EN+ GROUP IPJSC

Consolidated Interim Condensed Financial Information for the six months ended 30 June 2022

Contents

Statement of Management's Responsibilities for the Preparation and Approval of the Consolidated Interim Condensed Financial Information for the six months ended 30 June 2022

The following statement, which should be read in conjunction with the auditors' responsibilities stated in the auditors' report on the review of the consolidated interim condensed financial information set out on pages 4-5, is made with a view to distinguishing the respective responsibilities of management and those of the auditors in relation to the consolidated interim condensed financial information of EN+ GROUP IPJSC and its subsidiaries.

Management is responsible for the preparation of the consolidated interim condensed financial information for the six months ended 30 June 2022 in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34").

In preparing the consolidated interim condensed financial information, management is responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Stating whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the consolidated interim condensed financial information; and
- Preparing the consolidated interim condensed financial information on a going concern basis, unless it is inappropriate to presume that the Group will continue in the business for the foreseeable future.

Management, within its competencies, is also responsible for:

- Designing, implementing and maintaining an effective system of internal controls throughout the Group;
- Maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the Group operates;
- Taking steps to safeguard the assets of the Group; and
- Detecting and preventing fraud and other irregularities.

This consolidated interim condensed financial information was approved by the Board of Directors on 17 August 2022 and was signed on its behalf by:

General Director of EN+ GROUP IPJSC — Vladimir Kiriukhin

NEW CHALLENGES
NEW SOLUTIONS

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Report on Review of Consolidated Interim Condensed Financial Information

To the Board of Directors of
International public joint-stock company EN+ GROUP

Introduction

We have reviewed the accompanying consolidated interim condensed financial information of International public joint-stock company EN+ GROUP 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 profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the consolidated interim condensed financial information (the consolidated interim condensed financial information). 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 consolidated interim condensed financial information based on our review.

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 consolidated interim condensed financial information 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 consolidated interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

NEW CHALLENGES
NEW SOLUTIONS

Emphasis of matter

We draw attention to the Note 1(f) of the consolidated interim condensed financial information as of 30 June 2022, which indicates that should geopolitical tensions and sanctions imposed by a range of countries continue to grow and expand, it may significantly affect operational, investing and financing activity of the Group. As stated in Note 1(f), these events or conditions, along with other matters as set forth in Note 1(f) of the consolidated interim condensed financial information, 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

17 August 2022

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 EN+ GROUP
Record made in the State Register of Legal Entities on 9 July 2019, State Registration Number 1193926010398.
Address: Russia 236006, Kalinigrad, Oktyabrskaya street, b. 8, office 34.

		Six months ended 30 June	
		2022 (unaudited)	2021 (unaudited)
	Note	USD million	USD million
Revenue	5	8,324	6,506
Cost of sales		(5,276)	(4,251)
Gross profit		**3,048**	**2,255**
Distribution expenses		(349)	(285)
General and administrative expenses		(461)	(380)
Impairment of non-current assets		(86)	(71)
Other operating expenses, net	6	(212)	(128)
Results from operating activities		**1,940**	**1,391**
Share of profits of associates and joint ventures	10	1,365	1,169
Gain from partial disposal of investment in associate	10	–	492
Finance income	7	243	37
Finance costs	7	(935)	(616)
Profit before tax		**2,613**	**2,473**
Income tax expense	8	(812)	(242)
Profit for the period		**1,801**	**2,231**
Attributable to:			
Shareholders of the Parent Company		1,084	1,360
Non-controlling interests	12(g)	717	871
Profit for the period		**1,801**	**2,231**
Earnings per share			
Basic and diluted earnings per share (USD)	9	2.158	2.707

The Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information set out on pages 13 to 29.

		Six months ended 30 June	
		2022 (unaudited)	**2021 (unaudited)**
	Note	**USD million**	**USD million**
Profit for the period		**1,801**	**2,231**
Other comprehensive income			
Items that will never be reclassified subsequently to profit or loss (net of tax)			
Actuarial gain on post retirement benefit plans		–	1
		–	**1**
Items that are or may be reclassified subsequently to profit or loss (net of tax)			
Foreign currency translation differences on foreign operations		972	96
Foreign currency translation differences for equity-accounted investees	10	1,995	103
Reclassification of accumulated foreign currency translation loss to statement of profit or loss due to partial disposal of investment in associate		–	613
Change in fair value of cash flow hedge	14	(214)	(28)
		2,753	**784**
Total comprehensive income for the period		**4,554**	**3,016**
Attributable to:			
Shareholders of the Parent Company		2,631	1,801
Non-controlling interests		1,923	1,215
Total comprehensive income for the period		**4,554**	**3,016**

The Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information set out on pages 13 to 29.

	Note	30 June 2022 (unaudited) USD million	31 December 2021 USD million
Assets			
Non-current assets			
Property, plant and equipment		13,142	10,117
Goodwill and intangible assets		2,777	2,199
Interests in associates and joint ventures	10	6,625	4,028
Deferred tax assets		193	150
Investments in equity securities measured at fair value through profit and loss	11(d)	622	316
Derivative financial assets	14	51	22
Other non-current assets	11(c)	200	258
Total non-current assets		**23,610**	**17,090**
Current assets			
Inventories		4,661	3,731
Trade and other receivables and advances paid	11(a)	2,766	2,655
Short-term investments		86	131
Derivative financial assets	14	200	120
Cash and cash equivalents		1,814	2,330
Total current assets		**9,527**	**8,967**
Total assets		**33,137**	**26,057**

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 Information set out on pages 13 to 29.

	Note	30 June 2022 (unaudited) USD million	31 December 2021 USD million
Equity and liabilities			
Equity	12		
Share capital		–	–
Share premium		1,516	1,516
Treasury share reserve		(1,579)	(1,579)
Additional paid-in capital		9,193	9,193
Revaluation reserve		2,962	2,945
Other reserves		31	153
Foreign currency translation reserve		(3,892)	(5,561)
Retained earnings / (accumulated losses)		211	(892)
Total equity attributable to shareholders of the Parent Company		**8,442**	**5,775**
Non-controlling interests	12(g)	6,409	4,536
Total equity		**14,851**	**10,311**
Non-current liabilities			
Loans and borrowings	13	6,881	8,174
Deferred tax liabilities		1,628	1,064
Provisions – non-current portion		582	485
Derivative financial liabilities	14	–	61
Other non-current liabilities		191	113
Total non-current liabilities		**9,282**	**9,897**
Current liabilities			
Loans and borrowings	13	6,372	2,737
Provisions – current portion		163	161
Trade and other payables and advances received	11(b)	2,464	2,806
Derivative financial liabilities	14	5	145
Total current liabilities		**9,004**	**5,849**
Total equity and liabilities		**33,137**	**26,057**

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 Information set out on pages 13 to 29.

		Six months ended 30 June	
		2022 (unaudited)	2021 (unaudited)
	Note	USD million	USD million
Operating activities			
Profit for the period		**1,801**	**2,231**
Adjustments for:			
Depreciation and amortization		339	429
Impairment of non-current assets		86	71
Foreign exchange loss	7	103	50
Loss/(gain) on disposal of property, plant and equipment	6	12	(1)
Share of profits of associates and joint ventures	10	(1,365)	(1,169)
Gain on partial disposal of investment in asscociate	10	–	(492)
Interest expense	7	484	331
Interest income	7	(65)	(22)
Change in fair value of derivative financial instruments	7	348	235
Revaluation of financial assets and liabilities	7	(176)	(13)
Dividend income	7	(2)	(2)
Income tax expense	8	812	242
Write-down of inventories to net realisable value		157	4
Impairment of trade and other receivables	6	99	69
Operating profit before changes in working capital and provisions		**2,633**	**1,963**
Increase in inventories		(1,325)	(439)
Increase in trade and other receivables		(593)	(302)
(Decrease)/increase in trade and other payables and provisions		(735)	137
Cash flows generated from operations before income taxes paid		**(20)**	**1,359**
Income taxes paid		(516)	(199)
Cash flows (used in) / generated from operating activities		**(536)**	**1,160**
Investing activities			
Proceeds from disposal of property, plant and equipment		6	11
Acquisition of property, plant and equipment		(630)	(682)
Acquisition of intangible assets		(9)	(11)
Cash received from other investments		147	130
Cash paid for investment in equity securities measured at fair value through profit and loss		(88)	(291)
Interest received		58	23
Dividends from associates and joint ventures		1,640	618
Dividends from financial assets		2	14
Proceeds from partial disposal of associate		–	1,421
Acquisition/sale of subsidiaries (net)		(16)	(21)
Contributions to associates and joint venture		(1)	(3)
Cash flows generated from investing activities		**1,109**	**1,209**

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 Information set out on pages 13 to 29.

	Note	Six months ended 30 June 2022 (unaudited) USD million	2021 (unaudited) USD million
Financing activities			
Proceeds from borrowings		2,399	1,211
Repayment of borrowings		(2,910)	(1,541)
Acquistion of non-controlling interest		(14)	–
Restructuring fees		(9)	(27)
Interest paid		(451)	(324)
Settlement of derivative financial instruments		(379)	(65)
Cash flows used in financing activities		**(1,364)**	**(746)**
Net change in cash and cash equivalents		**(791)**	**1,623**
Cash and cash equivalents at beginning of the period, excluding restricted cash		2,328	2,549
Effect of exchange rate fluctuations on cash and cash equivalents		275	13
Cash and cash equivalents at end of the period, excluding restricted cash		**1,812**	**4,185**

Restricted cash amounted to USD 2 million, USD 2 million and USD 13 million at 30 June 2022, 31 December 2021 and 30 June 2021, respectively.

	Attributable to shareholders of the Parent Company									
USD million	**Share premium**	**Treasury share reserve**	**Additional paid-in capital**	**Revalu-ation reserve**	**Other reserves**	**Foreign currency translation reserve**	**Retained earnings / (accumu-lated losses)**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2021	**1,516**	**(1,579)**	**9,193**	**2,902**	**169**	**(5,923)**	**(3,122)**	**3,156**	**2,909**	**6,065**
Total comprehensive income										
Profit for the period (unaudited)	–	–	–	–	–	–	1,360	1,360	871	2,231
Other comprehensive (loss)/income for the period (unaudited)	–	–	–	–	(15)	456	–	441	344	785
Total comprehensive (loss)/income for the period (unaudited)	**–**	**–**	**–**	**–**	**(15)**	**456**	**1,360**	**1,801**	**1,215**	**3,016**
Balance at 30 June 2021 (unaudited)	**1,516**	**(1,579)**	**9,193**	**2,902**	**154**	**(5,467)**	**(1,762)**	**4,957**	**4,124**	**9,081**
Balance at 1 January 2022	**1,516**	**(1,579)**	**9,193**	**2,945**	**153**	**(5,561)**	**(892)**	**5,775**	**4,536**	**10,311**
Total comprehensive income										
Profit for the period (unaudited)	–	–	–	–	–	–	1,084	1,084	717	1,801
Other comprehensive (loss)/income for the period (unaudited)	–	–	–	–	(122)	1,669	–	1,547	1,206	2,753
Total comprehensive (loss)/income for the period (unaudited)	**–**	**–**	**–**	**–**	**(122)**	**1,669**	**1,084**	**2,631**	**1,923**	**4,554**
Transactions with owners										
Change in effective interest in subsidiaries (note 12(a))	–	–	–	17	–	–	19	36	(50)	(14)
Total transactions with owners	**–**	**–**	**–**	**17**	**–**	**–**	**19**	**36**	**(50)**	**(14)**
Balance at 30 June 2022 (unaudited)	**1,516**	**(1,579)**	**9,193**	**2,962**	**31**	**(3,892)**	**211**	**8,442**	**6,409**	**14,851**

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 Information set out on pages 13 to 29.

1 Background

(a) Organisation

EN+ GROUP IPJSC (the "Parent Company" or EN+) was established as a limited liability company according to the legislation of the British Virgin Islands on 30 April 2002 under the name of Baufinanz Limited. On 18 March 2004, the Parent Company registered a change of its legal name to Eagle Capital Group Limited. On 25 August 2005, the Parent Company changed its domicile to Jersey and was renamed to En+ Group Limited. On 1 June 2017, the Parent Company changed its status to a public company and was renamed to EN+ GROUP PLC. On 9 July 2019, the Parent Company changed its domicile to the Russian Federation with a registration as EN+ GROUP International public joint-stock company (EN+ GROUP IPJSC). The Parent Company's registered office is Oktyabrskaya st. 8, office 34, Kaliningrad, Kaliningrad Region, 236006, Russian Federation.

On 8 November 2017, the Parent Company successfully completed an initial public offering of global depositary receipts on the London Stock Exchange. On 17 February 2020, the Parent Company's ordinary shares were included into the "Level 1" part of the list of securities admitted to trading on Moscow Exchange.

EN+ GROUP IPJSC is the parent company for a vertically integrated aluminium and power group, engaged in aluminium production and energy generation (together with the Parent Company referred to as "the Group").

As at 30 June 2022 Mr. Oleg Deripaska beneficially controls and exercises voting rights in respect of 35% of the voting shares of the Company and his direct or indirect shareholding cannot exceed 44.95% of the shares of the Company.

The other significant holders as at 30 June 2022 were as follows:

	Shareholding	**Voting rights**
Company's subsidiary	21.37%	7.04%
Citi (Nominees), including	11.62%	11.62%
Glencore Group Funding Limited	*10.55%*	*10.55%*
Other shareholders	22.06%	12.89%
Independent trustees	–	33.45%

Glencore Group Funding Limited is a subsidiary of Glencore Plc.

Based on the information at the Group's disposal at the reporting date, there is no individual that has an indirect prevailing ownership interest in the Parent Company exceeding 50%, who could exercise voting rights in respect of more than 35% of the Parent Company's issued share capital or has an opportunity to exercise control over the Parent Company.

Related party transactions are detailed in note 17.

The consolidated financial statements of the Group as at and for the year ended 31 December 2021 are available at the Parent Company's website https://www.enplusgroup.com.

(b) Operations

The Group is a leading vertically integrated aluminium and power producer, which combines the assets and results of its Metals and Power segments.

The Metals segment 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 value-added products.

The Power segment engages in all major areas of the power industry, including electric power generation, power trading and supply. It also includes supporting operations engaged in the supply of coal resources to the Group. The Group's principal power plants are located in East Siberia and Volga Region, the Russian Federation.

(c) 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 interim condenced financial information 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.

(d) Seasonality

Demand for heat and electricity is subject to seasonal fluctuations and depends on weather conditions. The highest revenues from heat sales are generated in the period from October to March. Electricity sales are also subject to seasonality, though to a lesser extent, with the highest revenue period also being from October to March. The seasonality factor affects fuel consumption and energy purchases.

Furthermore, equipment repair and maintenance costs tend to grow in the period from April to September. The seasonality of these operations does not have an impact on the accounting treatment of operating income and expenses.

(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 Parent Company, JSC EuroSibEnergo ("EuroSibEnergo") and UC RUSAL Plc ("UC RUSAL") as Specially Designated Nationals ("SDN") (the "OFAC Sanctions").

As a result, all property or interests in property of the Parent Company and its subsidiaries located in the United States or in the possession of U.S. Persons were blocked, frozen, and could not have been transferred, paid, exported, withdrawn, or otherwise dealt in. Several general licences were issued at the time of the designation and subsequently certain transactions were authorised with the Parent Company, EuroSibEnergo and UC RUSAL, and with their respective debt and equity.

On 27 January 2019, OFAC announced the removal of the Parent Company and its subsidiaries, including UC RUSAL and EuroSibEnergo, from OFAC's SDN list and Blocked Persons with immediate effect. The removal was subject to and conditional upon the satisfaction of a number of conditions including, but not limited to:

- Ending Mr Oleg Deripaska's control of the Group, through the reduction of his direct and indirect ownership interest in the Parent Company to below 50%;
- Establishing independent voting arrangements for the Parent Company's shares held by certain shareholders;
- Corporate governance changes, including, inter alia, overhauling the composition of the EN+ Board to ensure that independent directors constitute the majority of the Board, and ongoing reporting and certifications by the Parent Company and UC RUSAL to OFAC concerning compliance with the conditions for sanctions' removal.

(f) Going concern

This consolidated interim condensed financial information 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.

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 relating to these inventory balances, however, currently the effect of these future losses 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 aluminium 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 is also revising supply and sales chains, searching for resolutions of logistic difficulties, ensuring an optimal equity and debt ratio, as well as the ways to service its obligations in order to adapt the current economic changes to ensure the Group’s operations.

2 Basis of preparation

(a) Statement of compliance

This consolidated interim condensed financial information has been prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. This consolidated interim condensed financial information does 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.

The Group has also no updates to information provided in the last annual financial statements about the standards effective from 1 January 2022 and their impact on the Group’s consolidated financial statements.

3 Significant accounting policies

The accounting policies applied in this consolidated interim condensed financial information are the same as those applied in the Group's consolidated financial statements as at and 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 consolidated interim condensed financial information 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.

4 Segment reporting

(a) Reportable segments

Based on the current management structure and internal reporting the Group has identified two operating segments:

a) *Metals.* The Metals segment comprises UC RUSAL with disclosures being based on the public financial statements of UC RUSAL. All adjustments made to UC RUSAL financial statements, including any adjustments arising from different timing of IFRS first time adoption, are included in "Adjustments" column.

Power assets of UC RUSAL are included within the Metals segment.

b) *Power.* The Power segment mainly comprises the power assets, as described in note 1(b).

These business units are managed separately and the results of their operations are reviewed by the key executive management personnel and Board of Directors on a regular basis.

(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 and cash flows attributable to each reportable segment on the following bases:

- Total segment assets include all tangible, intangible assets and current assets.
- Total segment liabilities include all current and non-current liabilities.
- 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.
- The measure used for reporting segment results is the net profit and Adjusted EBITDA (key non-IFRS financial measure used by the Group as reference for assessing operating effectiveness). Segment profit or loss and Adjusted EBITDA are 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.
- Adjusted EBITDA for any period represents the results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment for the relevant period.

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, interest income and expenses, other finance income and costs, income tax, loss on disposal of property, plant and equipment, impairment of non-current assets and additions of non-current segment assets used by the segments in their operations. Inter-segment pricing is determined primarily on a consistent basis using market benchmarks.

The Group acquired property, plant and equipment in the total amount of USD 872 million for the six months ended 30 June 2022 (USD 786 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 USD 125 million (USD 66 million for the six months ended 30 June 2021).

USD million	**Metals**	**Power**	**Adjustments**	**Total**
Six months ended 30 June 2022				
Statement of profit or loss and other comprehensive income				
Revenue from external customers	*7,032*	*1,292*	–	*8,324*
Primary aluminium and alloys	5,814	–	–	5,814
Alumina and bauxite	305	–	–	305
Semi-finished products and foil	286	160	–	446
Electricity	110	736	–	846
Heat	30	227	–	257
Other	487	169	–	656
Inter-segment revenue	*121*	*466*	*(587)*	–
Total segment revenue	**7,153**	**1,758**	**(587)**	**8,324**
Operating expenses (excluding depreciation and loss on disposal of PPE)	(5,346)	(1,155)	554	(5,947)
Adjusted EBITDA	**1,807**	**603**	**(33)**	**2,377**
Depreciation and amortisation	(247)	(93)	1	(339)
Loss on disposal of PPE	(5)	(7)	–	(12)
Impairment of non-current assets	(23)	(63)	–	(86)
Results from operating activities	**1,532**	**440**	**(32)**	**1,940**
Share of profits and impairment of associates and joint ventures	1,366	(1)	–	1,365
Interest expense, net	(134)	(285)	–	(419)
Other finance costs, net	(400)	127	–	(273)
Profit before tax	**2,364**	**281**	**(32)**	**2,613**
Income tax expense	(684)	(130)	2	(812)
Profit for the period	**1,680**	**151**	**(30)**	**1,801**

USD million	**Metals**	**Power**	**Adjustments**	**Total**
30 June 2022				
Statement of financial position				
Segment assets, excluding cash and cash equivalents and interests in associates and joint ventures	17,382	8,214	(898)	24,698
Investment in Metals segment	–	4,595	(4,595)	–
Cash and cash equivalents	1,431	383	–	1,814
Interests in associates and joint ventures	6,606	19	–	6,625
Total segment assets	**25,419**	**13,211**	**(5,493)**	**33,137**
Segment liabilities, excluding loans and borrowings and bonds payable	3,266	2,037	(270)	5,033
Loans and borrowings	7,299	5,954	–	13,253
Total segment liabilities	**10,565**	**7,991**	**(270)**	**18,286**
Total segment equity	14,854	5,220	(5,223)	14,851
Total segment equity and liabilities	**25,419**	**13,211**	**(5,493)**	**33,137**

USD million	Metals	Power	Adjustments	Total
Six months ended 30 June 2022				
Statement of cash flows				
Cash flows (used in) / from operating activities	**(958)**	**422**	**–**	**(536)**
Cash flows from / (used in) investing activities	**1,244**	**(135)**	**–**	**1,109**
Acquisition of property, plant and equipment, intangible assets	(465)	(174)	–	(639)
Cash paid for investment in equity securities measured at fair value through profit and loss	(88)	–	–	(88)
Returns of other investments	135	12	–	147
Dividends from associates and joint ventures	1,640	–	–	1,640
Interest received	36	22	–	58
Other investing activities	(14)	5	–	(9)
Cash flows used in financing activities	**(975)**	**(389)**	**–**	**(1,364)**
Interest paid	(179)	(272)	–	(451)
Restructuring fees	(6)	(3)	–	(9)
Settlements of derivative financial instruments	(379)	–	–	(379)
Other financing activities	(411)	(114)	–	(525)
Net change in cash and cash equivalents	**(689)**	**(102)**	**–**	**(791)**

USD million	Metals	Power	Adjustments	Total
Six months ended 30 June 2021				
Statement of profit or loss and other comprehensive income				
Revenue from external customers	*5,361*	*1,145*	–	*6,506*
Primary aluminium and alloys	4,488	–	–	4,488
Alumina and bauxite	277	–	–	277
Semi-finished products and foil	232	113	–	345
Electricity	50	670	–	720
Heat	24	226	–	250
Other	290	136	–	426
Inter-segment revenue	*88*	*368*	*(456)*	–
Total segment revenue	**5,449**	**1,513**	**(456)**	**6,506**
Operating expenses (excluding depreciation and loss on disposal of PPE)	(4,134)	(933)	451	(4,616)
Adjusted EBITDA	**1,315**	**580**	**(5)**	**1,890**
Depreciation and amortisation	(317)	(113)	1	(429)
(Loss)/gain on disposal of PPE	(1)	2	–	1
Impairment of non-current assets	(55)	(16)	–	(71)
Results from operating activities	**942**	**453**	**(4)**	**1,391**
Share of profits and impairment of associates and joint ventures	1,171	(2)	–	1,169
Gain from partial disposal of investment in associate	492	–	–	492
Interest expense, net	(174)	(135)	–	(309)
Other finance costs, net	(270)	–	–	(270)
Profit before tax	**2,161**	**316**	**(4)**	**2,473**
Income tax expense	(143)	(100)	1	(242)
Profit for the period	**2,018**	**216**	**(3)**	**2,231**

USD million	**Metals**	**Power**	**Adjustments**	**Total**
31 December 2021				
Statement of financial position				
Segment assets, excluding cash and cash equivalents and interests in associates and joint ventures	14,908	5,594	(803)	19,699
Investment in Metals segment	–	4,595	(4,595)	–
Cash and cash equivalents	1,984	346	–	2,330
Interests in associates and joint ventures	4,014	14	–	4,028
Total segment assets	**20,906**	**10,549**	**(5,398)**	**26,057**
Segment liabilities, excluding loans and borrowings and bonds payable	3,649	1,404	(218)	4,835
Loans and borrowings	6,733	4,178	–	10,911
Total segment liabilities	**10,382**	**5,582**	**(218)**	**15,746**
Total segment equity	10,524	4,967	(5,180)	10,311
Total segment equity and liabilities	**20,906**	**10,549**	**(5,398)**	**26,057**

USD million	**Metals**	**Power**	**Adjustments**	**Total**
Six months ended 30 June 2021				
Statement of cash flows				
Cash flows from operating activities	**666**	**494**	**–**	**1,160**
Cash flows from / (used in) investing activities	**1,220**	**(11)**	**–**	**1,209**
Acquisition of property, plant and equipment, intangible assets	(554)	(139)	–	(693)
Cash paid for investment in equity securities measured at fair value through profit and loss	(291)	–	–	(291)
Returns of other investments	32	98	–	130
Dividends from associates and joint ventures	618	–	–	618
Interest received	9	14	–	23
Proceeds from partial disposal of associate	1,421	–	–	1,421
Other investing activities	(15)	16	–	1
Cash flows used in financing activities	**(355)**	**(391)**	**–**	**(746)**
Interest paid	(185)	(139)	–	(324)
Restructuring fees	(27)	–	–	(27)
Settlements of derivative financial instruments	(65)	–	–	(65)
Other financing activities	(78)	(252)	–	(330)
Net change in cash and cash equivalents	**1,531**	**92**	**–**	**1,623**

5 Revenue

(a) Revenue by types

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Sales of primary aluminium and alloys	**5,814**	**4,488**
Third parties	5,717	4,361
Related parties – companies capable of exerting significant influence	89	120
Related parties – other	6	6
Related parties – associates and joint ventures	2	1
Sales of alumina and bauxite	**305**	**277**
Third parties	152	173
Related parties – associates and joint ventures	153	104
Sales of semi-finished products and foil	**446**	**345**
Third parties	446	345
Sales of electricity	**846**	**720**
Third parties	827	702
Related parties – other	2	2
Related parties – associates and joint ventures	17	16
Sales of heat	**257**	**250**
Third parties	247	238
Related parties – companies capable of exerting significant influence	1	1
Related parties – other	9	11
Other revenue	**656**	**426**
Third parties	503	348
Related parties – companies capable of exerting significant influence	7	2
Related parties – other	4	5
Related parties – associates and joint ventures	142	71
	8,324	**6,506**

(b) Revenue by primary regions

	Six months ended 30 June	
	2022	2021
	USD million	USD million
CIS	3,249	2,705
Europe	2,891	2,023
Asia	1,616	1,213
America	501	498
Other	67	67
	8,324	**6,506**

All revenue of the Group relates to revenue from contracts with customers.

6 Other operating expenses, net

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Impairment of trade and other receivables	(99)	(69)
Charitable donations	(28)	(23)
(Loss)/gain on disposal of property, plant and equipment	(12)	1
Other operating expenses, net	(73)	(37)
	(212)	**(128)**

7 Finance income and costs

	Six months ended 30 June	
	2022	**2021**
	USD million	**USD million**
Finance income		
Revaluation of financial assets and liabilities	176	13
Interest income	65	22
Dividend income	2	2
	243	**37**

	Six months ended 30 June	
	2022	**2021**
	USD million	**USD million**
Finance costs		
Interest expense	(484)	(331)
Change in fair value of derivative financial instruments (note 14)	(348)	(235)
Foreign exchange loss	(103)	(50)
	(935)	**(616)**

8 Income tax

	Six months ended 30 June	
	2022	**2021**
	USD million	**USD million**
Current tax expense		
Current tax for the period	(536)	(223)
Deferred tax expense		
Origination and reversal of temporary differences	(276)	(19)
	(812)	**(242)**

The Parent Company is a resident of Russia's SAR (special administrative region) and a Russian tax resident. Companies which register in the SAR as part of the continuance out of a foreign jurisdiction (such as the Parent Company) may have a number of tax benefits, subject to certain conditions.

The Parent Company and its subsidiaries pay income taxes in accordance with the legislative requirements of their respective tax jurisdictions. For the Parent Company and subsidiaries domiciled in the Russian Federation the applicable tax rate is 20%, in Ukraine − 18%; Guinea − 0% to 30%; China − 25%; Kazakhstan − 20%; Australia − 30%; Jamaica − 25%; Ireland − 12.5%; Sweden − 20.6% and Italy − 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.

9 Earnings per share

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

	Six months ended 30 June	
	2022	2021
Weighted average number of shares	502,337,774	502,337,774
Profit for the period attributable to the shareholders of the Parent Company, USD million	1,084	1,360
Basic and diluted earnings per share, USD	**2.158**	**2.707**

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

10 Interests in associates and joint ventures

The Group has the following movements in investments in associates and joint ventures:

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Balance at beginning of the period	**4,028**	**3,832**
Group's share of post acquisition profits and impairment	1,365	1,169
Partial disposal of investment in asscociate	–	(313)
Contribution	1	3
Dividends	(764)	(611)
Foreign currency translation	1,995	103
Balance at end of the period	**6,625**	**4,183**
Goodwill included in interest in associates	2,691	1,902

Investment in Norilsk Nickel

The Group's share of profit of Norilsk Nickel for the six months ended 30 June 2022 was USD 1,317 million, and the foreign currency translation gain for the six months ended 30 June 2022 USD 1,703 million. The carrying value of the Group's investment in the investee comprises USD 5,530 million as at 30 June 2022.

The market value of the investment in Norilsk Nickel as at 30 June 2022 was USD 13,720 million (31 December 2021: USD 12,395 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 RUB 27,780 per share, with the aggregate consideration of USD 1,418 million. The carrying value of the shares sold amounted to USD 313 million, and USD 613 million of currency translation reserve attributed to the shares sold was reclassified to profit/(loss) for the period, resulting in net gain of USD 492 million recognised in the consolidated statement of income. The effective interest in Norilsk Nickel held by the Group after the transaction comprised 26.39%.

11 Non-derivative financial instruments

(a) Trade and other receivables and advances paid

	30 June 2022 USD million	31 December 2021 USD million
Trade receivables from third parties	**1,365**	**949**
Trade receivables from related parties, including	**159**	**126**
Related parties – companies capable of exerting significant influence	97	105
Related parties – other	–	2
Related parties – associates and joint ventures	62	19
VAT recoverable	**784**	**419**
Advances paid to third parties	**347**	**137**
Advances paid to related parties, including	**92**	**109**
Related parties – associates and joint ventures	92	109
Other receivables from third parties	**215**	**171**
Other receivables from related parties	**2**	**–**
Related parties – associates and joint ventures	2	–
Other taxes receivable	**26**	**19**
Income tax receivable	**36**	**18**
Dividends receivable from related parties	**–**	**827**
Related parties – associates and joint ventures	–	827
Other current assets	**8**	**9**
	3,034	**2,784**
Impairment of receivables	(268)	(129)
	2,766	**2,655**

(b) Trade and other payables and advances received

	30 June 2022 USD million	31 December 2021 USD million
Accounts payable to third parties	**1,211**	**896**
Accounts payable to related parties, including	**171**	**103**
Related parties – companies capable of exerting significant influence	8	6
Related parties – associates and joint ventures	163	97
Advances received from third parties	**203**	**1,163**
Advances received from related parties	**8**	**–**
Related parties – associates and joint ventures	8	–
Other payables and accrued liabilities to third parties	**327**	**267**
Income tax payable	**75**	**62**
Other taxes payable	**469**	**315**
	2,464	**2,806**

Advances received represent contract liabilities to perform obligations under contracts with customers and are recognised in trade and other payables line in the statement of financial position. Advances received are short-term and revenue in respect of the contract liability at the beginning of the period is expected to be recognized as revenue within next 12 months from the reportimg date.

Lease liabilities that are expected to be settled within one year for the amount of USD 23 million are included in other payables and accrued liabilities as at 30 June 2022 (31 December 2021: USD 16 million).

Non-current part of lease liabilities as at 30 June 2022 amounted to USD 67 million (31 December 2021: USD 45 million) is presented in other non-current liabilities.

(c) Other non-current assets

	30 June 2022	31 December 2021
	USD million	USD million
Long-term deposits	114	139
Other non-current assets	86	46
Prepayment for subsidiary acquisition	–	73
	200	**258**

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

As at 30 June 2022 the Group owns circa 9% of RusHydro shares, most of which were acquired by Rusal subsidiaries through several transactions consummated from July 2020 till June 2022, for a total consideration of USD 454 million. The Group 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.

12 Equity

(a) Share capital, additional paid-in capital and transactions with shareholders

As at 30 June 2022 the Parent Company's share capital is divided into 638,848,896 ordinary shares with a nominal value of USD 0.00007 each. The Parent Company may also issue 75,436,818.286 ordinary shares.

As at 30 June 2022 and 31 December 2021 all issued ordinary shares were fully paid.

Change in effective interest in subsidiaries

Following consolidation of more than 95% of Irkutskenergo shares, in January 2022 the Group submitted a buyout notice. As at 30 June 2022 the effective interest in Irkutskenergo held by the Group is 100.00% despite existence of nominal non-controlling interest in Irkutskenergo of 0.1% which are subject to mandatory redemption under buyout notice. Total consideration paid to non-controlling shareholders during the reporting period amounted to USD 14 million.

(b) Treasury share reserve

The reserve for the Group's treasury shares comprises the cost of the Parent Company's shares held by the Group. As at 30 June 2022 and 31 December 2021 the Group held 136,511,122 of Parent Company's own shares.

(c) Currency translation reserve

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

(d) Other reserves

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 change in fair value of cash flow hedges and the Group's share of other comprehensive income of equity-accounted investees other than foreign currency translation.

(e) Revaluation reserve

The revaluation reserve comprises the cumulative net change in the fair value of hydro assets at the reporting date.

(f) Dividends

The Parent 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.

During the six months ended 30 June 2022 and 30 June 2021, the Group did not declare or pay any dividends.

(g) Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interest:

30 June 2022

USD million	UC RUSAL	OJSC Irkutsk Electric Grid Company	Total
NCI percentage	**43.1%**	**46.2%**	
Assets	24,935	729	
Liabilities	(10,565)	(257)	
Net assets	**14,370**	**472**	
Carrying amount of NCI	6,196	213	6,409
Revenue	7,153	189	
Profit/(loss)	1,680	(18)	
Other comprehensive income	2,650	–	
Total comprehensive (loss)/income	**4,330**	**(18)**	
Profit/(loss) attributable to NCI	724	(7)	717
Other comprehensive income attributable to NCI	1,143	63	1,206
Cash flows (used in) / from operating activities	(958)	14	
Cash flows from / (used in) investing activities	1,244	(30)	
Cash flows (used in) / from financing activities	(975)	17	
Net increase in cash and cash equivalents	**(689)**	**1**	

30 June 2021

USD million	UC RUSAL	Irkutsk-energo	OJSC Irkutsk Electric Grid Company	Total
NCI percentage	**43.1%**	**6.8%**	**47.6%**	
Assets	19,982	5,348	532	
Liabilities	(11,126)	(3,358)	(178)	
Net assets	**8,856**	**1,990**	**354**	
Carrying amount of NCI	3,819	137	168	4,124
Revenue	5,449	901	164	
Profit/(loss)	2,018	38	(3)	
Other comprehensive income	779	34	–	
Total comprehensive income/(loss)	**2,797**	**72**	**(3)**	
Profit/(loss) attributable to NCI	870	3	(2)	871
Other comprehensive income attributable to NCI	336	5	3	344
Cash flows from operating activities	666	205	22	
Cash flows from / (used in) investing activities	1,220	(192)	(31)	
Cash flows (used in) / from financing activities	(355)	70	10	
Net increase in cash and cash equivalents	**1,531**	**83**	**1**	

13 Loans and borrowings

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

	30 June 2022	31 December 2021
	USD million	USD million
Non-current liabilities		
Secured bank loans	6,462	6,291
Unsecured bank loans	418	567
Bonds	1	1,316
	6,881	**8,174**
Current liabilities		
Secured bank loans	1,616	675
Unsecured bank loans	2,315	876
Accrued interest	130	68
Bonds	2,311	1,118
	6,372	**2,737**

(a) Loans and borrowings

Metals

The nominal value of the Metals segment loans and borrowings was USD 4,977 million at 30 June 2022 (31 December 2021: USD 4,266 million).

Power

The nominal value of Power segment loans and borrowings was USD 5,924 million at 30 June 2022 (31 December 2021: USD 4,182 million).

As at 30 June 2022 the amount of accrued interest on secured bank loans and unsecured bank loans was USD 49 million and USD 36 million, respectively (31 December 2021: USD 19 million and USD 4 million, respectively).

Security and pledges

The Group's bank loans and guarantees are secured by pledges of shares of the Group's subsidiaries and by a pledge of shares of an associate, the details of which are disclosed in the Group's consolidated financial statements as of and for the year ended 31 December 2021. In the six months ended 30 June 2022 the Group additionally pledged 4.25% of Irkutskenergo shares and as of the date of issuance of this consolidated interim condensed financial information 77.43% of Irkutskenergo shares secure banks loans.

The secured bank loans are also secured by property, plant and equipment with a carrying amount of USD 78 million (31 December 2021: USD 1,048 million).

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 (PXFs) dated 25 October 2019 and dated 28 January 2021.

(b) Bonds payable

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: USD 44 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 USD 255 million (gain USD 2 million for the six months ended 30 June 2021).

On 02 February 2022 UC RUSAL completed the scheduled repayment of Eurobonds in the amount of USD 512 million.

14 Derivative financial assets and liabilities

Derivative financial instruments are attributable to the following contracts of UC RUSAL:

	30 June 2022 USD million		31 December 2021 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**
Non-current	51	–	22	61
Current	200	5	120	145

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 the six months 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	55.31-72.92	74.15-84.09	84.89-92.70		

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 profit or loss (finance costs) 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.

15 Commitments

Capital commitments

The Group had outstanding capital commitments which had been contracted for at 30 June 2022 and 31 December 2021 in the amount of USD 1,002 million and USD 655 million, including VAT, respectively. These commitments are due over a number of years.

16 Contingencies

(a) 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. Recent developments in the Russian environment suggest that the authorities in this 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 from the authorities' previous interpretations or practices. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

In addition to the amounts of income tax the Group has provided, there are certain tax positions taken by the Group where it is reasonably possible (though less than 50% likely) that additional tax may be payable upon examination by the tax authorities or in connection with ongoing disputes with tax authorities. The Group's best estimate of the aggregate maximum of additional amounts that it is reasonably possible may become payable if these tax positions were not sustained at 30 June 2022 is USD 43 million (31 December 2021: USD 26 million).

(b) 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 capital projects to improve its future environmental performance.

(c) 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 information. As at 30 June 2022 the amount of claims, where management assesses outflow as possible approximates USD 21 million (31 December 2021: USD 21 million).

17 Related party transactions

(a) Transactions with related parties

The Group transacts with related parties, the majority of which are under control of SUAL Partners Limited or its shareholders, associates and joint ventures and other related parties.

Sales to related parties for the period are disclosed in note 5. Receivables from related parties and payables to related parties as at the reporting date are disclosed in note 11. Purchases of raw materials and services from related parties for the period were as follows:

	Six months ended 30 June	
	2022	2021
	USD million	USD million
Purchase of raw materials	**(539)**	**(320)**
Companies capable of exerting significant influence	(12)	(7)
Associates and joint ventures	(527)	(313)
Energy costs	**(49)**	**(39)**
Companies capable of exerting significant influence	(21)	(18)
Associates and joint ventures	(28)	(21)
Other services	**(26)**	**(62)**
Other related parties	–	(1)
Associates and joint ventures	(26)	(61)
	(614)	**(421)**

All trade and other receivables and payables with related parties are non-secured and expected to be settled in cash within 12 months after the reporting date.

At 30 June 2022, included in non-current assets are balances of related parties – associates and joint ventures of USD nil million (31 December 2021: USD 2 million). At 30 June 2022, included in non current liabilities are balances of related parties – associates and joint ventures of USD 15 million (31 December 2021: USD 14 million).

(b) Remuneration to key management

For the six months ended 30 June 2022 remuneration to key management personnel comprised short-term benefits and amounted to USD 9 million from which Board members received USD 3 million (for the six months ended 30 June 2021: USD 10 million from which Board members received USD 4 million).

18 Events subsequent to the reporting date

In August 2022 UC RUSAL issued its first debut Yuan bonds listed on Moscow Exchange with 5 year term for total amount of USD 617 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.