Public Joint Stock Company «Mining and Metallurgical Company «NORILSK NICKEL»
(PJSC «MMC «NORILSK NICKEL», «Nornickel», the «Company», the «Group»)

NORNICKEL REPORTS FIRST HALF 2022 INTERIM CONSOLIDATED IFRS FINANCIAL RESULTS

Moscow, August 2, 2022 — PJSC MMC Norilsk Nickel the world's largest palladium and high-grade nickel and a major producer of platinum and copper, reports interim consolidated IFRS financial results for the six months ended June 30, 2022.

1H2022 HIGHLIGHTS

- Consolidated revenue was flat year-on-year amounting to USD 9 billion. Higher base metal prices and recovery of production volumes after temporary suspension of operations caused by the incidents at Oktyabrsky and Taimyrsky mines and Norilsk concentrator in 1H2021, were negatively offset by lower realized palladium price and lower overall metal sales volume owing to logistical disruptions as well as a higher base effect due to the sale of metal from previously accumulated stock in 1H2021;
- EBITDA decreased 16% y-o-y to USD 4.8 billion owing to higher operating cash costs driven mainly by increase in labour expenses and mineral extraction tax. EBITDA margin amounted to 53%;
- Net income increased 18% y-o-y to USD 5.1 billion mostly driven by stronger rouble exchange rate as of the end the reported period resulting in revaluation of foreign currency debt;
- CAPEX increased 83% y-o-y to USD 1.8 billion driven by the scheduled growth of investments into key environmental, mining and metallurgical projects as well as intensified capital repairs aimed at improvement of industrial safety and mitigation of physical risks;
- Net working capital amounted to USD 3.8 billion driven mostly by strengthening of Russian rouble, increase in metal, materials and spare parts inventories as well as amortization of advance payments form customers and decline in factoring services;
- Free cash flow decreased 25% y-o-y to USD 1.1 billion driven mostly by EBITDA decrease as well as increased net working capital and capital expenditures, which was partly offset by reimbursement for the environmental damages in 1H2021;
- Net debt doubled to USD 10.2 billion as a result of the decrease of free cash flow and payment of dividends for 2021 totaling USD 6.2 billion. Net debt/EBITDA ratio as of June 30, 2022 was at 1.1x. The Company continues to duly service all its debt liabilities;
- Various economic restrictions imposed on Russia by a number of countries have created risks for operating, commercial and investment activities of the Company. To mitigate these risks Nornickel has developed a set of responses and has launched a new procurement strategy aiming at the substitution of some imported goods and services with alternative suppliers.

RECENT DEVELOPMENTS

- On July 5, 2022, the Board of Directors of Nornickel decided to hold Extraordinary General Meeting of Shareholders on August 11, 2022 to reduce the authorized capital of the Company by RUB 791,227 to RUB 152,863,397 by cancelling 791,227 repurchased ordinary shares with par value of RUB 1.

KEY CORPORATE HIGHLIGHTS

USD million (unless stated otherwise)	**1H2022**	**1H2021**	**Change,%**
Revenue	8,979	8,943	0%
EBITDA[1]	4,797	5,700	(16%)
EBITDA margin	53%	64%	(11 p.p.)
Net profit	5,062	4,304	18%
Capital expenditures	1,816	990	83%
Free cash flow[2]	1,051	1,397	(25%)
Net working capital[2]	3,767	1,269[5]	3x
Net debt[2]	10,224	4,914[5]	2x
Net debt/12M EBITDA	1.1x	0.5x[5]	0.6x
Dividends paid per share (USD)[3]	40.5	13.9	3x

1) A non-IFRS measure, for the calculation see the notes below.
2) A non-IFRS measure, for the calculation see an analytical review document ("Data book") available in conjunction with Consolidated IFRS Financial Results on the Company's web site.
3) Paid during the current period
4) Normalized on receivables from the registrar on transfer of dividends to shareholders
5) Reported as of December 31, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

The President of Nornickel, Vladimir Potanin, commented on the results,

"The first half of 2022 was marked by a wave of unprecedented restrictive measures rolled out against Russia as well as extreme volatility on global commodity and financial markets. In response to this, our focus has shifted towards the development of new logistical arrangements and a search for alternative suppliers of spare parts and equipment in order to maintain our operations stable and mitigate negative impact on our personnel and key stakeholders.

Our revenue was flat year-on-year at approximately USD 9 billion as higher nickel and copper prices and production volumes owing to the recovery of operations at Norilsk division after their temporary suspension last year, were negatively offset by the build-up of metal inventories driven by new logistical s challenges.

Due to the extraordinary operating environment, our cash costs have increased dramatically. Besides the direct inflationary pressure, the cash costs were affected by additional motivational payments to employees, indexation of salaries above official Russian CPI and increased mineral extraction tax. As result our EBITDA decreased to USD 4.8 billion, while the margin was maintained above 50%.

Capital expenditures increased to USD 1.8 billion as we continued to deliver on our growth projects as well as environmental and industrial safety programmes. Introduction of voluntary sanctions by some international suppliers of equipment, spare parts, materials and technologies, has posed serious challenges for the execution of our strategic investment programme. We are applying our best efforts to mitigate their negative impact, but we do see risks that some of our strategic projects will have to be pushed back.

Net debt/EBITDA ratio stayed at a comfortable level of 1.1x. The Company is servicing its debt obligations in a duly and timely manner and is actively engaging with Russian regulators and external market infrastructure in order to continue servicing its debts.

And finally, I would like to highlight that the investment case of Nornickel has been getting more attractive for Russian investors. Over the last five years, the number of our retail shareholders has increased almost 6-fold to 351k, which now accounts for almost 10% of shares outstanding. We very much welcome further diversification of our shareholder base towards Russian investors”.

HEALTH AND SAFETY

In 1H 2022, the lost time injury frequency rate (LTIFR) increased more than two-fold year-on-year to 0,65 from 0,31. Number of lost time injuries increased to 37 from 17 in 1H 2021. The increase was mainly driven by the shift of the management focus towards improving the reporting and injuries data collection transparency, with an aim to obtain the most accurate data, covering not just serious and fatal cases, but also micro, light and medium injuries, as well as ”near misses” so that an effective mitigation program could be developed. Regretfully, we suffered one fatal accident during the reported period (compared to 5 accidents in 1H 2021). The management reiterates its major strategic focus to reduce fatalities to zero. The Company continues to roll out various initiatives aiming at the prevention of industrial accidents and injuries. In 2022, a comprehensive revision of industrial safety requirements and standards is been carried out, alongside a redesign of health and safety KPIs.

METAL MARKETS

Nickel in 1H2022: extreme price volatility driven by supply chain disruptions and speculative hedges by large market participants; in spite of some demand recovery, the overall nickel market was in surplus owing to the launch of new production capacities in Indonesia; high-grade nickel market was in physical shortage, which manifested itself via the steady drawdown of nickel stocks from the exchange warehouses.

The nickel price started the year buoyantly as robust speculative demand, ongoing supply chain bottlenecks and significant market tightness pushed the price to an 11-year high of USD 24,000 per tonne in mid-January. In February, the price dynamics was dominated by escalating geopolitical tensions and was further exacerbated by the low level of exchange stocks. As a result, the LME nickel price increased to a new high of USD 29,800 per tonne during the trading session of March 4th.

On March 8th, the LME was forced to suspend trading in all nickel contracts after prices jumped to a record USD 100,000 per tonne allegedly as a result of a massive short squeeze caused by China’s Tsingshan Group speculative hedging. Given the extreme price movements and low trading volumes, the LME decided to cancel all trades executed on March 8th and rewind the market to the prior day close of USD 48,000 per tonne. After nickel trading on LME was resumed a week later, it was still challenged for some time by a series of technical difficulties. Nickel price stabilised at USD 33,000-34,000 per tonne towards the end of March, still on low trading volumes.

Later, the nickel price steadily declined towards USD 23,000 per tonne by the end of June on the back of a wider bearish trend across all base metals, which were aggravated by new COVID-19 restrictions in China, tightening of monetary policy by major central banks and growing recession expectations.

The average LME nickel price in 1H2022 rose by 58% y-o-y to USD 27,636 per tonne.

In 1H2022, primary nickel demand increased by 3% y-o-y due to strong consumption by batteries sector amid fast growing BEV sales (+78% y-o-y globally in January-May) and a relatively moderate increase in other non-stainless applications (+8% y-o-y) owing to the strong oil & gas and aerospace demand. On the other hand, stainless steel production was significantly constrained by the pandemic outbreak in China and lower end-use demand in other regions. As a result, primary nickel use in the stainless sector reduced 2% y-o-y, where Indonesia and India were up 7% y-o-y, South Korea – up 3% y-o-y, Japan – up 2% y-o-y, Americas – up 1% y-o-y, but EMEA was down 1% y-o-y, and China was down 5% y-o-y.

Global nickel supply surged by an exceptional 18% y-o-y due to a continuous expansion of the Indonesian NPI output (+28% y-o-y, representing a 116 kt increase) and the production of nickel compounds for the EV market (+79% y-o-y) driven mainly by the new NPI-to-matte conversion facilities and HPAL projects. Nickel metal output increased 9% y-o-y, posting a recovery from operational issues, strikes and pandemic-related disruptions of 2021.

We estimate that the nickel market was in a 60 kt surplus in 1H 2022. However, since nickel exchange inventories declined by just 40 kt over this period, we believe that the surplus was predominantly in low-grade nickel, whereas the Class 1 nickel market was most probably balanced or even in a modest deficit.

Nickel outlook: cautious in the mid-term, but more positive long-term; we expect the market surplus to widen to 75 kt in 2022 and further to 150 kt in 2023, however, mostly in low-grade nickel, on the back of the ramp-up of new NPI capacities in Indonesia alongside growing production of nickel chemicals. At the same time, we see potential upside risk in EV uptake and stainless steel demand, thus suggesting a stronger-than-expected nickel demand, while the ramp-up of Indonesian NPI capacities and other projects across the globe could miss expectations yet again.

We expect the primary nickel demand to increase 8% and 12% y-o-y in 2022 and 2023, respectively, primarily driven by the expansion of stainless steel production in China and Indonesia amid a post-COVID recovery as well as ongoing strong growth in the battery sector.

In our view, primary nickel supply will increase 18% and 14% y-o-y in 2022 and 2023, respectively, owing to the continuing ramp-up of NPI projects in Indonesia and growing production of nickel chemicals through NPI-to-matte conversion and HPAL for the EV sector.

We note, however, of the risks that energy issues in Europe and slower growth rates in China may jeopardize demand recovery in major nickel-consuming industries, thus leading to larger-than-expected market surpluses.

In the longer run, we believe that nickel demand will benefit from the fast growing EV sector on the back of the global decarbonisation and energy transition trends, which are actively supported by the government incentives all over the world. We expect the nickel consumption in batteries to grow to above 1 Mt by 2030, representing approximately 30% of total nickel demand. At the same time, various national carbon neutrality goals are getting increasingly more ambitious, while the pace of subsidies-driven electrification and cost optimization of the battery cell production might outperform current expectations. The battery value chain will require low carbon nickel units, which are likely to be in shortage, in our opinion, considering the projected aggressive pace of autos' electrification. Additionally, nickel will be also a critical metal to support the global expansion of renewable energy generation to meet the current decarbonisation targets.

Copper in 1H 2022: refined copper market was fairly balanced, while price was highly volatile; in March, geopolitical instability and sector-specific issues took the price well above USD10,000/t, but afterwards the rising global recession fears and strengthening USD (DXY index) brought it down to multi-year lows of USD7,000/t.

Mine disruptions, new VAT on scrap in China and general inflation together with geopolitical tensions pushed the copper price to a new record-high of USD 10,730 per tonne in March. The deceleration of the global economic growth and tightening of monetary policies brought an end to the price rally, with the price falling to around USD 7,000 per tonne in the mid-July.

The average LME copper price in 1H 2022 increased 7% y-o-y to USD 9,761 per tonne.

Global copper demand was distributed rather unevenly region wise in 1H 2022 as high energy prices in Europe and COVID-related lockdowns in China impacted negatively both consumer sentiment and investments, with April and May demand being particularly weak. Nonetheless, the

US demand increased by around 2% y-o-y driven by robust construction sector and solid demand for durable goods.

In terms of supply, there were a number of incidents and stoppages in Chile and Peru, two major producers of mined copper, while the output in the rest of the world was flattish in response to the weak demand for unwrought copper in China.

Copper outlook: neutral in the near-term, but positive in the medium to long-term; risk of global economic recession, strengthening dollar and rising central bank rates will create headwinds in the next several months; in the longer run accelerated transport electrification and wider use of green energy generation and technologies will drive the demand up.

In spite of the recent challenges and deteriorating outlook for the global economy, copper demand is expected, in our view, to grow by 2% y-o-y to 25 mln tonnes in 2022. We expect that Chinese demand will grow by 2% to 13.6 mln tonnes as a recovery from lockdowns is imminent, while Europe and Americas are expected to increase copper consumption by 1% and 3%, respectively.

In 2022, we estimate that the global supply, both mined and refined, will also increase. Recovering after the pandemic-related disruptions, mined copper production should increase by 3% to 22Mt and refined copper output - by 2% y-o-y to 25 mln tonnes in 2022. South and Central America combined is expected, in our view, to produce 2.9 Mt (+6% YoY), Africa - to add 11% y-o-y to 1.7Mt, and Asia to increase by 1% y-o-y to 14.7Mt, including China growing 2% to 10.5Mt and Japan – by 3% to 1.5Mt. However, mine disruptions caused by strikes and drought at several mines in Latin America might push the mined supply disruption rate up to 5-5.5% of total production in 2022.

We forecast a negligible deficit of 187kt in 2022, representing less than 1% of global consumption.

Since the start of the year due to a weak demand in China exchange stocks increased 59kt (+31%) to 250kt by the end of June, but still remained at the historically low level.

In the longer term, we continue to believe that significant investments in new copper production assets would be required to keep up with the growing demand from infrastructure investments and transition to green economy.

Palladium in 1H2022: price fluctuated in a wide range on the back of growing geopolitical tensions and concerns over stability of metal supply; demand was under pressure as the automotive industry struggled to recover from pandemic lows owing to persistent supply chain snarls.

Palladium price started the year at around USD 1,900 per Oz, however, in the second half of January, the price increased sharply to USD 2,432 per Oz, as the fear of geopolitical crisis was building up. The price shoot further up to USD 2,650 per Oz on February 24th and skyrocketed to the historical maximum of USD 3,177 per Oz on March 7th. Since then as the panic buying was gradually drying up on the back of soft market fundamentals and supply from Russia remaining uninterrupted, the price steadily corrected to USD 1,935 per Oz by the end of June.

In 1H 2022, the average palladium price decreased by 15% y-o-y to USD 2,216 per Oz.

In 1H 2022, global light vehicle sales decreased by 9% y-o-y due to several reasons. Europe experienced various disruptions in the auto parts supply chain as the Ukraine crisis caused a reduction of wiring harness and neon supply, which resulted in the decrease of car sales by almost 20%. China faced severe COVID-related lockdowns, which almost paralyzed the local auto manufacturing for about two months. And finally, the chip shortages still remained an unresolved issue, impacting negatively global car production volumes, with the shortfall estimated at over 2 million units this year.

Alongside the fears over the stability of the Russian supply, the market was also concerned about potential strikes in South Africa, which though have not so far materialized. There were other supply disruptions, including the Stillwater mine shut down in mid-June, as floods damaged roads and bridges in the vicinity of the Sibanye operations. Impala Platinum closed one of its furnaces in Rustenburg for a four-month long maintenance, which resulted in a production cut for 1H 2022. In addition, the Anglo American Platinum production guidance for 2022 has been revised down. All of these added to the market concerns over the stability of PGM supply this year.

Palladium outlook: neutral; the market is expected to be balanced this year; the auto industry is to recover in 2H 2022, thus leading to an increase in the annual palladium demand by 2% y-o-y; supply is expected to grow by 2% y-o-y as supply losses in South Africa and North America will be offset by Nornickel production recovery from the last year low base and an increase of recycling volumes.

In 2022, we expect the industrial palladium consumption to increase 2% y-o-y to 10 moz as the automotive sector should recover partially (predominantly in 2H 2022) from the severe supply chain disruptions of the previous periods. At the same time, smaller palladium consuming industries are expected, in our view, to reduce offtake slightly (-3% for electronics and -4% for the chemical industry) due to the general slowdown of economic activity.

Global primary refined palladium output will fall on our estimates by 1% to 6.9 moz in 2022 due to the high base effect of 2021, when South African miners refined previously accumulated work-in-progress materials. On the other hand, palladium recycling from spent catalysts and other secondary supply sources is expected to grow by 9% to 3.2 moz this year.

In 2022, as the pace of recovery of automotive sector is falling short of expectations, while the reduction of the primary supply will be offset positively by increase in recycling, we expect the market to be in balance. However, we see a downside risk for the primary palladium output from South Africa, related to potential electricity supply disruptions and potential wage negotiation-related strikes, which could move the palladium market into a slight deficit this year.

In 2023, we expect the global light-vehicle sales to recover to 89 million units from 76-80 million units in 2022. Palladium mine production will recover from weather-related disruptions in North America and South Africa, and secondary supply is expected to set another record with double-digit growth due to the higher number of vehicles hitting scrapyards and higher palladium loadings per recycled vehicle. As a result, in our view, the increase in supply should balance recovering demand next year.

Platinum in 1H2022: the market was oversupplied as growth in demand was lagging behind increase in metal production; despite noticeable market surplus price remained relatively strong due to the fear of Russian metals supply disruptions.

Platinum price experienced the same shocks as palladium, of which the geopolitical crisis was the most notable. Platinum price reached its local high on March 8th at USD 1,150 per Oz. With supply concerns subsiding, the platinum price corrected down to its year-to-date low of USD 911 per Oz by the end of June.

The average platinum price in 1H 2022 fell by 15% y-o-y to USD 995 per Oz.

The downward price trend throughout the 2nd quarter and high volatility reduced investors' appetite resulting in the ETF outflow of 262 koz in 1H 2022 (vs 132 koz inflow in 1H 2021).

In 1H 2022, platinum demand was negatively affected by the decline of global auto production volumes. Europe, which accounts for a third of the global platinum demand from the automotive sector, suffered the most from the Ukraine crisis in terms of auto parts supply chain disruptions. Moreover, the diesel-powered share of new passenger cars in Europe continued to decline to 19% in May 2022 vs 23% a year ago, creating additional downward pressure on platinum demand.

During the reported period, global primary refined platinum production was below initial expectations as South African miners faced operational disruptions. As mentioned above, Impala Platinum announced four-month long furnace maintenance, resulting in approximately 140 koz platinum production cut in 1H 2022. Moreover, Anglo American Platinum revised down its guidance due to the slow start of the year caused by harsh weather conditions.

Platinum outlook: neutral; the automotive sector is expected to recover in 2H 2022, while jewelry demand is threatened by the risk of upcoming recession in developed countries. The market is to record a 0.9 moz surplus this year, which could be partially absorbed by investment demand.

In 2022, we expect that platinum demand (excl. investments) will fall by 4% to 6.9 moz, as the global automotive sector's partial recovery will be offset negatively by lower consumption in China, where metal use in car manufacturing will decline in 2022 on the back of PGM loadings optimization caused by thrifting after strong loadings growth in 2021 driven by the introduction of the China VI heavy-duty regulation. Other industrial demand, including jewelry, is to shrink this year as well, in our view.

Mine supply is expected to fall by 5% to 6.2 moz with a downside risk for primary platinum output from South Africa, related to the potential electricity supply disruptions and strikes at Sibanye operations. Secondary supply from recycling is expected to fall by 6% y-o-y to 1.6 moz, on the back of lower jewelry scrap availability in China.

In 2023, we forecast that the platinum market surplus will reduce by 0.6 moz as automotive demand recovery will continue, and the pace of supply growth to slow down.

According to our assessment, palladium substitution with platinum, albeit being actively communicated to the public by some industry participants, has not been widely implemented yet and its immediate impact on demand is very limited. We regard it as a long-term opportunity for platinum (and a risk for palladium). We believe that the long-term outlook for the platinum demand is strongly dependent on the prospects of the hydrogen economy.

KEY SEGMENTAL HIGHLIGHTS[1]

USD million (unless stated otherwise)	**1H2022**	**1H2021**	**Change,%**
Revenue	**8,979**	**8,943**	**0%**
GMK Group	5,672	4,632	22%
South cluster	402	384	5%
KGMK Group	5,369	5,054	6%
NN Harjavalta	1,183	809	46%
GRK Bystrinskoye	702	699	0%
Other mining	–	31	(100%)
Other non-metallurgical	885	1,000	(12%)
Eliminations	(5,234)	(3,666)	43%
EBITDA	**4,797**	**5,700**	**(16%)**
GMK Group	2,103	2,567	(18%)
South cluster	188	217	(13%)
KGMK Group	2,487	2,302	8%
NN Harjavalta	40	60	(33%)
GRK Bystrinskoye	547	566	(3%)
Other mining	(7)	(9)	(22%)
Other non-metallurgical	(57)	7	n.a.
Eliminations	(17)	405	n.a.
Unallocated	(487)	(415)	17%
EBITDA margin	**53%**	**64%**	**(11 п.п.)**
GMK Group	37%	55%	(18 p.p.)
South cluster	47%	57%	(10 p.p.)
KGMK Group	46%	46%	0 p.p.
NN Harjavalta	3%	7%	(4 p.p.)
GRK Bystrinskoye	78%	81%	(3 p.p.)
Other mining	n.a.	(29%)	n.a.
Other non-metallurgical	(6%)	1%	(7 p.p.)

1) Segments are defined in the consolidated financial statements

In August 2020, in order to improve management efficiency the management decided to establish Norilsk, Kola and Trans-Baikal divisions. Norilsk division includes GMK Group, South Cluster and a number of companies from "Other non-metallurgical segment". Kola division includes KGMK Group and NN Harjavalta, as well as a number of companies from "Other non-metallurgical segment". Trans-Baikal division includes the GRK Bystrinskoye segment, as well as a number of companies from "Other mining" and "Other non-metallurgical" segments.

In 1H2022, revenue of GMK Group segment increased 22% to USD 5,672 million primarily due to the increase of revenue from selling matte to Kola MMC as well as higher copper sales due to the recovery of operations at Oktyabrsky and Taimyrsky mines and Norilsk Concentrator after incidents in 1H2021, which was partly negatively offset by lower volume of realized palladium as a result of high base in 1H2021.

Revenue of South cluster segment increased 5% to USD 402 million primarily driven by higher volume of tolling services realized to GMK group due to the recovery of operations at Oktyabrsky and Taimyrsky mines and Norilsk Concentrator after incidents in 1H2021, which was partly negatively offset by lower realized prices of semi-products delivered to GMK group.

Revenue of KGMK Group segment increased 6% to USD 5,369 million primarily owing to higher sales of semi-products delivered to GMK group that was partly negatively offset by lower sales volumes of copper.

Revenue of NN Harjavalta increased 46% to USD 1,183 million driven by higher realized nickel prices and higher copper cake revenue.

Revenue of GRK Bystrinskoye segment remained almost unchanged and amounted to USD 702 million. Higher copper and gold concentrates sales volume was offset by lower iron ore concentrate revenue mainly due to lower prices.

Revenue of Other mining segment decreased 100% owing to the termination of Nkomati's operations in 1H2021.

Revenue of Other non-metallurgical segment decreased 12% to USD 885 million primarily due to decrease in revenue from metals resale that was partly positively offset by higher revenue from other sales.

In 1H2022, EBITDA of GMK Group segment decreased 18% to USD 2,103 million owing to higher cash operating costs primarily driven by increased mineral extraction tax, higher labour, repair and maintenance costs as well as increased accrued expenses on environmental provisions in 1H2022, which were partly positively offset by higher revenue.

EBITDA of South cluster segment decreased 13% to USD 188 million owing to the increase in cash operating costs driven by higher labour, repair and maintenance costs.

EBITDA of KGMK Group segment increased 8% to USD 2,487 million primarily owing to higher revenue.

EBITDA of NN Harjavalta decreased 33% to USD 40 million owing to higher cash operating costs mainly due to higher reagents' prices and energy costs.

EBITDA of GRK Bystrinskoye segment decreased 3% to USD 547 million primarily due to lower iron prices.

EBITDA of Other mining segment remained almost unchanged at USD 7 million.

EBITDA of Other non-metallurgical segment decreased by USD 64 million and amounted to negative USD 57 million owing higher cash operating costs mainly due to inflationary growth of expenses and higher labour and fuel costs.

EBITDA of Unallocated segment decreased by USD 72 million and amounted to a negative USD 487 million mainly due to higher administrative expenses.

SALES VOLUME AND REVENUE	1H2022	1H2021	Change,%
Metal sales			
Group			
Nickel, thousand tons[1]	92	98	(6%)
from own Russian feed	83	83	0%
from 3d parties feed	-	2	(100%)
in semi-products[2]	9	13	(31%)
Copper, thousand tons[1]	181	148	22%
from own Russian feed	140	110	27%
in semi-products[2]	41	38	8%
Palladium, koz[1]	1,292	1,347	(4%)
from own Russian feed	1,268	1,345	(6%)
in semi-products[2]	24	2	12x
Platinum, koz[1]	258	313	(18%)
from own Russian feed	253	312	(19%)
in semi-products[2]	5	1	5x
Rhodium, koz[1]	28	26	8%
from own Russian feed	28	26	8%
Cobalt, thousand tons[1]	2	2	0%
from own Russian feed	2	1	100%
in semi-products[2]	-	1	(100%)
Average realized prices of refined metals produced by the Group			
Metal			
Nickel (USD per tonne)	25,891	17,591	47%
Copper (USD per tonne)	9,668	8,928	8%
Palladium (USD per oz)	2,192	2,530	(13%)
Platinum (USD per oz)	999	1,158	(14%)
Rhodium (USD per oz)	16,710	24,052	(31%)
Cobalt (USD per tonne)	63,586	33,771	88%
Revenue, USD million[3]			
Nickel	2,421	1,696	43%
including semi-products	219	190	15%
Copper	2,006	1,575	27%
including semi-products	329	309	6%
Palladium	2,841	3,676	(23%)
including semi-products	61	22	3x
Platinum	287	366	(22%)
including semi-products	5	4	25%
Rhodium	462	644	(28%)
including semi-products	–	6	(100%)
Other metals	566	640	(12%)
including semi-products	343	386	(11%)
Revenue from metal sales	**8,583**	**8,597**	**0%**
Revenue from other sales	396	346	14%
Total revenue	**8,979**	**8,943**	**0%**

1) All information is reported on the 100% basis, excluding sales of refined metals purchased from third parties and semi-products purchased from Nkomati.
2) Metal volumes represent metals contained in semi-products.
3) Includes metals and semi-products purchased from third parties and Nkomati.

Nickel

In 1H2022, nickel sales accounted for 28% of the Group's total metal sales, increasing 8 p.p y-o-y.

In 1H2022, nickel revenue increased 43% (or +USD 725 million) to USD 2,421 million. The increase was primarily driven by higher realized nickel price (+USD 868 million), which was partially offset negatively by lower sales volume (-USD 184 million). In 1H2022, revenue from the resale of nickel purchased from third parties amounted to USD 41 million.

The average realized price of refined nickel increased 47% from USD 17,591 per tonne in 1H2021 to USD 25,891 per tonne in 1H2022.

Sales volume of refined nickel produced from the Company’s own Russian feed remained unchanged at 83 thousand tonnes. The effect of complete production recovery after temporary suspension of Oktyabrsky and Taimyrsky mines and Norilsk Concentrator in 1H2021 was offset negatively by stock accumulation in 1H2022 caused by disruption of supply chains.

Sales volume of refined nickel produced from third-party feed decreased by 2 thousand tonnes to zero due to cancellation of processing of semi-products purchased from third parties at NN Harjavalta in 1H2022.

In 1H2022, sales of nickel in semi-products increased 15% to USD 219 million primarily due to higher realized nickel price, which was partially offset negatively by lower sales volume.

Copper

In 1H2022, copper sales accounted for 23% of the Group's total metal sales, increasing 5 p.p y-o-y. Copper revenue increased 27% (or +USD 431 million) to USD 2,006 million. The increase was driven by both higher realized copper price (+USD 77 million) and higher sales volume (+USD 317 million). In 1H2022, revenue from the resale of copper purchased from third parties amounted to USD 326 million (vs USD 289 million in 1H2021).

The average realized price of refined copper increased 8% from USD 8,928 per tonne in 1H2021 to USD 9,668 per tonne in 1H2022.

Physical volume of refined copper sales from the Company’s own Russian feed increased 27% (or +30 thousand tonnes) to 140 thousand tonnes primarily driven by production recovery after suspension of operations at Oktyabrsky and Taimyrsky mines and Norilsk Concentrator in 1H2021.

Revenue from copper in semi-products in 1H2022 increased 6% to USD 329 million driven by higher sales volume.

Palladium

In 1H2022, palladium accounted for 33% of the Group's total metal revenue, decreasing 10 p.p. y-o-y. In 1H2022, Palladium revenue decreased 23% (or -USD 835 million) to USD 2,841 million due to lower realized price (-USD 454 million) and decline in sales volume (-USD 130 million). In 1H2022, revenue from the resale of palladium purchased from third parties amounted to USD 2 million (vs USD 253 million in 1H2021).

The average realized price of refined palladium decreased 13% from USD 2,530 per troy ounce in 1H2021 to USD 2,192 per troy ounce in 1H2022.

Physical volume of refined palladium sales from the Company’s own Russian feed decreased 6% (or -77 thousand troy ounces) to 1,268 thousand troy ounces in 1H2022. The effect of production recovery after temporary suspension of Oktyabrsky and Taimyrsky mines and Norilsk Concentrator in 1H2021 was offset negatively by stock accumulation in 1H2022 caused by disruption of supply chains.

Revenue of palladium in semi-products increased 3 times to USD 61 million in 1H2022 primarily due to higher sales volume of semi-products produced by NN Harjavalta.

Platinum

In 1H2022, platinum accounted for 3% of the Group's total metal revenue, decreasing 1 p.p. y-o-y. In 1H2022, platinum revenue decreased 22% (or -USD 79 million) to USD 287 million due to lower realized price (-USD 51 million) and decline in sales volume (-USD 58 million). In 1H2022, revenue from the resale of platinum purchased from third parties amounted to USD 30 million.

Physical volume of refined platinum sales from the Company’s own Russian feed decreased 19% (or -59 thousand troy ounces) to 253 thousand troy ounces in 1H2022. The effect of production recovery after temporary suspension of Oktyabrsky and Taimyrsky mines and Norilsk Concentrator in 1H2021 was offset negatively by stock accumulation in 1H2022 caused by disruption of supply chains.

Revenue of platinum in semi-products in 1H2022 increased 25% to USD 5 million.

Rhodium

In 1H2022, revenue from rhodium decreased 28% (or -USD 182 million) primarily due to lower realized price.

In 1H2021, revenue from the resale of rhodium purchased from third parties amounted to USD 14 million.

Other metals

In 1H2022, revenue from other metals decreased 12% (or -USD 74 million) to USD 566 million primarily driven by lower iron price.

OTHER SALES

In 1H2022, other sales increased 14% (or +USD 50 million) to USD 396 million primarily due to an increase of oil product sales, resale of Atomflot services, increase of waste-product prices, which was partially offset by the sale of "NordStar" airline.

COST OF SALES

Cost of metal sales

In 1H2022, the cost of metal sales increased 22% (or +USD 535 million) to USD 2,994 million, driven by the following factors:

- Increase in cash operating costs by 37% (or +USD 826 million);
- Increase in depreciation and amortization by 9% (or +USD 35 million);
- Comparative effect of change in metal inventories y-o-y leading to the cost of metal sales reduction by USD 326 million.

Cash operating costs

In 1H2022, total cash operating costs increased 37% (or +USD 826 million) to USD 3,048 million mainly due to increase in mineral extraction tax and other levies (+USD 359 million), increase in labour costs (+ USD 365 million), and increase in third party services (+ USD 131 million) in real terms.

Inflationary growth of cash operating costs (+USD 180 million) was partially offset by Russian rouble depreciation against USD (-USD 42 million).

USD million	1H2022	1H2021	Change,%
Labour	1,016	651	56%
Mineral extraction tax and other levies	645	286	2x
Purchases of refined metals for resale	393	572	(31%)
Materials and supplies	369	256	44%
Third party services	258	127	2x
Transportation expenses	106	52	2x
Fuel	78	56	39%
Electricity and heat energy	56	55	2%
Purchases of raw materials and semi-products	15	72	(79%)
Other costs	112	95	18%
Total cash operating costs	**3,048**	**2,222**	**37%**
Depreciation and amortisation	435	400	9%
Increase in metal inventories	(489)	(163)	3x
Total	**2,994**	**2,459**	**22%**

Labour

In 1H2022, labour costs increased 56% (or USD +365 million) to USD 1,016 million amounting to 33% of the Group's total cash operating costs driven by the following factors:

- +USD 159 million - indexation of salaries and wages in line with the terms of collective bargaining agreement;
- +USD 47 million – increase in headcount in Norilsk industrial region;
- +USD 77 million – one-off motivation bonus to personnel
- +USD 99 million – other increase in labour costs mainly due to increase in unused vacation provision following the increase in labour costs in 2022 year;
- -USD 17 million – positive effect of the Russian rouble depreciation against US dollar.

Mineral extraction tax and other levies

In 1H2022, mineral extraction tax and other levies increased 2-fold (or USD 359 million) to USD 645 million driven by the following factors:

- +USD 234 million – increase of costs owing to the change of mineral extraction tax in 2022;
- +USD 105 million – increase of costs due to the growth of production volume after recovery of operations at Oktyabrskiy and Taymirskiy mines;
- -USD 7 million - positive effect of the Russian rouble depreciation against US dollar.

Purchases of refined metals for resale

In 1H2022, purchases of refined metals for resale decreased 31% (or USD 179 million) to USD 393 million owing to lower purchases of palladium, partly offset by higher purchases of nickel, copper and platinum.

Materials and supplies

In 1H2022, expenses for materials and supplies increased 44% (or USD 113 million) to USD 369 million driven by the following factors:

- +USD 91 million – higher consumption of materials primarily due to increased volumes of repairs;
- +USD 29 million – inflationary growth of materials and supplies;
- -USD 7 million - positive effect of the Russian rouble depreciation against US dollar.

Third-party services

In 1H2022, cost of third-party services increased 2 times (or USD 131 million) to USD 258 million mainly driven by:

- +USD 120 million – increase in repairs and mining-related services;
- +USD 11 million – inflationary growth of third-party services.

Transportation expenses

In 1H2022, transportation expenses increased 2 times (or USD 54 million) to USD 106 million driven by the following factors:

- +USD 12 million –inflationary growth of expenses;
- +USD 43 million – transportation expenses growth in Norilsk industrial region primarily due to increase in icebreaking services.

Fuel

In 1H2022, fuel expenses increased 39% (or USD 22 million) to USD 78 million driven by the following factors:

- +USD 7 million – increase of fuel expenses due to growth of production volume after recovery of operations at Oktyabrskiy and Taymirskiy mines;
- +USD 15 million – inflationary growth of fuel price.

Electricity and heat energy

In 1H2022, electricity and heat energy expenses increased 2% (or USD 1 million) to USD 56 million.

Purchases of raw materials and semi-products

In 1H2022, purchases of raw materials and semi-products decreased 79% (or USD 57 million) to USD 15 million due to decrease of raw materials consumption at NN Harjavalta and termination of Nkomati's operations in 1H 2021.

Sundry costs

In 1H2022, sundry costs increased 18% (or +USD 17 million) to USD 112 million primarily due to price inflation and growth of industrial security and health and safety expenses.

Depreciation and amortisation

In 1H2022, depreciation and amortisation expenses increased 9% (or +USD 35 million) and amounted to USD 435 million mainly due to transfers from construction in progress.

Increase in metal inventories

Comparative effect of change in metal inventory amounted to -USD 326 million resulting in a respective decrease of cost of metal sales mainly due to increase in metal inventories in 1H2022 primarily due to disruption of logistics chains.

COST OF OTHER SALES

In 1H2022, cost of other sales increased by USD 98 million to USD 442 million due to higher oil products sales, increase of icebreaking services, increase of labour expenses, which was partially compensated by the sale of "NordStar" airline.

SELLING AND DISTRIBUTION EXPENSES

USD million	**1H2022**	**1H2021**	**Change,%**
Transportation expenses	46	41	12%
Marketing expenses	28	23	22%
Staff costs	16	9	78%
Other	23	15	53%
Total	**113**	**88**	**28%**

In 1H2022, selling and distribution expenses increased 28% (or +USD 25 million) to USD 113 million. The main factors of the change were:

- +7 USD million – increase in staff costs primarily due to indexation and one-off motivation bonuses to personnel;
- +5 USD million – increase in transportation expenses primarily due to disruption of logistics chains and tariffs;
- +8 USD million – increase in other selling and distribution expenses primarily related with modernization, efficiency and security improvement of the oil assets.

GENERAL AND ADMINISTRATIVE EXPENSES

USD million	**1H2022**	**1H2021**	**Change,%**
Staff costs	404	266	52%
Third party services	96	81	19%
Depreciation and amortisation	46	40	15%
Taxes other than mineral extraction tax and income tax	43	35	23%
Transportation expenses	7	10	(30%)
Other	30	17	2x
Total	**626**	**449**	**39%**

In 1H2022, general and administrative expenses increased 39% (or USD 177 million) to USD 626 million. Positive effect of the Russian rouble depreciation amounted to -USD 10 million. Changes of the general and administrative expenses in real terms were primarily driven by the following factors:

- +USD 142 million – increase in staff costs, including salary indexation and one-off motivation bonus to personnel.
- +USD 13 million – increase of third-party services primarily driven by consulting services related to complex environmental programme.

OTHER OPERATING EXPENSES, NET

USD million	**1H2022**	**1H2021**	**Change,%**
Social expenses	205	286	(28)%
Environmental provisions	169	52	3x
Change in decommissioning obligations	32	(1)	n.a.
Change in provision on production facilities shut down	31	(4)	n.a.
Expenses on industrial incidents response	13	22	(41)%
Change in other provisions	(3)	2	n.a.
Other, net	37	7	5x
Total	**484**	**364**	**33%**

In 1H2022, other operating expenses, net increased by USD 120 million to USD 484 million driven by the following factors:

- +USD 117 million – primarily due to increased environmental provision related to compensation for environmental damages;
- -USD 81 million – decrease in social expenses provisions;
- +USD 68 million - change in provision on production facilities shut down and decommissioning obligations following the macroeconomic trends.

FINANCE COSTS, NET

USD million	**1H2022**	**1H2021**	**Change,%**
Interest expense, net of amounts capitalised	174	120	45%
Loss/(gain) from currency conversion operations	113	(13)	n.a.
Unwinding of discount on provisions and payables	82	23	4x
Fair value (gain)/loss on the cross-currency interest rate swap contracts	19	(33)	n.a.
Interest expense on lease liabilities	5	7	(29%)
Changes in fair value of other non-current and other current liabilities	–	69	(100%)
Other, net	3	2	2x
Total	**396**	**175**	**2x**

In 1H2022, finance costs, net doubled to USD 396 million primarily driven by the following factors:

- +USD 54 million – an increase in interest expenses due to utilization of RUB-denominated revolving loan facilities with high nominal interest rates in order to accumulate liquidity on the Company's balance sheet amidst deteriorating external environment;

- -USD 69 million – following the expiration of the instrument on 31.12.2021 the Company ceased revaluating the put option related to transactions with owners of non-controlling interest in Bystrinsky GOK;

- +USD 126 million – primarily due to evaluation effect related to the results of foreign currency conversion transactions that were exercised during the periods of extreme intraday volatility when the Company had to comply with the regime of the mandatory sale of foreign currency revenues;

- +USD 59 million - an increase in unwinding of discount on provisions and payables primarily due to accrual of social provisions at the end of 2021 as well as increase in discount rates.

INCOME TAX EXPENSE

In 1H2022, income tax expense increased by USD 450 million driven mostly by the increase of profit before tax.

The effective income tax rate in 1H2022 was 22.0%.

The breakdown of the income tax expense:

USD million	**1H2022**	**1H2021**	**Change,%**
Current income tax expense	605	458	32%
Deferred tax expense/(benefit)	824	521	58%
Total income tax expense	**1,429**	**979**	**46%**

The breakdown of the current income tax expense by tax jurisdictions:

USD million	**1H2022**	**1H2021**	**Change,%**
Russian Federation	612	431	42%
Finland	–	5	(100%)
Rest of the world	(7)	22	n.a.
Total	**605**	**458**	**32%**

EBITDA

USD million	**1H2022**	**1H2021**	**Change,%**
Operating profit	4,271	5,339	(20%)
Depreciation and amortisation	477	461	3%
Impairment/(reversal of impairment) of non-financial assets, net	49	(100)	n.a.
EBITDA	**4,797**	**5,700**	**(16%)**
EBITDA margin	**53%**	**64%**	**(11 p.p.)**

In 1H2022, EBITDA decreased 16% (or -USD 903 million) to a USD 4,797 million primarily due to higher cash operating costs.

STATEMENT OF CASH FLOWS

USD million	**1H2022**	**1H2021**	**Change,%**
Cash generated from operations before changes in working capital and income tax	**5,059**	**5,982**	**(15%)**
Movements in working capital	(1,864)	(2,764)	(33%)
Income tax paid	(423)	(873)	(52%)
Net cash generated from operating activities	**2,772**	**2,345**	**18%**
Capital expenditure	(1,816)	(990)	83%
Other investing activities	95	42	2x
Net cash used in investing activities	**(1,721)**	**(948)**	**82%**
Free cash flow	**1,051**	**1,397**	**(25%)**
Interest paid	(259)	(159)	63%
Other financing activities	(5,359)	(4,480)	20%
Net cash used in financing activities	**(5,618)**	**(4,639)**	**21%**
Effects of foreign exchange differences on balances of cash and cash equivalents	1,066	23	46x
Net change in cash and cash equivalents	**(3,501)**	**(3,219)**	**9%**

In 1H2022, free cash flow decreased 25% to USD 1.1 billion following the increase of cash used in investing activities, which was partly compensated by increase in cash generated from operating activities.

In 1H2022, net cash generated from operating activities increased 18% to USD 2.8 billion. Repayment of environmental damages in 1H2021 and the decrease of income tax payments in 1H2022 were partially offset by the increase in cash operating costs and more explicit increase of working capital in 1H2022.

In 1H2022, net cash used in investing activities increased 82% to USD 1.7 billion primarily driven by the increase in capital expenditures.

Reconciliation of the net working capital changes between the balance sheet and cash flow statement is presented below.

USD million	**1H2022**	**1H2021**
Change of the net working capital in the balance sheet	**(2,498)**	**(1,046)**
Foreign exchange differences	1,024	40
Change in income tax payable	(249)	412
Change of long term components of working capital	(27)	(29)
Provisions	(105)	(2,068)
Other changes	(9)	(73)
Change of working capital per cash flow	**(1,864)**	**(2,764)**

Capital investments breakdown by project is presented below:

USD million	**1H2022**	**1H2021**	**Change,%**
Polar Division, including:	577	295	96%
Skalisty mine	37	43	(14%)
Taymirsky mine	28	18	56%
Komsomolsky mine	20	16	25%
Oktyabrsky mine	7	5	40%
Talnakh Concentrator	117	28	4x
Capitalised repairs	81	53	53%
Purchase of equipment	118	101	17%
Other Polar Division projects	169	31	5x
Kola MMC	168	67	3x
Sulfur project	398	222	79%
South cluster	121	94	29%
Energy and gas infrastructure modernization	154	94	64%
Chita (Bystrinsky) project	23	29	(21%)
Other production projects	350	184	90%
Other non-production assets	25	5	5x
Total	**1,816**	**990**	**83%**

In 1H2022, CAPEX increased 83% (or USD 826 million) to USD 1,816 million driven by investments in key projects. Sulfur Programme investments increased almost 2-fold amounting to USD 398 million, while investments in Kola GMK and Talnakh Concentrator expansion increased 3- and 4-fold respectively. Another significant CAPEX growth factor was an increase in capital repairs, improvement of industrial safety and modernization of core assets.

DEBT AND LIQUIDITY MANAGEMENT

USD million	As of 30 June 2022	As of 31 December 2021	Change, USD million	Change,%
Non-current loans and borrowings	7,185	8,616	(1,431)	(17%)
Current loans and borrowings	4,896	1,610	3,286	3x
Lease liabilities	189	235	(46)	(20%)
Total debt	**12,270**	**10,461**	**1,809**	**17%**
Cash and cash equivalents	2,046	5,547	(3,501)	(63%)
Net debt	**10,224**	**4,914**	**5,310**	**2x**
Net debt /12M EBITDA	1,1x	0,5x	0,6x	

As of June 30, 2022, the Company's total debt increased 17% compared to December 31, 2021 and amounted to USD 12,270 million. The increase in total debt was primarily due to utilization of RUB-denominated revolving loan facilities in order to accumulate liquidity on the Company's balance sheet amidst deteriorating external environment.

As of June 30, 2022, the Company's net debt increased by USD 5,310 million due to a decrease in cash as a result of increased capital expenditure and dividend payments for 2021 financial year.

As of June 30, 2022, Russian rating agency "Expert RA" evaluates the Company's credit rating at the highest investment level "ruAAA". Credit ratings from international rating agencies were withdrawn due to sanctions imposed on Russia.

Attachment A

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2022

US Dollars million

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Revenue		
Metal sales	8,583	8,597
Other sales	396	346
Total revenue	**8,979**	**8,943**
Cost of metal sales	(2,994)	(2,459)
Cost of other sales	(442)	(344)
Gross profit	**5,543**	**6,140**
General and administrative expenses	(626)	(449)
Selling and distribution expenses	(113)	(88)
(Impairment)/reversal of impairment of non-financial assets, net	(49)	100
Other operating expenses, net	(484)	(364)
Operating profit	**4,271**	**5,339**
Foreign exchange gain, net	2,610	110
Finance costs, net	(396)	(175)
Loss on disposal of subsidiaries and foreign joint operations	(110)	(20)
Income from investments	116	29
Profit before tax	**6,491**	**5,283**
Income tax expense	(1,429)	(979)
Profit for the period	**5,062**	**4,304**
Attributable to:		
Shareholders of the parent company	4,991	4,067
Non-controlling interests	71	237
	5,062	**4,304**
EARNINGS PER SHARE		
Basic and diluted earnings per share attributable to shareholders of the parent company (US Dollars per share)	32.7	25.7

Attachment B

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AT 30 JUNE 2022

US Dollars million

	At 30 June 2022	At 31 December 2021
ASSETS		
Non-current assets		
Property, plant and equipment	20,272	12,699
Intangible assets	401	265
Other financial assets	181	89
Deferred tax assets	162	167
Other non-current assets	509	345
	21,525	**13,565**
Current assets		
Inventories	5,448	3,026
Trade and other receivables	693	468
Advances paid and prepaid expenses	362	111
Other financial assets	28	43
Income tax receivable	44	203
Other taxes receivable	674	412
Cash and cash equivalents	2,046	5,547
Other current assets	6	60
	9,301	**9,870**
TOTAL ASSETS	**30,826**	**23,435**
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	6	6
Share premium	1,218	1,218
Treasury shares	(305)	(305)
Translation reserve	(2,139)	(5,415)
Retained earnings	10,280	8,184
Equity attributable to shareholders of the parent company	**9,060**	**3,688**
Non-controlling interests	1,594	1,100
	10,654	**4,788**
Non-current liabilities		
Loans and borrowings	7,185	8,616
Lease liabilities	144	178
Provisions	1,683	894
Social liabilities	916	633
Trade and other long-term payables	60	55
Derivative financial instruments	78	72
Deferred tax liabilities	1,130	73
Other non-current liabilities	92	43
	11,288	**10,564**
Current liabilities		
Loans and borrowings	4,896	1,610
Lease liabilities	45	57
Trade and other payables	2,045	2,224
Dividends payable	58	3,146
Employee benefit obligations	821	417
Provisions	202	146
Social liabilities	232	158
Derivative financial instruments	–	15
Income tax payable	165	41
Other taxes payable	420	269
	8,884	**8,083**
TOTAL LIABILITIES	**20,172**	**18,647**
TOTAL EQUITY AND LIABILITIES	**30,826**	**23,435**

Attachment C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2022

US Dollars million

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
OPERATING ACTIVITIES		
Profit before tax	**6,491**	**5,283**
Adjustments for:		
Depreciation and amortisation	477	461
Impairment/(reversal of impairment) of non-financial assets, net	49	(100)
Loss on disposal of property, plant and equipment	23	12
Loss from disposals of subsidiaries and foreign joint operations	110	20
Change in provisions and allowances	344	239
Finance costs and income from investments, net	280	146
Foreign exchange gain, net	(2,610)	(110)
Other	(105)	31
	5,059	**5,982**
Movements in working capital:		
Inventories	(646)	(345)
Trade and other receivables	(240)	(59)
Advances paid and prepaid expenses	(127)	(25)
Other taxes receivable	(9)	115
Employee benefit obligations	122	(18)
Trade and other payables	(811)	(288)
Provisions	(105)	(2,068)
Other taxes payable	(48)	(76)
Cash generated from operations	**3,195**	**3,218**
Income tax paid	(423)	(873)
Net cash generated from operating activities	**2,772**	**2,345**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,785)	(962)
Purchase of share in associates	(29)	(10)
Purchase of intangible assets	(31)	(28)
Loans issued	–	(3)
Proceeds from repayment of loans issued	–	10
Net change in deposits placed	28	–
Proceeds from disposal of property, plant and equipment	3	–
Net cash (outflow)/inflow from disposal of subsidiaries and foreign joint operations	(47)	1
Interest and other investment income received	140	44
Net cash used in investing activities	**(1,721)**	**(948)**

Attachment C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)
US Dollars million

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	3,813	1
Repayments of loans and borrowings	(2,847)	(208)
Payments of lease liabilities	(30)	(27)
Dividends paid	(6,195)	(2,198)
Dividends paid to non-controlling interest	(73)	–
(Outflows)/proceeds on exchange of flows under cross-currency interest rate swaps	(27)	20
Interest paid	(259)	(159)
Acquisition of own shares from shareholders	–	(2,068)
Net cash used in financing activities	**(5,618)**	**(4,639)**
Net change in cash and cash equivalents	**(4,567)**	**(3,242)**
Cash and cash equivalents at the beginning of the period	**5,547**	**5,191**
Effects of foreign exchange differences on balances of cash and cash equivalents	1,066	23
Cash and cash equivalents at the end of the period)	**2,046**	**1,972**

Attachment D

NET WORKING CAPITAL

USD million	**30/06/2022**	**31/12/2021**	**Change**	**incl. effects of foreign exchange differences**
Finished goods	1,743	767	976	503
Work-in-process	2,277	1,494	783	742
Other inventories	1,428	765	663	460
Trade and other receivables[1]	690	468	222	53
Advances paid and prepaid expenses	362	111	251	125
Taxes receivable	718	615	103	294
Employee benefit obligations	(821)	(417)	(404)	(290)
Trade and other payables	(2,045)	(2,224)	179	(603)
Taxes payable	(585)	(310)	(275)	(260)
Total working capital	**3,767**	**1,269**	**2,498**	**1024**

[1] Normalized on receivables from the registrar on transfer of dividends to shareholders

This announcement contains inside information in accordance with Article 7 of EU Regulation 596/2014 of 16 April 2014.

Full name and position of person making the announcement - Vladimir Zhukov, Vice president for investor relations and sustainable development.

ABOUT THE COMPANY

MMC Norilsk Nickel is a diversified mining and metallurgical company, the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper. The company also produces cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium and other products.

The production units of Norilsk Nickel Group are located at the Norilsk Industrial District, on the Kola Peninsula and Zabaykalsky Krai in Russia as well as in Finland.

MMC Norilsk Nickel shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges, ADRs are accepted for trading on the Saint-Petersburg Stock Exchange.

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