	195	163
Impairment loss on other receivables	(98)	(71)
	<hr/>	<hr/>
Other receivables from third parties net of impairment loss	97	92
	<hr/>	<hr/>
Other receivables from related parties, including:	7	3
<i>Related parties – companies related through parent company</i>	32	22
<i>Impairment loss on other receivables from related parties – companies related through parent company</i>	(27)	(19)
<i>Other receivables net of impairment loss to related parties – companies related through parent company</i>	5	3
<i>Related parties – associates and joint ventures</i>	2	–
	<hr/>	<hr/>
	2,543	1,646
	<hr/> <hr/>	<hr/> <hr/>

All of the trade and other receivables are expected to be settled within one year or are repayable on demand.

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(i) Ageing analysis

Included in trade and other receivables are trade receivables (net of loss allowance for expected credit losses) with the following ageing analysis as of the reporting dates:

	30 June 2022 USD million	31 December 2021 USD million
Current (not past due)	1,123	896
1-30 days past due	120	16
31-60 days past due	21	–
61-90 days past due	2	1
More than 90 days past due	50	11
Amounts past due	193	28
	1,316	924

Aging analysis is performed based on number of days receivable is overdue. Trade receivables are on average due within 60 days from the date of billing. The receivables that are neither past due nor impaired (i.e. current) relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. The Group does not hold any collateral over these balances.

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(ii) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movement in the allowance for expected credit loss during the period is as follows:

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Balance at the beginning of the period	(18)	(24)
(Impairment loss) recognized	(55)	(1)
Uncollectible amounts written off	—	(1)
Balance at the end of the period	(73)	(26)

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(b) Trade and other payables

	30 June	31 December
	2022	2021
	USD million	USD million
Accounts payable to third parties	1,047	742
Accounts payable to related parties, including:	243	154
<i>Related parties – companies capable of exerting significant influence</i>	8	6
<i>Related parties – companies related through parent company</i>	72	51
<i>Related parties – associates and joint ventures</i>	163	97
Advances received	147	1,115
Advances received from related parties, including:	9	1
<i>Related parties – companies related through parent company</i>	1	1
<i>Related parties – associates and joint ventures</i>	8	–
Other payables and accrued liabilities to third parties	199	171
Other payables and accrued liabilities to related parties, including:	2	4
<i>Related parties – companies related through parent company</i>	2	4
Current tax liabilities	54	40
Other taxes payable	247	181
	1,948	2,408
	1,948	2,408

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All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

Advances received represent contract liabilities to perform obligations under contracts with customers and are recognized in Trade and other payables line in the statement of financial position. Advances received are short-term and revenue in respect of the contract liabilities at the beginning of the period is fully recognized during the period.

Included in trade and other payables are trade payables with the following ageing analysis as at the reporting date. Ageing analysis is performed based on number of days payable is overdue.

	30 June 2022 USD million	31 December 2021 USD million
Current	1,123	738
Past due 0-90 days	121	139
Past due 91-120 days	8	2
Past due over 120 days	38	17
Amounts past due	167	158
	1,290	896

Lease liabilities that are expected to be settled within one year for the amount of USD14 million are included in other payables and accrued liabilities as at 30 June 2022 (31 December 2021: USD8 million).

Non-current part of lease liabilities as at 30 June 2022 amounted to USD36 million (31 December 2021: USD35 million) is presented in other non-current liabilities.

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(c) Other non-current assets

	30 June	31 December
	2022	2021
	USD million	USD million
Long-term deposits	110	137
Prepayment for subsidiary acquisition	–	73
Other non-current assets	64	35
	<u>174</u>	<u>245</u>

(d) Investments in equity securities measured at fair value through profit and loss

The Group accumulated 40,414,832,466 shares or 9% of RusHydro for a total consideration of USD454 million through several transactions from July 2020 till June 2022 and treats them as equity securities measured at fair value through profit and loss.

Fair value is estimated in accordance with Level 1 of the fair value hierarchy. The market value was determined by multiplying the quoted bid price per share on the Moscow Exchange on reporting date by the number of shares held by the Group.

(e) Fair value measurement

Management believes that the fair values of financial assets and liabilities approximate their carrying amounts.

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12. Equity

(a) Share capital

	Six months ended 30 June 2022		Six months ended 30 June 2021	
	USD	Number of shares	USD	Number of shares
- Ordinary shares at the end of the period, authorised	<u>200 million</u>	<u>20 billion</u>	<u>200 million</u>	<u>20 billion</u>
- Ordinary shares at 1 January	<u>151,930,148</u>	<u>15,193,014,862</u>	<u>151,930,148</u>	<u>15,193,014,862</u>
Ordinary shares at the end of the period of USD0.01 each, issued and paid	<u>151,930,148</u>	<u>15,193,014,862</u>	<u>151,930,148</u>	<u>15,193,014,862</u>

(b) Other reserves

The acquisition of RUSAL Limited by the Company has been accounted for as a non-substantive acquisition. The consolidated share capital and share premium represent only the share capital and share premium of the Company and the share capital and other paid in capital of RUSAL Limited prior to the acquisition has been included in other reserves.

In addition, other reserves include the cumulative unrealised actuarial gains and losses on the Group's defined post retirement benefit plans, the effective portion of the accumulative net change in fair value of cash flow hedges and the Group's share of other comprehensive income of associates.

(c) Distributions

Following Company's redomiciliation in September 2020 (Note 1(a)), the Company may distribute dividends from retained earnings and profit for the reporting period in compliance with the current legislation of the Russian Federation and the provisions of its Charter.

(d) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the consolidated financial statements of foreign operations and equity accounted investees.

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13. Loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings.

	30 June 2022 USD million	31 December 2021 USD million
<i>Non-current liabilities</i>		
Secured bank loans	3,186	3,490
Unsecured bank loans	360	33
Bonds	1	1,316
	<u>3,547</u>	<u>4,839</u>
<i>Current liabilities</i>		
Secured bank	556	343
Unsecured bank loans	813	380
Bonds	2,311	1,118
Accrued interest	72	53
	<u>3,752</u>	<u>1,894</u>

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(a) Loans and borrowings

As at 30 June 2022 and 31 December 2021, the secured bank loans are secured by certain pledges of shares of a number of Group subsidiaries, 25% + 1 share of Norilsk Nickel (Group's associate) and property, plant and equipment with a carrying amount of USD4 million and USD3 million, respectively.

As at 30 June 2022 and 31 December 2021, rights, including all monies and claims, arising out of certain sales contracts between the Group's trading subsidiaries and its ultimate customers, were assigned to secure the syndicated Pre-Export Finance Term Facility Agreements (PXF's) dated 25 October 2019 and dated 28 January 2021.

The nominal value of the Group's loans and borrowings was USD4,977 million as at 30 June 2022 (31 December 2021: USD4,266 million).

As at 30 June 2022, the amount of accrued interest on unsecured bank loans and secured bank loans was USD17 million and USD10 million, respectively (31 December 2021: USD3 million and USD6 million, respectively).

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(b) Bonds

As at 30 June 2022 the Group had bonds nominated in roubles, eurobonds nominated in US dollars outstanding (traded in the market).

Type	Series	The number of bonds traded in the market	Nominal value, USD million	Nominal interest rate	Put-option date	Maturity date
Bond	BO-01	30,263	1	0.01%	18.04.2019	07.04.2026
Bond	BO-001P-01	15,000,000	293	16.00%	26.10.2022	16.04.2029
Bond	BO-001P-02	15,000,000	293	8.60%	25.01.2023	28.06.2029
Bond	BO-001P-03	15,000,000	293	8.25%	12.09.2022	30.08.2029
Bond	BO-001P-04	15,000,000	293	7.45%	14.11.2022	01.11.2029
Bond	BO-002P-01	10,000,000	195	6.50%	09.06.2023	28.05.2030
Eurobond	–	458,785	459	5.3%	–	03.05.2023
Eurobond	–	484,712	485	4.85%	–	01.02.2023

As at 30 June 2022, the amount of accrued interest on bonds was 45 million (31 December 2021: USD44 million).

Total foreign exchange loss on bonds for the six months ended 30 June 2022 accounted in other comprehensive income as part of cash flow hedge result amounted to USD255 million (gain USD2 million for the six months ended 30 June 2021).

2 February 2022 RUSAL completed the scheduled repayment of Eurobonds in the amount of USD512 million.

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14. Provisions

USD million	Provisions			Total
	Pension liabilities	Site restoration	for legal claims	
Balance at 1 January 2021	55	401	17	473
Provisions made during the period	3	23	–	26
Provisions reversed during the period	–	(27)	–	(27)
Actuarial gain	(1)	–	–	(1)
Provisions utilised during the period	(2)	(2)	–	(4)
Foreign currency translation	–	(4)	–	(4)
Balance at 30 June 2021	55	391	17	463
<i>Non-current</i>	<i>51</i>	<i>339</i>	<i>–</i>	<i>390</i>
<i>Current</i>	<i>4</i>	<i>52</i>	<i>17</i>	<i>73</i>
Balance at 1 January 2022	66	444	13	523
Provisions made during the period	4	33	–	37
Provisions reversed during the period	–	(77)	–	(77)
Actuarial gain	–	–	–	–
Provisions utilised during the period	(2)	(1)	–	(3)
Foreign currency translation	18	27	–	45
Balance at 30 June 2022	86	426	13	525
<i>Non-current</i>	<i>82</i>	<i>299</i>	<i>–</i>	<i>381</i>
<i>Current</i>	<i>4</i>	<i>127</i>	<i>13</i>	<i>144</i>

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15. Derivative financial assets/liabilities

	30 June 2022		31 December 2021	
	USD million		USD million	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Petroleum coke supply contracts and other raw materials	–	–	24	15
Forward contracts for aluminium and other instruments	232	–	118	26
Cross currency swap	19	5	–	165
Total	251	5	142	206
<i>Non-current</i>	<i>51</i>	–	<i>22</i>	<i>61</i>
<i>Current</i>	<i>200</i>	<i>5</i>	<i>120</i>	<i>145</i>

Derivative financial instruments are recorded at their fair value at each reporting date. Fair value is estimated in accordance with Level 3 of the fair value hierarchy based on management estimates and consensus economic forecasts of relevant future prices, net of valuation allowances to accommodate liquidity, modelling and other risks implicit in such estimates. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer. There were no changes in valuation techniques during six-month period ended 30 June 2022. The following significant assumptions were used in estimating derivative instruments:

	2022	2023	2024	2025	2026
NORD Electricity, EUR per mW/h	165	94	60	58	56
Implied forward exchange rate, RUB per USD	55.31-	74.15-	84.89-		
	72.92	84.09	92.70		

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The movement in the balance of Level 3 fair value measurements of derivatives is as follows:

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Balance at the beginning of the period	(64)	(135)
Unrealised changes in fair value recognised in the consolidated interim condensed statement of income (finance income/(expense)) during the period	(348)	(235)
Unrealised changes in fair value recognised in other comprehensive income (cash flow hedge) during the period	(214)	(28)
Realised portion of metals, electricity and cross currency swaps	872	177
Balance at the end of the period	246	(221)

Sensitivity analysis showed that derivative financial instruments are not particularly sensitive to changes in main inputs.

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16. Commitments and contingencies

(a) Capital commitments

The Group has entered into contracts that result in contractual obligations primarily relating to various construction and capital repair works. The commitments as at 30 June 2022 and 31 December 2021 were approximately USD387 million and USD248 million, including VAT, respectively. These commitments are due over a number of years.

(b) Taxation

Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the Group may be challenged by the relevant local, regional and federal authorities. Notably recent developments in the Russian environment suggest that the authorities in that country are becoming more active in seeking to enforce, through the Russian court system, interpretations of the tax legislation, in particular in relation to the use of certain commercial trading structures, which may be selective for particular tax payers and different to the authorities' previous interpretations or practices. Different and selective interpretations of tax regulations by various government authorities and inconsistent enforcement create further uncertainties in the taxation environment in the Russian Federation.

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(c) Environmental contingencies

The Group and its predecessor entities have operated in the Russian Federation, Ukraine, Jamaica, Guyana, the Republic of Guinea and the European Union for many years and certain environmental problems have developed. Governmental authorities are continually considering environmental regulations and their enforcement and the Group periodically evaluates its obligations related thereto. As obligations are determined, they are recognised immediately. The outcome of environmental liabilities under proposed or any future legislation, or as a result of stricter enforcement of existing legislation, cannot reasonably be estimated. Under current levels of enforcement of existing legislation, management believes there are no possible liabilities, which will have a material adverse effect on the financial position or the operating results of the Group. However, the Group anticipates undertaking significant capital projects to improve its future environmental performance and to bring it into full compliance with current legislation.

(d) Legal contingencies

The Group's business activities expose it to a variety of lawsuits and claims which are monitored, assessed and contested on the ongoing basis. Where management believes that a lawsuit or another claim would result in the outflow of the economic benefits for the Group, a best estimate of such outflow is included in provisions in the consolidated interim condensed financial statements (refer to Note 14). As at 30 June 2022 the amount of claims, where management assesses outflow as possible approximates USD21 million (31 December 2021: USD21 million).

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

*Notes to the Consolidated Interim Condensed Financial Statements,
All financial statements as at and for the six-month period
ended 30 June 2022 and 30 June 2021 is unaudited*

17. Related party transactions

(a) Transactions with management

Management remuneration

Key management received the following remuneration, which is included in personnel costs:

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Salaries and bonuses	52	33
	<u>52</u>	<u>33</u>

(b) Transactions with associates and joint ventures

Sales to associates and joint ventures are disclosed in Note 5, purchases from associates and joint ventures are disclosed in Note 6, accounts receivable from associates and joint ventures as well as accounts payable to associates and joint ventures are disclosed in Note 11.

(c) Transactions with other related parties

The Group transacts with other related parties, the majority of which are companies related through parent company or under the control of SUAL Partners Limited or shareholders jointly controlling the entity.

Sales to related parties for the period are disclosed in Note 5, purchases from related parties are disclosed in Note 6, finance income and expenses with related parties are disclosed in Note 7, accounts receivable from related parties as well as accounts payable to related parties are disclosed in Note 11.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

*Notes to the Consolidated Interim Condensed Financial Statements,
All financial statements as at and for the six-month period
ended 30 June 2022 and 30 June 2021 is unaudited*

(d) Related parties balances

As at 30 June 2022, there are no non-current assets represented by balances of related parties (31 December 2021: associates and joint ventures of USD2 million). As at 30 June 2022, non-current liabilities include balances of related parties – associates and joint ventures of USD15 million (31 December 2021: USD14 million).

As at 30 June 2022, current assets include balances of related parties – companies related through parent company of USD50 million (31 December 2021: companies related through parent company of USD50 million).

(e) Pricing policies

Prices for transactions with related parties are determined on a case by case basis but are not necessarily at arm's length.

The Group has entered into three categories of related-party transactions: (i) those entered into on an arm's length basis, (ii) those entered into on non-arm's length terms but as part of a wider deal resulting from arms' length negotiations with unrelated third parties, and (iii) transactions unique to the Group and the counterparty.

18. Events subsequent to the reporting date

In August 2022 the Company issued its first debut Yuan bonds listed on Moscow Exchange with 5 year term for total amount of USD617 million (4 billion Yuan) and coupon rate of 3.9% p.a. The bond issue has an offer in 2 years. The funds will be used for general corporate purposes, including refinancing of the current debt.

INFORMATION PROVIDED IN ACCORDANCE WITH THE HKSE LISTING RULES

Repurchase, sale and redemption by the Group of its securities during the Review Period

Save for the repayment of bonds as disclosed in note 13(b) to the Consolidated Interim Condensed Financial Statements, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of their securities during the Review Period.

Directors' Particulars

Re-appointment and Appointment of Directors

In accordance with Article 24.1 of the Charter, each of Mr. Evgeny Kuryanov, Mr. Evgenii Nikitin and Mr. Evgenii Vavilov (being executive Directors), Mr. Vladimir Kolmogorov and Mr. Marco Musetti (being non-executive Directors), Mr. Christopher Burnham, Mr. Kevin Parker, Mr. Randolph N. Reynolds, Dr. Evgeny Shvarts, Ms. Anna Vasilenko, Mr. Dmitry Vasiliev and Mr. Bernard Zonneveld (being independent non-executive Directors), were elected as members of the Board by the general meeting of Shareholders at the Annual General Meeting 2022 for the term until the next annual general meeting of Shareholders.

Mr. Mikhail Khardikov and Ms. Lyudmila Galenskaya were elected as members of the Board at the Annual General Meeting 2022 with effect from 23 June 2022.

Change of Directors and change to the composition of the Board Committees

Each of Mr. Vyacheslav Solomin, a non-executive Director, and Mr. Nicholas Jordan, an independent non-executive Director, retired as a Director with effect from 23 June 2022 at the beginning of the Annual General Meeting 2022.

Mr. Mikhail Khardikov was appointed as a non-executive Director and Ms. Lyudmila Galenskaya was appointed as an independent non-executive Director by the decision of the Board with effect from 23 June 2022.

Each of Mr. Mikhail Khardikov and Ms. Lyudmila Galenskaya were appointed as a member of the Health, Safety and Environmental Committee of the Board with effect from 23 June 2022.

Ms. Anna Vasilenko was appointed as the Chairman of the Remuneration Committee of the Board with effect from 23 June 2022.

Mr. Evgeny Shvarts was appointed as the Chairman of the Health, Safety and Environmental Committee of the Board with effect from 23 June 2022.

INFORMATION PROVIDED IN ACCORDANCE WITH THE HKSE LISTING RULES

Change of particulars of Directors

Mr. Christopher Burnham ceased to be the chairman of the strategic advisory firm, Cambridge Global Advisors, since 2022. He also ceased to serve on the board of Blue Water Defense located in Puerto Rico, a textile manufacturing firm, since May 2022.

Dr. Evgeny Shvarts ceased to be a member of the corporate governance, nomination and remuneration committee of Norilsk Nickel since June 2022 and became a member of sustainable development and climate change committee of Norilsk Nickel.

Save as disclosed above, there was no change of particulars of the Directors which are required to be disclosed under Rule 13.51B (1) of the Listing Rules.

Directors' and General Director's and Substantial Shareholders' interests in Shares

Directors' and General Director's interests

As at 30 June 2022, none of the Directors or the General Director had any interest and short position, whether beneficial or non-beneficial, in the Shares, underlying Shares, and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which was notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and General Director are taken or deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified by the Directors to the Company and the Hong Kong Stock Exchange pursuant to the HKSE Model Code set out in Appendix 10 to the HKSE Listing Rules (as incorporated by the Company in its "Codes for Securities Transactions" – for further information, please refer to the section on "Directors' securities transactions" below).

Substantial Shareholders' interest and short positions in the Shares, underlying Shares, and debentures of the Company

As at 30 June 2022, so far as the Directors are aware based on their understanding, and based on notifications made to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register (of interests in shares and short positions (as stated on the disclosure of interests forms received) required to be kept under section 336 of the SFO, the following persons had interests or short positions in the Share or underlying Shares (unless specified otherwise):

INFORMATION PROVIDED IN ACCORDANCE WITH THE HKSE LISTING RULES

Interests and short positions in Shares

Name of Shareholder	Capacity	Number of Shares held as at 30 June 2022	Percentage of issued share capital as at 30 June 2022
Oleg Deripaska	Beneficiary of a trust <i>(Note 1)</i>	8,641,888,022 (L)	56.88%
	Beneficial owner	1,669,065 (L)	0.01%
	Total	8,643,557,087 (L)	56.89%
Fidelitas Investments Ltd. ("Fidelitas Investments") <i>(Note 1)</i>	Interest of controlled corporation	8,641,888,022 (L)	56.88%
En+ <i>(Note 1)</i>	Beneficial owner	8,641,888,022 (L)	56.88%
B-Finance Ltd. ("B-Finance") <i>(Note 1)</i>	Interest of controlled corporation	8,641,888,022 (L)	56.88%
Access Aluminum Holdings Limited ("Access Aluminum") <i>(Note 2)</i>	Interest of controlled corporation	4,967,738,987 (L)	32.70%
		1,017,931,998 (S) <i>(Note 2)</i>	6.70%
Access Industries Holdings LLC ("Access Holdings") <i>(Note 2)</i>	Interest of controlled corporation	4,967,738,987 (L)	32.70%
		1,017,931,998 (S) <i>(Note 2)</i>	6.70%
Access Industries Holdings (BVI) L.P. ("Access BVI")	Interest of controlled corporation	4,967,738,987 (L)	32.70%
		1,017,931,998 (S) <i>(Note 2)</i>	6.70%
Access Industries LLC ("Access Industries") <i>(Note 2)</i>	Interest of controlled corporation	4,967,738,987 (L)	32.70%
		1,017,931,998 (S) <i>(Note 2)</i>	6.70%

INFORMATION PROVIDED IN ACCORDANCE WITH THE HKSE LISTING RULES

Name of Shareholder	Capacity	Number of Shares held as at 30 June 2022	Percentage of issued share capital as at 30 June 2022
GPTC LLC (<i>Note 2</i>)	Interest of controlled corporation	4,967,738,987 (L)	32.70%
		1,017,931,998 (S) (<i>Note 2</i>)	6.70%
TCO Holdings Inc. (“TCO”) (<i>Note 2</i>)	Interest of controlled corporation	3,907,527,611 (L)	25.72%
SUAL Partners (<i>Note 2</i>)	Beneficial owner	3,907,527,611 (L) (<i>Note 2</i>)	25.72%
Victor Vekselberg (“ Mr. Vekselberg ”) (<i>Note 3</i>)	Beneficiary of a trust (<i>Note 3</i>)	3,907,527,611 (L) (<i>Note 3</i>)	25.72%

(L) Long position

(S) Short position

Notes – see notes on pages 89-90.

Other than the interests disclosed above and subject to the notes set out below, so far as the Directors are aware based on their understanding, as at 30 June 2022, the Company has not been notified of any other notifiable interests or short positions in Shares or underlying Shares. The Company has no information on the interests in Shares in excess of five percent of the issued Shares, other than those disclosed above. The following notes are based on the Directors’ knowledge and understanding as described and specified below:

(Note 1) Based on the disclosure of interests forms filed on the Hong Kong Stock Exchange, Mr. Oleg Deripaska was the founder and a beneficiary of a private discretionary trust which held 86.33% of the share capital of Fidelitas International Investments Corp. (formerly Fidelitas Investments Ltd.), which in turn held 99.99% of the share capital of B-Finance, which in turn held 44.95% of the share capital of En+. Each of B-Finance, Fidelitas International Investments Corp., and Mr. Oleg Deripaska was deemed to be interested in the Shares and underlying Shares held by En+ by virtue of the SFO.

INFORMATION PROVIDED IN ACCORDANCE WITH THE HKSE LISTING RULES

(Note 2) Based on the latest disclosure of interests forms filed on the Hong Kong Stock Exchange, as of 28 March 2022, SUAL Partners as a beneficial owner was interested in 3,907,527,611 Shares (long position), representing 25.72% of the issued share capital of the Company. Based on the filed disclosure of interests forms, SUAL Partners was owned as to 36.39% by Renova Metals & Mining Ltd (“**Renova Metals**”), which in turn was wholly-owned by Renova Holding Ltd. (“**Renova Holding**”). Renova Holding was controlled by TZ Columbus Services Limited (“**TZC**”) as to 100% and TZC was in turn wholly-owned by TCO. Each of Renova Metals, Renova Holding, TZC and TCO were deemed to be interested in the Shares held by SUAL Partners by virtue of the SFO, except that wholly-owned entities are not required under Part XV of the SFO to make disclosure filings if the relevant interests have been disclosed by their ultimate direct or indirect 100% parent.

Based on the disclosure of interests forms filed, SUAL Partners agreed to terminate the securities borrowing and lending agreements with Zonoville Investments Limited (“**Zonoville**”) in respect of 1,147,016,472 Shares. Those Shares were kept by SUAL Partners to set off the debts owed by Zonoville to SUAL Partners, and Zonoville agreed to sell 478,636,119 Shares to SUAL Partners. As a result and due to cessation of interests held through a concert party agreement under section 317 of the SFO with SUAL Partners, Zonoville did not hold any interest in any Shares following the relevant event on 28 February 2022.

Based on the disclosure of interests forms filed on the Hong Kong Stock Exchange, each of Access Aluminum, Access Holdings, Access BVI, Access Industries and GPTC LLC held their interests in the Company through Zonoville, being a controlled corporation of those entities (as Zonoville was held as to 40.32% by Access Aluminum, which was held as to 98.48% by Access Holdings, which is in turn wholly-held by Access BVI, which is in turn held as to 67.16% by Access Industries, which is in turn held as to 69.70% by GPTC LLC). However, no filings were made by these entities concerning any change of interests in the Company held by them following the reduction of interests that was disclosed by way of disclosure filing concerning the relevant event on 28 February 2022.

(Note 3) The Company has been informed by a representative of SUAL Partners that, according to SUAL Partners’ knowledge, Mr. Vekselberg is a beneficiary under certain irrevocable and fully discretionary trust arrangement pursuant to which the trustee under such trust arrangement owned and controlled an indirect interest in approximately 36.39% of the issued shares in SUAL Partners and, Mr. Vekselberg neither owned nor controlled (whether directly or indirectly) any interest in any Shares as at 31 June 2022. Based on such information, Mr. Vekselberg may not have a notifiable interest requiring the making of any disclosure of interests under Part XV of the SFO.

INFORMATION PROVIDED IN ACCORDANCE WITH THE HKSE LISTING RULES

Agreements subject to change of control provisions

The following agreements with the Company contain change of control provisions allowing the other parties under such agreements to cancel their commitments in full and declare (or which action would result in) all outstanding loans immediately due and payable in the relevant event:

- (a) the PXF Facility 2019 – as at 30 June 2022, the outstanding nominal value of debt was USD904 million and the final maturity date of the debt is 7 November 2024.
- (b) the PXF Facility 2021 dated 28 January 2021, between the Company as borrower and SOCIÉTÉ GÉNÉRALE as facility agent and security agent – the outstanding nominal value of debt as at 30 June 2022 is USD175 million and the final maturity of the debt is 29 January 2024.
- (c) standard loan agreements #1,2,3 dated 28 April 2020 entered into between the Company as guarantor, UC RUSAL Anode Plant LLC as borrower and UniCredit Bank AG as lender – as at 30 June 2022, the outstanding nominal value of debt was equal to EUR7.1 million and the final maturity of the debt is 1 December 2029.
- (d) standard loan agreement #4 dated 4/5 August 2021 entered into between the Company as guarantor, JSC “RUSAL Sayanogorsk” as borrower and UniCredit Bank AG as lender – as at 30 June 2022, the outstanding nominal value of debt was equal to EUR1.4 million and the final maturity of the debt is 9 February 2027.
- (e) standard loan agreement #5 dated 8 September 2021 entered into between the Company as guarantor, JSC “RUSAL Sayanogorsk” as borrower and UniCredit Bank AG as lender – the current outstanding nominal value of debt was equal to EUR4.7 million and the final maturity of the debt is 15 February 2032.

Corporate Governance Practices

The Company adopts internationally recognised standards of corporate governance. The Company and its Board believe that high quality corporate governance leads to successful business development and increases the investment potential of the Company, providing more security for Shareholders, partners and customers as well as reinforcing the Company’s internal control systems.

INFORMATION PROVIDED IN ACCORDANCE WITH THE HKSE LISTING RULES

The Company developed and adhered its corporate governance standards, based on the principles of transparent and responsible business operations. The Company adopted a Corporate Code of Ethics that sets out the Company's values and principles for many of its areas of operations. The Company has approved and operates a Compliance Policy, which establishes the basic principles and approaches for the effective organization of the corporate governance system and ensuring compliance with regulatory requirements and best business practices, as well as forms a unified approach to compliance risk management and the development of compliance culture.

The Company and the Board are committed to upholding the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximise the interests of the Shareholders. The Company aims to comply with the Russian and other applicable Laws, the MoEx Listing Rules, as well as the recommendations of the Russian CG Code. In its corporate governance practices the Company is guided by the MoEx Listing Rules, the HKSE CG Code and the HKSE Listing Rules.

The Company and its Board believe that the Company has complied with the code provisions of the HKSE CG Code for the Review Period, other than as described below.

Board meetings at which Directors have material interests

In relation to compliance with Code Provision C.5.7 of the HKSE CG Code, the Board endeavoured throughout Review Period to ensure that it did not deal with business by the way of written resolution (absentee voting) where a Substantial Shareholder of the Company or a Director had disclosed an interest in a matter to be considered by the Board which the Board determined to be material. As a result, there were no occurrence (out of the nine instances of absentee voting of the Board during the Review Period) when urgent business was dealt with by the Board by way of written resolution where a material interest of a Director was stated to have been disclosed.

Of the five Board meetings held during the Review Period, there were four occasions where an executive Director/non-executive Directors might have a material interest in the transaction. On such occurrences, those executive Director/non-executive Directors abstained from voting and the resolutions approving entry into such transactions were passed by the requisite majority excluding those executive Director/non-executive Directors who might have a material interest.

Of the four Board meetings held during the Review Period where one or more Directors had disclosed a material interest, all the independent non-executive Directors were present at all four of the Board meetings held.

INFORMATION PROVIDED IN ACCORDANCE WITH THE HKSE LISTING RULES

Attendance of Directors at General Meetings of Shareholders

C.1.6 of the HKSE CG Code provides that generally independent non-executive directors and other non-executive directors should attend general meetings of shareholders. An extraordinary general meeting of the Company was held on 10 January 2022 (the “**EGM 1**”). Certain non-executive Director and independent non-executive Directors were unable to attend the EGM 1 due to conflicting business schedules. An extraordinary general meeting of the Company was held on 14 March 2022 (the “**EGM 2**”). Certain non-executive Directors and independent non-executive Directors were unable to attend the EGM 2 due to conflicting business schedules. The Annual General Meeting 2022 was held on 23 June 2022. A certain non-executive Director was unable to attend the Annual General Meeting 2022 due to conflicting business schedules.

Directors’ securities transactions

The Company has adopted a Code for Securities Transactions in respect of the Directors of the Company. The Code for Securities Transactions was based on the Model Code as set out in Appendix 10 to the HKSE Listing Rules but it was made more exacting than the required standard set out in Appendix 10. Having made specific enquiry of all Directors, all Directors confirmed that they had fully complied with the required standard set out in the Model Code and the Code for Securities Transactions throughout the Review Period.

The Company has not been notified of any transaction by the Directors in respect of the Company’s shares throughout the Review Period.

The Directors do not directly or indirectly own the Company’s shares.

Related party transactions

For further information on related party transactions, please refer to note 17 “Related party transactions” of the Consolidated Interim Condensed Financial Statements.

STATEMENT OF RESPONSIBILITY

I, Evgenii Nikitin, declare, to the best of my knowledge, that the Consolidated Interim Condensed Financial Statements contained in this Interim Report has been prepared in accordance with applicable accounting principles and gives a true and fair view of the assets, financial condition and results of operations of RUSAL and the other entities included in the consolidation perimeter, and that the “Management Discussion and Analysis” and “Information Provided in Accordance with the HKSE Listing Rules” sections of this Interim Report include a fair review of the material events that occurred in the first six months of this financial year, their impact on the Consolidated Interim Condensed Financial Statements, and the principal related party transactions, as well as a description of the principal risks and uncertainties for the remaining six months of this year

Evgenii Nikitin

General Director

FORWARD-LOOKING STATEMENTS

This Interim Report contains statements about future events, projections, forecasts, and expectations that are forward-looking statements. Any statement in this Interim Report 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 our 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 herein and in the Annual Report. In addition, past performance of RUSAL cannot be relied on as a guide to future performance. 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 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.

GLOSSARY

“**Adjusted EBITDA**” for any period means the results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant, and equipment.

“**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 impairment of non-current assets.

“**Alumina price per tonne**” represents the average alumina price per tonne which is based on the daily closing spot prices of alumina according to Non-ferrous Metal Alumina Index FOB Australia USD per tonne.

“**Alumina refinery Aughinish**” means Aughinish Alumina Limited, incorporated in Ireland, which is a 100% indirect subsidiary of the Company.

“**Aluminium price per tonne quoted on the LME**” or “**LME aluminium price**” represents the average daily closing official LME spot prices for each period.

“**Aluminium segment cost per tonne**” means aluminium segment revenue, less aluminium segment results, less amortisation and depreciation, divided by sales volume of aluminium segment.

“**Annual General Meeting 2022**” means annual general shareholders meeting that the Company held on 23 June 2022.

“**Annual Report**” means the report dated 18 April 2022 for the year ended 31 December 2021 published by the Company.

“**Armenal**” means Closed Joint Stock Company “RUSAL ARMENAL”, an indirect wholly-owned subsidiary of the Company.

“**Audit Committee**” means the audit committee of the Board.

“**BEMO**” means the companies comprising the Boguchanskoye Energy and Metals Complex.

“**BEMO HPP**” means the Boguchanskaya hydro power plant.

“**Board**” means the board of Directors of the Company.

GLOSSARY

“**Chairman**” or “**Chairman of the Board**” means the chairman of the Board.

“**Charter**” means the corporate charter of the Company which became effective on the Registration Date.

“**Chief Financial Officer**” means the chief financial officer of the Company.

“**CIS**” means Commonwealth of Independent States.

“**CNY**” means Chinese Yuan, the lawful currency of the PRC.

“**Company**” or “**UC RUSAL**” or “**UC RUSAL, IPJSC**” means United Company RUSAL, international public joint-stock company (UC RUSAL, IPJSC). 俄鋁, a company incorporated under the laws of Jersey with limited liability and continued in the Russian Federation as an international company in accordance with the procedure established by the laws of the Russian Federation, in accordance with the Federal Law of the Russian Federation “On International Companies and International Funds”. The full Company name in Russian is Международная компания публичное акционерное общество “Объединённая Компания “РУСАЛ””, and the abbreviated company name in Russian is МКПАО “ОК РУСАЛ”.

“**Controlling Shareholder**” has the meaning ascribed to such expression in the HKSE Listing Rules.

“**Corporate Governance and Nomination Committee**” means the corporate governance and nomination committee established by the Board.

“**Director(s)**” means the members of the Board of the Company from time to time.

“**ECB**” means the European Central Bank.

“**En+**” means EN+ GROUP International public joint-stock company, a company registered in accordance with the procedure established by the laws of the Russian Federation, in accordance with the Federal Law of the Russian Federation “On International Companies and International Funds”, and which is a Controlling Shareholder of the Company.

“**EU**” means the European Union.

GLOSSARY

“**FED**” means the Federal Reserve System.

“**General Director**” means the General Director of the Company.

“**Group**” or “**RUSAL Group**” or “**RUSAL**” means the Company and its subsidiaries from time to time, including a number of production, trading and other entities controlled by the Company directly or through its wholly-owned subsidiaries.

“**HKSE CG Code**” means the corporate governance code setting out, among others, the principles of good corporate governance practices as set out in Appendix 14 to the HKSE Listing Rules (as amended from time to time).

“**HKSE Listing Rules**” means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time).

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC.

“**Hong Kong Stock Exchange**” or “**HKSE**” means The Stock Exchange of Hong Kong Limited.

“**Interim Report**” means this interim report dated 11 August 2022.

“**JSC “RUSAL SAYANAL”**” or “**Sayanal**” means Joint-Stock Company RUSAL SAYANAL, a company incorporated under the laws of the Russian Federation, which is an indirect wholly-owned subsidiary of the Company.

GLOSSARY

“**LIBOR**” means in relation to any loan:

- (a) the applicable screen rate (being the British Bankers’ Association Interest Settlement Rate for dollars for the relevant period, displayed on the appropriate page of the Reuters screen); or
- (b) (if no screen rate is available for dollars for the interest period of a particular loan), the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the agent at its request quoted by the reference banks to leading banks in the London interbank market, as of the specified time (11:00 a.m. in most cases) on the quotation day (generally two business days before the first day of that period unless market practice differs in the Relevant Interbank Market, in which case the quotation day will be determined by the agent in accordance with market practice in the Relevant Interbank Market) for the offering of deposits in dollars and for a period comparable to the interest period for that loan.

“**Listing**” means the listing of the Shares on the Hong Kong Stock Exchange.

“**LLC RUSAL Medical Center**” means RUSAL Medical Center Limited an indirect wholly-owned subsidiary of the Company.

“**LLP Bogatyr Komir**” Limited Liability Partnership means the joint venture between the Company and Samruk-Energo producing coal described at page 27 of the Annual Report.

“**LME**” means the London Metal Exchange.

“**Model Code**” means the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the HKSE Listing Rules.

“**MoEx Listing Rules**” means the Rules Governing the Listing of Securities on the Moscow Exchange (as amended from time to time).

“**Moscow Exchange**” or “**MOEX**” means Public Joint-Stock Company “Moscow Exchange MICEX-RTS” (short name “Moscow Exchange”).

“**Net Debt**” is calculated as Total Debt less cash and cash equivalents as at the end of the period.

GLOSSARY

“**Nikolaev Alumina Refinery**” or “**Mykolaiv Alumina Refinery**” or “**NGZ**” means Mykolaiv Alumina Refinery Company Limited, a company incorporated under the laws of the Ukraine, which is a wholly-owned subsidiary of the Company.

“**Norilsk Nickel**” means PJSC “MMC “NORILSK NICKEL”, a company incorporated under the laws of the Russian Federation.

“**OFAC**” means the Office of Foreign Assets Control of the Department of the U.S. Treasury.

“**OFAC Sanctions**” means the designation by OFAC of certain persons and certain companies into the SDN List.

“**PRC**” or “**China**” means the People’s Republic of China and for the purposes of this document only, except where the context requires otherwise, excluding Hong Kong, Macau and Taiwan.

“**PXF Facility 2019**” means up to USD1,085,000,000 Aluminium Pre-Export Finance Term Facility Agreement dated 25 October 2019, among inter alias, UC RUSAL as Borrower and ING Bank N.V. as Facility Agent and Security Agent and Natixis as Offtake Agent.

“**PXF Facility 2021**” means up to USD200 million syndicated aluminium pre-export finance term facility – until January 2024 equal quarterly repayments starting from April 2022.

“**QAL**” means Queensland Alumina Refinery, a company incorporated in Queensland, Australia, 20% indirectly owned by the Company.

“**Recurring Net Profit**” for any period means Adjusted Net Profit plus the Company’s effective share of Norilsk Nickel’s profits, net of tax.

“**Registration Date**” means 25 September 2020, the date when the Company was registered as an international public joint-stock company in the Unified State Register of Legal Entities of the Russian Federation, changed its jurisdiction of incorporation from Jersey to the Russian Federation, changed its corporate name from UC RUSAL Plc to UC RUSAL, IPJSC and when its Memorandum of association and Articles of Association governed by Jersey laws were superseded by the Charter.

GLOSSARY

“**Related party**” of an entity means a party who is:

- (a) directly, or indirectly through one or more intermediates, a party which:
 - (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - (ii) has an interest in the entity that gives it significant influence over the entity; or
 - (iii) has joint control over the entity;
- (b) an associate of the entity;
- (c) a joint venture in which the entity is a venturer;
- (d) a member of the key management personnel of the entity or its parent;
- (e) a close member of the family of any individual referred to in (a) or (b) above;
- (f) an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e) above;
- (g) a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

“**Related party transaction**” means a transfer of resources, services or obligations between Related parties, regardless of whether the price is charged.

“**Review Period**” means the period commencing from 1 January 2022 and ending on 30 June 2022.

“**RUB**” or “**Ruble**” means Rubles, the lawful currency of the Russian Federation.

““**RUSAL Taishet**” LLC” or “**TaAZ**” or “**Taishet aluminium smelter**” means Limited Liability Company “RUSAL Taishet Aluminium Smelter”, a company incorporated in Russia, which is an indirect wholly-owned subsidiary of the Company.

“**Russian CG Code**” means the corporate governance code approved by the Board of Directors of the Bank of Russia on 21 March 2014.

“**Samruk-Energo**” means Samruk-Energo, a company incorporated in Kazakhstan, which is an independent third party.

GLOSSARY

“**Sayana Foil**” means Limited Liability Company “RUSAL-Sayana Foil”, a company incorporated under the laws of the Russian Federation, which is an indirect wholly-owned subsidiary of the Company.

“**Sayanogorsk Aluminium Smelter**”, JSC “**RUSAL Sayanogorsk**” or “**SAZ**” means Joint Stock Company “RUSAL Sayanogorsk”, a company incorporated under the laws of the Russian Federation, which is an indirect wholly-owned subsidiary of the Company.

“**SDN List**” means the Specially Designated Nationals List published by OFAC. U.S. persons are generally prohibited from dealing with assets of persons designated in the SDN List which are subject to the U.S. jurisdiction, subject to certain exemptions and exclusions set out in licenses issued by OFAC.

“**SFO**” means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as may be amended and supplemented from time to time).

“**Share(s)**” means ordinary share(s) with nominal value of RUB 0.656517 each in the share capital of the Company.

“**Shareholder(s)**” means holder(s) of Shares.

“**SUAL Partners**” means “SUAL PARTNERS” INTERNATIONAL LIMITED LIABILITY COMPANY, a company incorporated under the laws of the Bahamas as SUAL Partners Limited and continued in the Russian Federation as an international company in accordance with the procedure established by the laws of the Russian Federation, in accordance with the Federal Law of the Russian Federation “On International Companies and International Funds”, which is a Substantial Shareholder of the Company.

“**Substantial Shareholder(s)**” has the meaning ascribed to such expression under the HKSE Listing Rules.

“**Total Debt**” means the Company’s loans and borrowing at the end of the period.

“**Ural Foil**” means Joint Stock Company “Ural Foil”, an indirect wholly-owned subsidiary of the Company.

“**US**” means the United States of America.

GLOSSARY

“**USD**”, “**US\$**” or “**US dollar**” means United States dollars, the lawful currency of the US.

“**VAT**” means value added tax.

“**Working Capital**” means trade and other receivables and inventories less trade and other payables.

“**%**” means per cent.

* * * *

Certain amounts and percentage figures included in this Interim Report have been subject to rounding adjustments or have been rounded to one decimal place. Accordingly, figures shown as totals in certain tables in this Interim Report may not be an arithmetic aggregation of the figures that preceded them.

CORPORATE INFORMATION

UNITED COMPANY RUSAL, INTERNATIONAL PUBLIC JOINT STOCK COMPANY

(Incorporated under the laws of Jersey with limited liability and continued in the Russian Federation as an international company)
(stock code: 486)

BOARD OF DIRECTORS

Executive Directors

Mr. Evgeny Kuryanov
Mr. Evgenii Nikitin (*General Director*)
Mr. Evgenii Vavilov

Non-executive Directors

Mr. Mikhail Khardikov
Mr. Vladimir Kolmogorov
Mr. Marco Musetti

Independent non-executive Directors

Mr. Christopher Burnham
Ms. Lyudmila Galenskaya
Mr. Kevin Parker
Mr. Randolph N. Reynolds
Dr. Evgeny Shvarts
Ms. Anna Vasilenko
Mr. Dmitry Vasiliev
Mr. Bernard Zonneveld (*Chairman*)

REGISTERED OFFICE IN RUSSIA

Office 410, 8, Oktyabrskaya street,
Kaliningrad region,
Kaliningrad 236006,
Russian Federation

PLACE OF BUSINESS IN HONG KONG

17/F., Leighton Centre,
77 Leighton Road, Causeway Bay,
Hong Kong

HONG KONG COMPANY SECRETARY

Lam Yuen Ling, Eva
17/F., Leighton Centre,
77 Leighton Road, Causeway Bay,
Hong Kong

AUDITOR

TSATR – Audit Services LLC
Public Interest Entity Auditor recognised
in accordance with the Financial Reporting
Council Ordinance
Russian Federation, 115035, Moscow,
Sadovnicheskaya
naberezhnaya, 77, building 1

CORPORATE INFORMATION

AUTHORISED REPRESENTATIVES

Mr. Evgenii Nikitin
Mr. Eugene Choi
Ms. Lam Yuen Ling, Eva

PRINCIPAL SHARE REGISTRAR

Joint Stock Company “Interregional
Registration Center”
Podsosensky pereulok, 26, str.2, Moscow,
105062, Russian Federation

HONG KONG BRANCH SHARE REGISTRAR

Link Market Services (Hong Kong) Pty
Limited
Suite 1601, 16/F.
Central Tower 28 Queen’s Road Central
Hong Kong

AUDIT COMMITTEE MEMBERS

Mr. Kevin Parker (*chairman*)
Ms. Anna Vasilenko
Mr. Dmitry Vasiliev
Mr. Bernard Zonneveld

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE MEMBERS

Mr. Dmitry Vasiliev (*chairman*)
Mr. Christopher Burnham
Mr. Randolph N. Reynolds
Mr. Bernard Zonneveld

REMUNERATION COMMITTEE MEMBERS

Ms. Anna Vasilenko (*chairman*)
Mr. Randolph N. Reynolds
Mr. Dmitry Vasiliev

INVESTOR RELATIONS CONTACT

Moscow

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COMPANY WEBSITE

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