2022

Interim Financial Report

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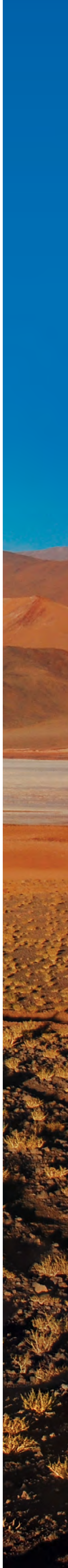

1 STATEMENT BY THE PERSONS RESPONSIBLE FOR THE ERAMET INTERIM FINANCIAL REPORT AS OF 30 JUNE 2022

We declare that, to the best of our knowledge, the condensed interim consolidated financial statements for the past half-year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and of all the companies within the scope of consolidation, and that the accompanying interim business report presents a true and fair view of the significant events of the first six months of the year and their impact on the condensed interim consolidated financial statements, the main related-party transactions and a description of the main risks and uncertainties for the remaining six months of the year.

PARIS, 27 JULY 2022

NICOLAS CARRÉ
GROUP CHIEF FINANCIAL OFFICER FOR INFORMATION SYSTEMS AND PURCHASES

CHRISTEL BORIES
CHIEF EXECUTIVE OFFICER

2 INTERIM BUSINESS REPORT AS OF 30 JUNE 2022

1 FOREWORD

It is advisable to read this report on the Company's financial position and operating performance in conjunction with the condensed interim consolidated financial statements, the notes to the condensed interim consolidated financial statements for the period ended 30 June 2022 and the other financial information in the 2021 Universal Registration Document filed with the French Financial Markets Authority (AMF) on 4 April 2022. The Company's condensed interim consolidated financial statements were drawn up in accordance with IAS 34 "Interim Financial Reporting". The information in this report also contains forecasts based on estimates of Eramet's future business activities, the realisation of which may differ materially from actual results.

2 OVERVIEW

Eramet, a global mining and metallurgical group, is a key player in the extraction and beneficiation of metals (manganese, nickel, mineral sands) and the development and modification of high value-added alloys (high-speed steels, high-performance steels, superalloys, aluminium and titanium alloys). The Group supports the energy transition by developing activities with high growth potential, such as lithium mining and refining, and recycling. Eramet is positioned as the preferred partner of our customers in the steel, stainless steel, aeronautics, pigment, energy and new generation batteries industries. Based on operational excellence, the quality of its investments and the know-how of its employees, the Group deploys a virtuous and value-creating industrial, managerial and societal model. As a corporate citizen and contributor, Eramet works to achieve a sustainable and responsible industry. Eramet has close to 13,500 employees in approximately 20 countries (including 4,500 who are attached to operations held for sale).

3 GROUP RESULTS FOR THE FIRST HALF OF THE YEAR 2022

The **Group's turnover** amounted to **€2,635 million** in H1 2022, up very significantly by 79% (+67% at constant scope and exchange rates, and +12% currency effect). This growth was driven by a particularly favourable price environment (notably for manganese alloys activity) as well as growth in volumes sold (particularly for manganese ore activity and nickel ore exports from New Caledonia).

Group **EBITDA** totalled **€982 million**, very strongly increasing (more than tripling), in a context of slowdown in activity in China, mainly linked to the lockdowns.

This increase notably reflects a positive net impact of external factors (€729 million):

- a favourable price effect (+€844 million), including +€439 million for manganese alloys, +€187 million for manganese ore and +€160 million for nickel;
- a positive currency effect (+€85 million), factoring in a more favourable €/$ exchange rate (effective exchange rate at 1.13 vs. 1.23 in H1 2021);
- partly offset by a strong increase in input costs of (-€201 million), mainly energy, reducing agents and freight.

Energy costs (notably electricity and fuel oil) continued to increase in H1, against the backdrop of the war in Ukraine. Sea freight prices, which had reached historically high levels in 2021 in a context of post-Covid logistics congestion, eased during the period versus H2 2021. However, they remained at historically high levels (spot price x4 for containers and x2.5 for bulk compared to the average of recent years).

Intrinsic performance benefitted from a favourable volume effect. Conversely, in order to support growth and factoring in inflation, the Group saw its operating costs increase. Overall, intrinsic performance was slightly negative at €37 million.

Current operating income came to **€853 million,** after booking a depreciation expense on fixed assets of -€130 million.

Net loss for **discontinued operations** amounted to **-€13 million.**

As a result, **net income, Group share** for H1 2022 was **€677 million,** including the share of income in Weda Bay (+€147 million).

Free Cash-Flow ("FCF") amounted to **€429 million** in the new scope of the Group. It included a €121 million contribution from Weda Bay in addition to net proceeds from the sale of the Sandouville plant (€86 million). The increase in prices and activity led to an increase in **working capital requirement (WCR)** of €324 million over the period.

Capex disbursements accounted for **€250 million,** excluding operations in the process of being sold (€21 million in H1 2022). They include €118 million in growth capex, notably in Gabon to support organic development in mining production and rail transport capacity (€101 million), as well as €33 million in investment linked to the lithium project, entirely financed by Tsingshan via a capital increase of the Argentine subsidiary. Current capex increased, amounting to €100 million in H1 2022.

Net debt stood at **€748 million** at 30 June 2022, **a reduction of** nearly **€190 million** due to the Group's strong cash generation, and factoring in a **negative FCF of -€136 million in discontinued operations (A&D and Erasteel),** strongly affected by the increase in energy and raw material prices. The change in net debt also includes dividends paid to Eramet shareholders (-€72 million) and Comilog minority shareholders (-€32 million) in respect of the 2021 financial year.

The **leverage ratio** was **0.4x,** the lowest level achieved by the Group for the last five years.

The Group's **liquidity** increased to **€2.2 billion** at 30 June 2022. Eramet refinanced the Revolving Credit Facility ("RCF") in June. The maturity is five years with two successive one-year upfront extension options (June 2023 and June 2024), potentially leading to June 2029. The agreement also includes an incentive scheme for achieving two of the Group's main CSR indicators.

3.1 INCOME STATEMENT

(in millions of euros)	H1 2022	H1 2021 restated	Financial year 2021
Revenue	2,635	1,471	3,668
EBITDA	982	301	1,051
Current operating income	853	175	784
Operating income	850	174	879
Net income from continuing operations	**783**	**123**	**791**
Net income from operations held for sale	(13)	(53)	(426)
Net income for the period	**770**	**70**	**365**
Net income, Group share	677	53	298
Basic earnings per share *(in euros)*	**23.54**	**1.98**	**10.42**

3.1.1 Comments by Business Unit: revenue and current operating income

Continuing operations

Manganese BU

In H1 2022, in Gabon, Moanda confirmed its status as the world's leading high-grade manganese mine with a positioning in the first quartile of the cash cost curve. Volumes produced increased by 17% to 3.6 Mt.

The Manganese BU posted strong growth in turnover to €1.6 billion (+86%) and EBITDA which almost tripled, to more than €800 million.

EBITDA for the manganese alloys activity was up very significantly to €488 million (c. x4), driven by the strong increase in selling prices, and this despite a slight decline in volumes sold (-4%) and a less favourable product mix.

EBITDA for the manganese ore activity also increased to €343 million (x2), reflecting the growth in ore volumes sold externally (+17%) in a favourable price environment.

Market trends and prices

Global production of carbon steel, the main end-product for manganese, reached 967 Mt in H1 2022, down by nearly 5%. This decrease mainly reflects the decline in production in China (54% of the global total) of 6.2%. The decline in the rest of the world was less marked (-2.5%): production in North America and Europe was down by 2.0%and 4.1%respectively. Only production in India was up, by 8.5%.

In this context, manganese ore consumption fell by more than 3%to 10.7 Mt, while global ore supply remained almost stable (-0.1%) at 10.3 Mt. The increase in production in Gabon and South Africa, offset the decline, resulting from operating difficulties, in production in the rest of the world, particularly in Australia and Brazil – two of the main high-grade ore producing countries. The supply/demand balance remained in deficit in H1 2022 with Chinese port ore inventories ending at 5.2 Mt, down slightly versus end-2021, representing approximately nine weeks' consumption.

The average CIF China 44% manganese ore price index stood at $6.8/dmtu in H1 2022, up +34% on H1 2021 ($5.1/dmtu). It reached a high of $8/dmtu in April. In a context of rising energy costs and a relative shortage of supply, the price differential between high-grade ore (44%), which is coveted for its better energy performance, and lower grade South African ore (37%) thus substantially increased over the period. These price levels are, however, largely resulting from high freight costs in the half-year.

Manganese alloys prices remained at high levels during the period. The price index (CRU) for refined alloys in Europe (MC Ferromanganese) ended at €3,254/t in H1 2022 (+73%) and that of standard alloys (silicomanganese) ended at €1,739/t (+46%). These half-year indices do not, however, reflect the decline in prices initiated in Q2 2022 and which will be invoiced in Q3 2022. Indeed, faced with uncertainty weighing on future demand, steelmakers began a destocking process at end-Q2 and reduced their contractual commitments to volume floor levels, in order to increase their purchasing flexibility at spot prices. As a result, invoiced prices on average in Q3 2022 should be largely de-correlated from Q2 2022 average price index levels by posting significant discounts, particularly for refined alloys (mainly used for steel in the automotive industry).

Activities

In Gabon, thanks to the mine expansion programme combined with continuous operational improvements, **manganese ore** production strongly increased to nearly 3.6 Mt in H1 2022 (+17%). The improvement in Setrag's logistical performance enabled the transportation of nearly 3.4 Mt in ore (+16%) compared to H1 2021, impacted by incidents on the railway line. External sale volumes amounted to 2.9 Mt (+17%).

The FOB cash cost of manganese ore activity was $2.22/dmtu, a slight decrease versus H1 2021. Favourable effects linked to growth in volumes and currency were partly offset by an increase in sales taxes as well as fixed costs to support the ramp-up in production.

A solution for the transport of manganese ore by larger vessels was deployed at the beginning of the year, with the loading of six Capesize vessels in H1 2022. This solution, which incurred implementation costs in H1 2022, should contribute to significantly reducing sea transport costs for manganese ore over the year.

Manganese alloys production totalled 381 kt in H1 2022 (+4%). Sales were down 4% to 342 kt, reflecting customer destocking in a context of falling demand and high prices. The mix, which was favourable to refined products in Q1 2022, reversed in Q2 2022 due to the deficit in supply of standard alloys in Europe linked to the war in Ukraine and lower demand for refined alloys.

The manganese alloys margin improved in H1 2022. It has, however, started to decline in Q2 compared to Q1, driven by the stability of selling prices, combined with the continued increase in input costs, notably metallurgical coke (which spot price is up on average c. 80% vs. H1 2021 and 40% vs. FY 2021), and a less favourable mix (more standard alloys).

Outlook

Global carbon steel production is expected to slightly decline in 2022, normalising after an exceptional 2021, notably owing to the decline in production in China, due to the economic slowdown, and macroeconomic uncertainties in the rest of the world. Only India and Vietnam are expected to post growth.

Demand for manganese alloys is expected to decrease, notably in Europe, while uncertainties in the automotive market should continue to weigh on demand for refined manganese alloys. The alloys market should thus shift to surplus in H2 2022, pushing prices down. Adjustments in supply are to be expected in the months ahead.

Factoring in the trend reversal expected for prices and the continued increase in the cost of inputs and manganese ore consumed, the manganese alloys margin should significantly deteriorate in H2 versus H1. Manganese alloys production could thus be adjusted down in H2, with a less favourable mix.

The manganese ore market is also expected to shift to slight surplus with the expected decline in demand. Prices are expected to adjust slightly in the months ahead. The ore production target is maintained at 7.5 Mt in 2022, an increase of 7% from 2021.

Nickel BU

Nickel BU turnover increased to reach €762 million in H1 2022, of which €604 million for SLN and €158 million linked to the trading activity of nickel ferroalloys produced at Weda Bay (off-take contract).

The BU's EBITDA increased very significantly to €118 million (x5 vs. H1 2021), mainly reflecting the increase in prices over the period, combined with a favourable €/$ currency effect, albeit partly offset by the strong increase in energy and freight costs.

The contribution of Weda Bay activity to Group FCF was very significant in H1 2022, at €121 million. The joint venture achieved an excellent operational performance, notably reflecting growth in the volumes of ore sold, in a favourable price environment, partly offset by the increase in input costs (energy in particular).

Market trends and prices

Global stainless steel production, which is the main end-market for nickel, was down by more than 3.5% to 28.2 Mt in H1 2022. This slowdown is attributable to the decline in production in China (-6.8%). The rest of global production, however, continued to increase (+0.9%), notably driven by Indonesia (+5.6%).

Global demand for primary nickel also increased by more than 3% to 1.4 Mt, driven by strong growth in the batteries sector (+29.4%), while demand for primary nickel in stainless steel was down slightly (-0.8%).

In parallel, global primary nickel production grew by more than 14.5%, reaching 1.5 Mt. The decline in Chinese NPI volumes (-10.5%) was thus more than offset by the increase in NPI supply in Indonesia (+25.5%), as well as the growth in volumes from traditional producers (+4.4%).

The nickel supply/demand balance (class I and II) was thus in slight surplus in H1 2022 (+79 kt). Conversely, nickel inventories at the LME and SHFE (class I only), very strongly decreased compared to end-2021, due to sustained demand for batteries. At end-June, these inventories totalled 69 kt, representing only approximately three weeks' consumption (vs. four weeks at end-2021).

In H1 2022, the LME price average, which represents the price of pure nickel metal (class I nickel), was $27,575/t, up very significantly compared to H1 2021 (+58%) and H2 2022 (+42%). In mid-July, prices fell back below $20,000/t, more in line with market fundamentals.

The spot price of ferronickel as sold by SLN (class II nickel) increased by 47% compared to H1 2021, thus showing a discount versus the LME. Factoring in the slowdown in stainless steel markets, the price of ferronickel for the rest of the year is expected to be set at a level very significantly below the LME and approaching prices for NPI (also class II nickel). To date, the latter amounts to approximately $17,000/t.

1.8% CIF China nickel ore prices continued to evolve at high levels, recording an average increase of +31% to $125/wmt in H1 2022, albeit with a discount for lower grade ores. The nickel ore market remained tight during the period, due to reduced ore supply, notably from New Caledonia and the Philippines, due to bad weather conditions and longer-than-usual rainfall seasons. This increase in prices, however, continued to be largely offset by the high levels of freight costs.

In Indonesia, the official domestic price index for nickel ore ("HPM Nickel") averaged approximately $56/wmt in H1 2022, for nickel ore with 1.8% nickel content and 35% moisture content. Indonesian prices are set according to domestic market conditions, but with a monthly price floor based on the LME, in compliance with a government regulation published in April 2020.

Activities

In Indonesia, mine operations enabled the production of nearly 8.1 Mwmt of marketable nickel ore in H1 2022, up more than 33%. External ore sales volumes amounted to more than 7.5 Mwmt, up 79% versus H1 2021.

Parallel to this, the nickel ferroalloys plant, which is supplied by the mine, produced 19.6 kt-Ni over the half-year. The volumes sold by Eramet as part of the off-take contract accounted for 8.5 kt-Ni.

Weda Bay's contribution to Group FCF over the period totalled €121 million, of which €107 million linked to the payment of dividends and the repayment of a shareholder loan.

In New Caledonia, SLN mining production amounted to 2.4 Mwmt, up 6% versus H1 2021 despite the very bad weather conditions (with a rainfall volume nearly 50% higher than the average of the last six years and a 13% increase in the number of days of rain versus H1 2021) and operating difficulties on some of the mines. Low-grade nickel ore exports increased +31% to nearly 1.5 Mwmt. Ferronickel production increased (+10% to 20.4 kt-Ni), as well as sold volumes (+6% to 20 kt-Ni). The operation of the Doniambo plant was, however, strongly disrupted by ongoing power supply difficulties.

Cash cost amounted to $8.06/lb on average in H1 2022, reflecting the increase in input costs, mainly energy, coal (which price more than tripled) and freight (increase of approximately 43% for nickel ore), while partly being offset by currency impacts and favourable ore prices.

SLN's debt stood at €427 million at 30 June, with Free Cash-Flow at break-even in H1.

Outlook

In Q3 2022, demand for nickel in the stainless steel sector should continue to be slowed by the increase in raw material prices as well as macroeconomic uncertainties at the global level.

In H2 2022, global primary nickel production is expected to continue growing, still largely supported by the development of Indonesian production (NPI, matte and HPAL).

At Weda Bay in Indonesia, nickel ferroalloys production is confirmed at nearly 40 kt-Ni for the year. The marketable mine production target remains at approximately 15 Mwmt in 2022.

In New Caledonia, following in particular the difficulties in supply from the New Caledonian electricity grid which persist and will not be resolved before the arrival of the Temporary Offshore Power Plant scheduled for early September, targets were revised down to more than 40 kt-Ni in ferronickel production from the Doniambo plant in 2022 and to more than 3.5 Mwmt for nickel ore exports.

Battery-grade nickel and cobalt production project

As part of the Group's strategic roadmap, notably aimed at developing production of critical metals for the energy transition and at positioning itself as a key European player in the electric vehicle battery value chain, Eramet continues, in partnership with BASF, project studies related to the hydrometallurgical project to produce battery-grade nickel and cobalt using laterite ore extracted from the Weda Bay mine in Indonesia.

The hydrometallurgical complex, located near the mine, would include a HPAL unit. Targeted production would amount to some 67 kt-Ni and 7 kt Co per year (in MHP content), revised upwards compared to initial estimates.

The proposed project would be 51% owned by Eramet and 49% owned by BASF.

An investment decision is potentially expected end-2022 or early 2023. In this case, the project could start production in early 2026.

Mineral Sands BU

The Mineral Sands BU reported turnover up to €224 million. EBITDA more than doubled to €97 million, reflecting the very good operational performance as well as a favourable price environment, partially offset by the increase in the cost of energy and reducing agents.

Market trends and prices

Global demand for zircon remained strong throughout H1 2022, driven by the ceramics sector (approximately 50% of the end-product). Parallel to this, zircon production also slightly increased, without being able to meet the demand.

Zircon market prices ended at $2,085/t FOB in H1 2022, up +56%, in a context of strong tensions on supply.

Global demand for TiO_2 pigments, the main end-market for titanium-based products, grew more slowly than expected over the period as a result of the war in Ukraine and the health situation in China. Supply continued to increase, without being able to fully meet the demand for TiO_2 pigments.

The selling price for CP titanium dioxide slag ("CP slag"), as produced by TiZir in Norway and based on quarterly contracts signed at end-March 2022, remained at very high levels. It thus increased by 13% to approximately $850/t in H1 2022.

Activities

In Senegal, mineral sands production continued to increase in H1 2022, reaching 386 kt (+7%), thanks to a higher average content in the area mined compared to H1 2021.

Zircon production was up +7% to 30 kt, while sales volumes grew by +3%, reaching 31 kt.

In Norway, titanium slag production amounted to 100 kt in H1 2022, down 3%, owing to maintenance operations in May. Sales volumes declined by 19% to 92 kt, due to an extremely low level of inventories at end-2021.

During the half-year, input costs for the TTI plant continued to increase strongly (notably thermal coal, which spot price more than tripled on average over the period compared to H1 2021, and more than doubled vs. 2021) but are expected to be fully offset by the increase in selling prices in H2.

Outlook

Zircon consumption could slow down in H2, but demand should continue to increase slightly on a full-year basis. The market is expected to remain in deficit of supply, which should maintain prices at high levels.

Demand for the pigments market in China could also slow down in H2, but demand for titanium-based products is expected to remain up for the full year. With Ukrainian supply substantially reduced, the market should remain in deficit in 2022, enabling prices to be sustained.

In 2022, the annual production volume for mineral sands is expected to be in excess of 750 kt, factoring in the expected decline in average content in the area mined of the deposit, started in May and continuing through H2.

Moreover, having obtained the environmental permit for expansion from the Senegalese authorities in early July, the organic growth programme for mineral sands through dry processing is expected to start in early Q4. It aims to increase mining capacity by approximately 10% by end-2024 with limited investment of around €30 million.

Lithium BU

Lithium carbonate prices continued to strongly increase in H1 2022, in a context of very significant growth in demand for this critical metal for the energy transition. They now amount to more than $70,000/t.

The construction of the lithium plant started in Argentina in Q2. The amount of investments made during the period was €33 million, entirely financed by a capital increase by Tsingshan.

Factoring in the continued increase in material and freight prices, the overall amount of capex for the project was revalued to €150 million. In line with the agreement signed in November, this additional capex will be 50.1% financed by Eramet and 49.9% by Tsingshan. Factoring in the long-term price trend, the very high Internal Rate of Return (IRR) is confirmed.

Discontinued operations

In accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", the Aubert & Duval, Erasteel and Sandouville entities are presented in the Group's consolidated financial statements as operations in the process of being sold for the 2021 and 2022 financial years:

- The sale of the Sandouville plant to Sibanye-Stillwater was closed in early February, for a net sale price of €86 million.
- The Share Purchase Agreement for Aubert & Duval was signed in June with a consortium formed by Airbus, Safran and Tikehau ACE Capital; the operation should be completed by the end of the year, subject to the waiver of certain conditions precedent, including the obtaining of regulatory approvals.
- With regards to the sale project of Erasteel, the Group is expecting to launch an auction process in the coming weeks.

Aubert & Duval

After a historic decline in traffic over the last two years, the global aerospace sector, which represents approximately 60% of A&D turnover, confirmed the gradual recovery engaged since mid-2021, essentially driven by regional and medium-haul flights. As a result, orders for single-aisle aircraft parts – a market to which A&D is less exposed – picked up since the start of the year, in line with the acceleration in production rates expected by aircraft manufacturers. The market, however, must face increasing tensions in the supply chain (raw materials and electronics components) against a background of high inflation, steep rise in energy costs and labour shortages.

A&D turnover ended at €278 million in H1 2022, up 14%, including a 21% increase in sales for the aerospace sector which posted €174 million. Energy and Defence sales declined slightly (-9%) to €66 million.

It should be noted, however, that deliveries remained disrupted in H1 2022 by bottlenecks at the end of flows and at the control stage, notably due to labour shortages. A specific action plan has been put in place.

Activity was strongly affected by the very strong increases in electricity (which cost tripled on average in H1) and raw material prices with an impact on both EBITDA and FCF, in the absence of an automatic pass-through in commercial contracts.

Negative EBITDA thus totalled -€30 million, despite the growth in volumes.

In the first half of the year, the subsidiary's cash consumption amounted to €107 million, notably factoring in the high level of raw material purchases made in response to the increase in the order book, the price of energy and the price of raw materials (net impact of €37 million in H1). It also includes €38 million of disbursements related to the clearance of Quality applications and to the restructuring plan, as part of the contract for the sale of the subsidiary.

Cost inflation and labour shortage should continue to weigh on activity in H2 2022.

Erasteel

Erasteel's turnover increased +61% versus H1 2021, totalling €138 million in H1 2022.

This growth reflects the strategy to win market share in new regions and new applications, as well as the very good sales momentum in Q1, driven by the increase in the number of new automotive platforms (notably EV), and the strong acceleration of its other underlying markets (aerospace, electronics).

Sales were also driven by the positive impact of reinvoicing raw material and energy price increases to customers. Recycling activity continued its ramp-up (+30% to €12 million).

EBITDA thus quadrupled compared to H1 2021, ending at €12 million.

The increase in working capital requirement (WCR), resulting from very strong growth in material prices, led to cash consumption of €20 million over the period. This trend is expected to reverse in H2 2022.

3.1.2 Net income, Group share

Net income, Group share amounts to €677 million for the first half of 2022 (including €690 million on continuing operations), up €624 million versus the €53 million profit in the same period of 2021 (including €105 million on continuing operations), mainly due to the very strong performance of the Mining and Metals Division, including the share of income of Weda Bay Nickel.

It includes the following items:

- **financial loss** of €56 million in the first half of 2022, an improvement compared to the same period in 2021 (-€71 million);
- **income taxes** which totalled -€158 million in the first half of 2022, compared to -€57 million for the same period in 2021, mainly due to the results of Comilog and the manganese alloys within Eramet Marketing Services;
- **non-controlling interests** of €93 million in the first half of 2022, compared to €17 million in the first half of 2021, mainly due to the improved results of Société Le Nickel-SLN (44% minority interest) and increased profits for Comilog (36% minority interest).

3.2 STATEMENT OF CHANGES IN NET FINANCIAL DEBT

(in millions of euros)	H1 2022	H1 2021 restated	Financial year 2021
Net cash flow from operating activities	489	194	713
Industrial investments	(240)	(93)	(312)
Other investment cash flows	180	65	125
Dividends and other financing flows	(55)	(8)	21
Impact of fluctuations in exchange rates	(10)	(9)	(25)
Acquisition of IFRS 16 rights of use	(14)	(5)	(10)
(Increase)/Decrease in net financial debt before cash flows from operations sold/held for sale	**350**	**143**	**512**
Flows generated by operations sold/held for sale	(161)	(58)	(114)
(INCREASE)/DECREASE IN NET FINANCIAL DEBT OF CONTINUING OPERATIONS	**189**	**85**	**398**
Net financial debt of operations held for sale before flows from continuing operations[1]	**(138)**	**(57)**	**(125)**
Flows generated by continuing operations	161	58	114
(Increase)/Decrease in net financial debt of operations sold or held for sale	**23**	**1**	**(11)**
Opening (net financial debt) of continuing operations	**(936)**	**(1,378)**	**(1,378)**
Closing (net financial debt) of continuing operations	**(748)**	**(1,289)**	**(936)**
Closing (net financial debt) of operations held for sale	(30)	-	(54)

(1) Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", the CGU of Sandouville, Erasteel and Aubert & Duval are presented as operations held for sale.

The net financial debt as at 30 June 2022 amounts to €748 million, compared to €936 million as at 31 December 2021.

Net cash flow from operating activities amounts to €489 million for the first half of 2022, up €294 million compared to the first half of 2021, due to the €569 million increase in cash flow from operations (with a €682 million improvement in EBITDA) and a decrease of -€273 million in WCR between the two periods, based primarily on higher activity levels.

Industrial investments amount to €240 million for the first half of 2022, compared to €93 million in the first half of 2021.

Gearing in accordance with the bank covenants, corresponding to the ratio between net financial debt according to the bank covenants and group equity is 22% as of 30 June 2022 versus 51% as of 31 December 2021. Net financial debt under the bank covenants is the net financial debt minus the IFRS 16 "Operating leases" and the debt of SLN to the French state.

3.3 TOTAL EQUITY GROUP SHARE

Equity attributable to owners of the parent stands at €1,729 million at the end of June 2022, compared to €1,012 million at the end of December 2021.

This increase is mainly due to the profit generated by the Group in the first half of 2022 (profit, Group share of €677 million).

3.4 ROCE

The Group's Return on Capital Employed **(ROCE)** as at 30 June 2022 stands at 55% versus 30% as at 31 December 2021.

The ROCE is the ratio between the ROC over a sliding 12-month period and the Group's capital employed for the year N-1. Capital employed means the sum of the Group's equity, the net financial debt, provisions for site restorations, provisions for restructurings and social risk, minus non-current financial assets, and excluding the Weda Bay nickel capital employed.

4 RISK MANAGEMENT

The Group uses derivatives to control its risk exposure. Management of the principal risks, delegated by the Executive Committee, is centralised at Eramet's finance department. This management is performed directly by Eramet or via special purpose companies, such as Metal Currencies, specifically created to manage the Group's currency risks.

The presentation of these risks and the Group's assessment of them are detailed in the 2021 Universal Registration Document in Note 8 "Financial instruments and risk management" in the Notes to the consolidated financial statements, and in Chapter 5 "Risk factors and control environment".

Cash surpluses of subsidiaries are pooled at Group level through a wholly owned subsidiary (Metal Securities). In the first half of 2022, Eramet obtained an annualised return of 0.55% (namely EONIA +1%). Cash is being managed prudently in 2022, as in previous years.

The Group has not identified any other risk factors during the first half of 2022 or any affecting the upcoming second half.

5 FINANCIAL STATEMENTS OF ERAMET S.A.

(in millions of euros)	H1 2022	H1 2021	Financial year 2021
Revenue	644	465	1,070
Operating income (loss)	(47)	(37)	(51)
Financial profit (loss)	138	186	382
Extraordinary income	-	(19)	(73)
Net income	149	131	331

Revenue in the first half of 2022 stands at €644 million, up €179 million (38%) compared to the first half of 2021. This increase primarily reflects the rise in the average price of nickel during the half-year, the impact of which was €226 million (LME average of US$12.51/lb. in the first half of 2022, compared to US$7.93/lb. in the first half of 2021). The end of marketing of the products of Eramet Sandouville, which was sold early in the year, had an impact of -€67 million compared to the revenue for the first half of 2021.

The operating result was a loss of -€47 million in the first half of 2022, compared with a loss of -€37 million in the first half of 2021.

The financial result for the first half of 2022 was €138 million. It mainly consists of increases and reversals of provisions for depreciation on loans made to its subsidiaries in the net amount of €80 million, and dividends received amounting to €43 million.

Net income was €149 million for the first half of 2022, compared to €131 million for the first half of 2021, due to tax income related to the tax consolidation in the amount of €59 million.

6 OUTLOOK

In a climate of geopolitical and macroeconomic uncertainties, signs of a slowdown are observed in all of the Group's markets: fears of recession in Europe and the United States, high inflation, and a slow recovery in China following the lifting of Covid-related restrictions.

As a result, a weakening demand is expected, to a greater or lesser extent depending on markets and regions, as well as the continued price adjustment already started in Q2 for certain commodities. The level of uncertainty is also rising in terms of supply's ability to continue its growth or to withstand the strong increase in energy costs.

In an inflationary context that remains uncertain, and based on the consensus of the abovementioned prices, forecast EBITDA is revised up to around €1.6 billion in 2022.

3 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

INCOME STATEMENT

(in millions of euros)	Notes	H1 2022	H1 2021 restated	Financial year 2021
Revenue	**3**	**2,635**	**1,471**	**3,668**
Other income		(8)	(5)	42
Raw materials and purchases consumed		(640)	(427)	(962)
External expenses		(679)	(465)	(1,149)
Personnel cost		(308)	(264)	(536)
Taxes		(7)	(6)	(11)
Operating depreciation expense		(130)	(123)	(259)
Net change in operating provisions and write-downs		(10)	(6)	(9)
Current operating income	**3**	**853**	**175**	**784**
Other operating income and expenses	4	(3)	(1)	95
Operating income		**850**	**174**	**879**
Cost of net debt		(72)	(59)	(116)
Other financial income and expenses		16	(12)	5
Financial profit (loss)		**(56)**	**(71)**	**(111)**
Share of income from joint ventures and associates		147	77	121
Income taxes		(158)	(57)	(98)
Net income from continuing operations		**783**	**123**	**791**
Net income from operations sold or held for sale[1]	2	(13)	(53)	(426)
Net income for the period		**770**	**70**	**365**
Attributable to non-controlling interests	4	93	17	67
• *of which, attributable to non-controlling interests from continuing operations*		*93*	*18*	*67*
• *of which, attributable to non-controlling interests from operations held for sale*		*(0)*	*(0)*	*0*
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**677**	**53**	**298**
• *of which attributable to equity holders of the parent company from continuing operations*		*690*	*105*	*724*
• *of which attributable to equity holders of the parent company from operations held for sale*		*(13)*	*(52)*	*(426)*
Basic earnings per share (in euros) from continuing operations		*25.18*	*4.83*	*25.35*
Basic earnings per share (in euros) from operations held for sale		*(1.64)*	*(2.85)*	*(14.90)*
Basic earnings per share *(in euros)*		23.54	1.98	10.42
Diluted earnings per share (in euros) from continuing operations		24.90	4.48	25.24
Diluted earnings per share (in euros) from operations held for sale		(1.64)	(2.85)	(14.90)
Diluted earnings per share *(in euros)*[2]		23.28	1.84	10.37

(1) Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", the CGU of Sandouville, Erasteel and Aubert & Duval are presented as operations held for sale. See Note 2.

(2) When basic earnings per share are negative, diluted earnings per share are deemed to be equal to the latter, as the instruments are then considered to be anti-dilutive.

STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	H1 2022	H1 2021 restated	Financial year 2021
Net income for the period	**770**	**70**	**365**
Exchange differences for subsidiaries' financial statements in foreign currency	(38)	(9)	(14)
Change in fair value reserve for financial assets measured at fair value through shareholders' equity	-	(2)	(4)
Change in revaluation reserve for hedging financial instruments	46	(4)	(19)
Income taxes	-	-	4
Items that will be subsequently reclassified to profit or loss	**8**	**(15)**	**(33)**
Revaluation of net defined benefit plan liabilities[1]	22	-	(1)
Income taxes	-	-	(1)
Items that will not be subsequently reclassified to profit or loss	**22**	**-**	**(2)**
Other comprehensive income	**30**	**(15)**	**(35)**
• Attributable to non-controlling interests	(4)	1	0
• Attributable to equity holders of the parent company	34	(16)	(35)
TOTAL COMPREHENSIVE INCOME	**800**	**55**	**330**
• Attributable to non-controlling interests	90	18	67
• Attributable to equity holders of the parent company	711	37	263

(1) Pertaining to the rate change between 31 December 2021 and 30 June 2022.

STATEMENT OF CASH FLOWS

(in millions of euros)	Notes	H1 2022	H1 2021 restated	Financial year 2021
OPERATING ACTIVITIES				
Net income for the period		770	70	365
Reintegration of the net income from operations held for sale		13	53	426
Non-cash income and expenses		(22)	70	2
Cash flow from operations		**761**	**193**	**793**
Net change in working capital requirement (WCR)	6	(273)	1	(80)
Net cash flow generated by continuing operating activities(1)		**488**	**194**	**713**
Net cash flow generated by operating activities sold or held for sale(3)	2	(98)	(39)	(70)
Net cash flow generated by operating activities(1)		**390**	**155**	**643**
INVESTING ACTIVITIES				
Payments for non-current assets(2)	7	(251)	(97)	(312)
Net change in other non-current financial assets		79	(6)	(12)
Proceeds from non-current assets disposals		0	5	2
Net change in current financial assets	5	20	(181)	(37)
Capital increase of joint ventures		0	0	-
Dividends received from equity accounted companies		25	57	130
Impact of changes in scope(5)		78	6	6
Net cash flow from investing activities related to continuing operations		**(49)**	**(216)**	**(223)**
Net cash flow from investing activities related to operations sold or held for sale(3)	2	(35)	(16)	(55)
Net cash flow from investing activities		**(84)**	**(232)**	**(278)**
FINANCING ACTIVITIES				
Capital increase subscribed by non-controlling interests		48	-	31
Dividends paid to non-controlling interests		(32)	(7)	(7)
Payment of dividends and ODIRNAN		(72)	(2)	(4)
Buyback of treasury shares		-	-	(8)
Issuance of new borrowings	5	113	44	120
Repayment of borrowings	5	(209)	(54)	(1,185)
Repayment of lease debts(2)	5	(7)	(6)	(17)
Changes in bank overdrafts		(17)	21	57
Other changes		(8)	(18)	(28)
Net cash flow from financing activities related to continuing operations		**(185)**	**(22)**	**(1,041)**
Net cash flow from financing activities related to operations sold or held for sale(3)	2	(5)	9	14
Net cash flow from financing activities		**(190)**	**(13)**	**(1,027)**
Impact of fluctuations in exchange rates on continuing operations		(10)	(2)	3
Impact of fluctuations in exchange rates on operations sold or held for sale(3)	2	0	0	0
Net cash flow from continuing operations generated from operations sold or held for sale(4)		(161)	(58)	(114)
Net cash flow from operations sold or held for sale generated from continuing operations(4)		161	58	114
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS		**83**	**(104)**	**(662)**
Increase (decrease) in cash and cash equivalents from operations sold or held for sale		23	11	3
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**106**	**(92)**	**(659)**
Cash and cash equivalents at opening		**789**	**1,461**	**1,461**
Cash and cash equivalents at closing		**873**	**1,369**	**789**
Cash and cash equivalents from assets held for sale(3)	2	36	-	13

(1) Of which, included in operating activities:				
Interest received		*5*	*0*	*9*
Interest paid (including expense under IFRS 16)		*(49)*	*(63)*	*(114)*
Tax paid		*(107)*	*(68)*	*(117)*

(2) Assets under financial leases are treated as purchases in substance and therefore as acquisitions of non-current assets unlike other leases.

(3) Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", the CGUs of Sandouville, Erasteel and Aubert & Duval are presented as operations sold or held for sale, as the Sandouville CGU was sold in February 2022. These amounts are found on the line 'Assets held for sale' on the consolidated balance sheet. See Note 2.

(4) The amounts are essentially related to financing flows from operations sold/held for sale by the continuing operations.

(5) The impacts of changes in scope of consolidation reflect the impacts related to disposals during the period.

BALANCE SHEET

ASSETS

(in millions of euros)	Notes	30/06/2022	31/12/2021
Intangible assets and goodwill	7	499	477
Property, plant & equipment	7	2,391	2,253
Rights of use relating to lease contracts	7	74	68
Investments in joint ventures and associates	7	234	97
Other non-current financial assets		115	188
Deferred tax assets		42	41
Other non-current assets		0	3
Non-current assets		**3,355**	**3,127**
Inventories	6	723	577
Trade receivables	6	605	375
Other current assets		339	286
Current tax receivables		13	13
Derivatives assets		78	38
Current financial assets	5	367	387
Cash and cash equivalents	5	873	789
Assets held for sale[1]	2	671	651
Current assets		**3,669**	**3,116**
TOTAL ASSETS		**7,024**	**6,243**

LIABILITIES

(in millions of euros)	Notes	30/06/2022	31/12/2021
Share capital		88	88
Share premiums		466	466
Fair value reserve for financial assets measured at fair value through shareholders' equity		7	7
Revaluation reserve for hedging instrument		35	(11)
Revaluation reserve for defined benefit plan liabilities		(70)	(92)
Currency differences		(175)	(141)
Other reserves		1,378	695
Attributable to equity holders of the parent company		**1,729**	**1,012**
Attributable to non-controlling interests	4	426	323
Shareholders' equity		**2,155**	**1,335**
Employee-related liabilities		86	103
Provisions – more than one year	9	779	786
Deferred tax liabilities		241	225
Borrowings – more than one year	5	1,570	1,578
Lease obligations due in more than one year	5	74	66
Other non-current liabilities		2	1
Non-current liabilities		**2,752**	**2,759**
Provisions – less than one year	9	34	10
Borrowings – less than one year	5	329	455
Lease obligations due in less than one year	5	15	13
Trade payables	6	456	403
Other current liabilities		426	399
Current tax liabilities		161	110
Derivative liabilities		75	74
Liabilities associated with assets held for sale[1]	2	621	685
Current liabilities		**2,117**	**2,149**
TOTAL LIABILITIES		**7,024**	**6,243**

(1) In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the assets and liabilities of the CGUS Aubert & Duval, Erasteel and Eramet Sandouville are presented in the consolidated balance sheet as "assets held for sale". See Note 2.

STATEMENT OF CHANGES IN EQUITY

(in millions of euros)	Number of shares	Share capital	Share premiums	Fair value reserve for financial assets measured at fair value through shareholders' equity	Revaluation reserve for hedging instruments	Revaluation reserve for defined benefit plan liabilities	Currency differences	Other reserves	Attributable to equity holders of the parent company	Attributable to non-controlling interests	Shareholders' equity
Shareholders' equity restated at 1 January 2021[1]	**26,636,005**	**81**	**377**	**11**	**5**	**(90)**	**(128)**	**469**	**725**	**233**	**958**
Net income for H1 2021								**53**	**53**	**17**	**70**
Other comprehensive income				(2)	(5)	-	(9)	-	(16)	1	(15)
Total comprehensive income	**-**	**-**	**-**	**(2)**	**(5)**	**-**	**(9)**	**53**	**37**	**18**	**55**
Capital increase	105,371	1	5					(6)	-	-	-
Distribution of dividends								-	-	(7)	(7)
Interest on equity instruments (ODIRNAN)								(2)	(2)		(2)
Share-based payments								3	3		3
Buyback of treasury shares								-	-		-
Setrag capital increase									-		-
Other movements[2]								14	14	(1)	13
Total transactions with shareholders	**105,371**	**1**	**5**	**-**	**-**	**-**	**-**	**11**	**16**	**(9)**	**7**
Shareholders' equity restated at 30 June 2021[1]	**26,741,376**	**82**	**382**	**9**	**-**	**(90)**	**(137)**	**531**	**777**	**243**	**1,020**
Net income for H2 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**245**	**245**	**50**	**294**
Other comprehensive income	-	-	-	(2)	(11)	(2)	(4)	-	(19)	(1)	(20)
Total comprehensive income	**-**	**-**	**-**	**(2)**	**(11)**	**(2)**	**(4)**	**245**	**225**	**49**	**274**
Capital increase	2,013,671	6	84	-	-	-	-	(90)	1	0	1
Distribution of dividends								0	0	-	0
Interest on equity instruments (ODIRNAN)								(2)	(2)	-	(2)
Share-based payments								3	3	-	3
Buyback of treasury shares								(8)	(8)	-	(8)
Setrag capital increase								(1)	(1)	32	31
Other movements[2]								17	17	(1)	15
Total transactions with shareholders	**2,013,671**	**6**	**84**	**-**	**-**	**-**	**-**	**(82)**	**9**	**32**	**41**
Shareholders' equity as of 31 December 2021	**28,755,047**	**88**	**466**	**7**	**(11)**	**(92)**	**(141)**	**695**	**1,012**	**323**	**1,335**
Net income for the first half 2022								**677**	**677**	**93**	**770**
Other comprehensive income				-	46	22	(34)	-	34	(4)	30
Total comprehensive income		**-**	**-**	**-**	**46**	**22**	**(34)**	**677**	**711**	**90**	**800**
Capital increase		-	-					-	-	-	-
Distribution of dividends								(72)	(72)	(32)	(104)
Interest on equity instruments (ODIRNAN)								-	-		-
Share-based payments								4	4	-	4
Buyback of treasury shares									-		-
Sales of SETRAG shares to a non-controlling interest								-	-	7	7
Increase % UKAD / ECOTI holding in MEQ								(10)	(10)	-	(10)
Eramine Sudamerica's capital increase by a minority shareholder								20	20	28	48
Other movements[2]								63	63	11	74
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**6**	**14**	**20**
SHAREHOLDERS' EQUITY AS OF 30 JUNE 2022	**28,755,047**	**88**	**466**	**7**	**35**	**(70)**	**(175)**	**1,378**	**1,729**	**426**	**2,155**

(1) See Note 2 "Restatement of the comparative information".

(2) The other movements essentially represent the effects of the hyperinflation in Argentina.

NOTES TO THE FINANCIAL STATEMENTS

Eramet is a limited company *(société anonyme)* under French law, with a Board of Directors, governed by the provisions of Articles L. 225-17 and R. 225-1 *et seq.* of the French Commercial Code, as well as by the provisions of its Articles of Association. As required by law, the Company is audited by two incumbent Statutory Auditors and two alternate Statutory Auditors.

Through its subsidiaries and investments, the Eramet Group operates in the nickel and manganese mining and production sectors, as well as in the alloys production sector, where it is the market leader.

The condensed interim consolidated financial statements for the Eramet Group for the first half of 2022 were approved by the Board of Directors of Eramet on 27 July 2022.

Note 1 Highlights of H1 2022

Group business refocus on Mining and Metals operations and application of IFRS 5 "Non-current assets held for sale and discontinued operations"

In its strategic roadmap, the Eramet Group announced its intention to become an operator exclusively dedicated to its Mining and Metals business. Within this framework, the Group decided to launch a process to dispose of certain assets. The sale of Eramet Sandouville in the Nickel Business Unit was finalised on 4 February 2022, and Eramet announced the start of exclusive discussions and the signing of a memorandum of understanding with a view to the potential sale of Aubert & Duval on 22 February 2022. In addition, the process to dispose of Erasteel, a subsidiary specialising in high-speed steel, was also initiated. Under these conditions, the Erasteel and Aubert & Duval assets remain classified in accordance with IFRS 5 as non-current assets held for sale, as the Sandouville asset was sold during the period.

Disposal of the Sandouville hydrometallurgy plant in Sibanye-Stillwater

In July, 2021, Eramet finalised the assignment of a unilateral commitment to purchase from Sibanye-Stillwater for 100% of the shares of its subsidiary Eramet Sandouville, a hydrometallurgy plant located in France; Eramet announced in November that it had exercised its put option on the shares of its subsidiary. The Group therefore signed a sale agreement with Sibanye-Stillwater. The transaction was finalised on 4 February 2022.

Signing of a memorandum of understanding with the Airbus, Safran and ACE consortium

In the process to [dispose of] certain assets of the Eramet High-Performance Alloys Division, Eramet signed a memorandum of understanding on 22 February for the sale of Aubert & Duval to a consortium composed of Airbus, Safran and Tikehau Ace Capital. The transaction is expected to be carried out on the basis of an enterprise value of €95 million, subject to price adjustments, and to include a set of specific warranties in addition to the usual warranties. The accounting impact of the transaction, estimated at approximately -€340 million was recognised at 31 December 2021 in the net income of operations held for sale, and includes impairments of assets as well as all exit costs and specific warranties coming from this memorandum.

After consultation with employee representative bodies, Eramet announced on 20 June 2022 that it has signed the sale agreement with the consortium. The transaction is expected to be finalised by the end of the year, subject to the lifting of conditions precedent, which include the obtaining of regulatory authorisations.

Continuation of the plan to sell Erasteel

Following the various preparatory steps, it is planned to launch an auction process by the end of August 2022 aimed at finding a buyer within the next months. As at 30 June 2022, the fair value of Erasteel was revised and impairment of €30 million was recognised.

Continuation of the rescue plan and new business model of Société Le Nickel-SLN ("SLN")

In New Caledonia, SLN's mining production reached 2.4 Mth, up 6% compared to H1 2021. Exports of nickel ore were up 31% to 3 Mth. Production of ferro-nickel rose by 10% to 20.4 kt-Ni and tonnages sold were up +6% to 20 kt-Ni, despite very strong storms. The cash cost deteriorated and was US$8.06/lb compared with an average US$7/lb in 2021, reflecting the increase in the costs of inputs, coal and freight. Due to these items it was not possible to fully benefit from the sharp increase in nickel prices and a favourable foreign exchange rate.

As a reminder, the rescue plan for SLN is based on three key points: the effective implementation of a business model based on ferronickel production by the plant and low-grade ore exports, increased productivity and lower energy prices. In this context, SLN had requested a new conciliation procedure from the Chairman of the Joint Commercial Court of Nouméa. The aim of this procedure is to bring all of the stakeholders together in a combined effort to carry out the rescue plan successfully. Early in 2022, a first milestone was reached with the additional authorisation to export 2 Mth in order to reach 6 Mth. In addition, the conditions necessary for the establishment of a temporary power plant were met. This plant is being transported to New Caledonia and should be operational in the first half of 2023.Under these conditions, the *ad hoc* process ended in June 2022.

At the end of June 2022, €37 million had still not been drawn (€73 million at 31 December 2021) of the €525 million of loans granted by Eramet and the French State in December 2015 had not yet been drawn down. In the current market conditions driven by an increase in nickel prices, and subject to an improvement in the local operational situation, the financing put in place by Eramet and the French State will enable SLN to honour its commitments for the next twelve months.

Signing of an agreement with Meridiam and the Gabonese State for their acquisition of a stake in Setrag, the operator of the Trans-Gabon railway

Comilog, a subsidiary of the Eramet Group, signed a letter of intent with Meridiam (a private investor specialising in the long-term management of durable public infrastructures) for Meridiam's acquisition of a stake in the capital of its subsidiary Setrag in January 2021. The main terms of an agreement with the State for its acquisition of a stake in the capital of Setrag were recorded in a term sheet, "Guiding principles of a proposed sale by Comilog of a stake in the capital of Setrag to the Gabonese State", which was signed on 25 June 2021 by the two parties, allowing the Gabonese State to acquire a stake of 9%. On 8 September 2021, Amendment No. 3 to the railway concession, which provides for the extension of the concession until 2045, was signed by Setrag and the Gabonese State. The signing of this agreement finalised Meridiam's acquisition of a stake in Setrag in November 2021 through a capital increase in the amount of €31 million; Meridiam therefore became a 40% minority shareholder of Setrag.

In January 2022, the Gabonese State acquired 9% of Setrag. As at this date, Comilog holds a 51% stake in Setrag.

Relaunch of construction of the lithium plant in Argentina

In the first quarter of 2022, Eramet restarted construction on the lithium plant in Argentina according to the schedule planned for production start-up early in 2024. Eramet will control the project, with a stake of 50.1% and will assume responsibility for its operational management. Its partner Tsingshan will finance the construction of the plant and will acquire an ultimate stake of 49.9% in the project. Production will be marketed by each of the two shareholders in proportion to their equity share.

In May 2022, the first step was taken with the Partner's acquisition of a 12.5% stake in Eramine Sudamerica for US$50 million at 30 June 2022.

Electric batteries recycling project

A new major step was taken towards industrialisation in France of the Group's project to recycle lithium-ion batteries, when the project successfully demonstrated its ability to recycle, in a closed loop, all metals of value contained in very high-performance lithium-ion batteries, adapted to the requirements of the future European regulations. In early 2022, the Group decided to launch industrialisation studies into an integrated recycling solution, from dismantling the batteries to the production of nickel, cobalt and lithium salts adapted to the manufacture of new batteries. For the first steps in the recycling process, Eramet and SUEZ decided to strengthen their cooperation by signing a new partnership agreement last February to launch the pre-industrial phase for recovery of lithium-ion batteries from electric vehicles. Depending on the conclusions from this pre-industrial phase, Eramet and SUEZ plan to build a lithium-ion battery recycling plant by 2024 for the production of black mass, a concentrate of metals (nickel, cobalt, manganese, lithium and graphite) adapted to the steps of hydrometallurgical refining. For the refining step, Eramet is initiating the construction of a pre-industrial demonstrator at its research and innovation centre.

Financing

Repayment of the RCF and signing of a new contract

In July and December 2021, the line of credit drawn on the RCF was repaid in the amount of €900 million.

The balance of €81 million was repaid in January 2022.

In June 2022, the Group refinanced the syndicated loan in the amount of €935 million maturing in five years, along with two options for successive extensions of one year upfront (June 2023 and June 2024), potentially resulting in maturity in June 2029. Two of the Group's main CSR indicators were factored into the contract.

Impacts of the war in Ukraine

The climate of geopolitical and macro-economic uncertainty, due primarily to the war in Ukraine, has impacted the volatility of prices for the materials produced by the Group, as well as the change in energy prices, carbon products and freight. The Group recorded a provision on a receivable due to the impossibility of payment for an amount of US$3 million in the first half of this year. At this stage, the Group has had no significant supply difficulties and/or has set up alternative solutions.

Note 2 Impacts of IFRS 5 and IAS 8 on data for the financial year and comparative data

IFRS 5 "Non-current assets held for sale and discontinued operations"

A non-current asset, or a group of assets and liabilities, is held for sale when its carrying value will be recovered primarily through a sale and not from continuing use. For this to be the case, the asset must be available for immediate sale and its sale must be highly probable. The relevant assets and liabilities are reclassified as assets held for sale and as liabilities associated with the assets held for sale, without possibility of offset. Assets classified in this way are recognised at the lower value between the fair value net of disposal costs and their net carrying value, which is the cost less total depreciation and impairment losses, and are no longer amortised.

An operation is considered sold or held for sale when it represents a distinct and significant operation for the Group, and when the criteria for classification as an asset held for sale have been met or when Eramet has sold the operation. Operations sold or held for sale are presented on a single line of the income statement for the periods presented, comprising the net income after tax of the operations sold or held for sale until the date of sale, and the after-tax profit or loss resulting from the sale or the fair value assessment minus the costs of the sale of the assets and liabilities of the operations sold or held for sale. In the same way, the cash flows generated by the operations sold or held for sale are presented on separate lines of the statement of consolidated cash flows for the periods presented.

Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", the CGUs Aubert & Duval, Erasteel and Sandouville are presented in the Eramet consolidated financial statements as operations sold or held for sale since 31 December 2021 in accordance with the following conditions:

- their contribution, until they are effectively sold, to each line of Eramet's consolidated income statement (before non-controlling interests) is grouped on the line "Net income from operations sold or held for sale"; these restatements are applied to all periods presented in order to make the information homogeneous;
- their contribution, until they are effectively sold, to each line of Eramet's consolidated statement of cash flows is grouped on the lines "Cash flow from operations sold or held for sale" for the three main aggregates of the statement of financing flows (operating activities, investing activities and financing activities); these restatements are applied to all periods presented in order to make the information homogeneous;
- their contribution to each line of Eramet's consolidated balance sheets since 31 December 2021 is grouped on the lines "Assets held for sale" and "Liabilities associated with assets held for sale". The details of the items classified under the heading "Income (loss) on operations sold or held for sale," "Cash flow on [operations] held for sale", "Assets held for sale" and "Liabilities associated with assets held for sale" are presented in the following tables.

Restatement of data as at 30 June 2021

For comparison purposes, the data published as of 30 June 2021 concerning the income statement and the statement of cash flows have been restated to take into account the application of this standard.

The tables below present the impact of the flows related to operations sold or held for sale.

INCOME (LOSS) FROM OPERATIONS SOLD OR HELD FOR SALE AS OF 30 JUNE 2021

(in millions of euros)	Aubert & Duval CGU	Erasteel CGU	Sandouville CGU	Restatements and eliminations	Total Operations sold/ held for sale
Revenue	244	86	77		407
Current operating income	(21)	2	(14)	18	(15)
Operating income	(50)	6	(14)	18	(40)
Net income from operations sold or held for sale	(62)	5	(19)	23	(53)

CASH FLOW GENERATED BY OPERATIONS SOLD OR HELD FOR SALE AS OF 30 JUNE 2021

(in millions of euros)	Aubert & Duval CGU	Erasteel CGU	Sandouville CGU	Restatements and eliminations	Total Operations sold/ held for sale
Net cash flow from operating activities sold/held for sale	(33)	(12)	(13)	19	(39)
Net cash flow from investing activities related to operations held for sale	(18)	3	(1)	-	(16)
Net cash flow from financing activities related to operations held for sale	54	18	14	(77)	9
Impact of fluctuations in exchange rates on operations sold or held for sale	-	-	-	-	-
Net cash flow from operations sold or held for sale generated from continuing operations[1]	43	7	8	-	58

(1) The amounts are essentially related to financing flows from operations sold/held for sale by the continuing operations.

Details of the data as of 30 June 2022 by contributing operations

The tables below present the contribution of each of the operations sold or held for sale to the income statement, the statement of cash flows and the balance sheet as of 30 June 2022.

INCOME (LOSS) FROM OPERATIONS SOLD OR HELD FOR SALE AS OF 30 JUNE 2022

(in millions of euros)	Aubert & Duval CGU	Erasteel CGU	Sandouville CGU	Restatements and eliminations	Total Operations sold/ held for sale
Revenue	278	138	11		427
Current operating income	(36)	11	(2)	17	(10)
Operating income	(14)	(21)	13	18	(4)
Net income from operations sold/held for sale	(18)	(27)	13	19	(13)

CASH FLOW GENERATED BY OPERATIONS SOLD OR HELD FOR SALE AS OF 30 JUNE 2022

(in millions of euros)	Aubert & Duval CGU	Erasteel CGU	Sandouville CGU	Restatements and eliminations	Total Operations sold/held for sale
Net cash flow generated by operating activities of operations sold/held for sale	(73)	(18)	5	(12)	(98)
Net cash flow related to investing activities of operations sold/held for sale	(33)	(2)	79	(79)	(35)
Net cash flow related to financing activities of operations sold/held for sale	114	29	1	(149)	(5)
Impact of fluctuations in exchange rates on operations sold or held for sale	-	-	-	-	-
Net cash flow from operations sold or held for sale generated from continuing operations[1]	124	24	13	-	161

(1) The amounts are essentially related to financing flows from operations sold/held for sale by the continuing operations.

ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES AS OF 30 JUNE 2022

(in millions of euros)	Aubert & Duval CGU	Erasteel CGU	Sandouville CGU	Restatements and eliminations	Total Operations sold/held for sale
Non-current assets	16	12	-	-	28
Current assets	480	162	-	-	643
Assets held for sale	**496**	**175**	**-**	**-**	**671**
Non-current liabilities	220	85		(152)	152
Current liabilities	401	76		(8)	468
Liabilities associated with assets held for sale	**621**	**161**		**(161)**	**621**

Restatement of the comparative information

On 21 December 2021, Eramet announced that it had identified financial fraud within its cash management at the Group head office. Irregularities prior to financial year 2020 amounted to a cumulative total of €45 million.

Eramet restated its consolidated financial statements in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors". The restatements were made as at 1 January 2020 and changed the opening shareholders' equity in the amount of -€39 million, current financial assets by -€45 million and deferred tax assets by +€6 million, as indicated in the table below.

This restatement impacts the balance sheet published as at 30 June 2021:

(in millions of euros)	30/06/2021 published	30/06/2021 restated	Correction IAS 8
Deferred tax assets	4	10	6
Non-current assets	**3,003**	**3,009**	**6**
Current financial assets	575	530	(45)
Current assets	**3,587**	**3,542**	**(45)**
TOTAL ASSETS	**6,590**	**6,551**	**(39)**

(in millions of euros)	30/06/2021 published	30/06/2021 restated	Correction IAS 8
Other reserves	570	531	(39)
Attributable to equity holders of the parent company	**816**	**777**	**(39)**
Attributable to non-controlling interests	243	243	-
Shareholders' equity	**1,059**	**1,020**	**(39)**
TOTAL LIABILITIES	**6,590**	**6,551**	**(39)**

Note 3 Operational performance of the Divisions/BU and the Group – Segment reporting information

Reconciliation of the EBITDA of published financial indicators

(in millions of euros)	H1 2022	H1 2021 restated	Financial year 2021 published
Revenue	**2,635**	**1,471**	**3,668**
Other income	(8)	(5)	42
Raw materials and purchases consumed	(640)	(427)	(962)
External expenses	(679)	(465)	(1,149)
Personnel cost	(308)	(264)	(536)
Taxes	(7)	(6)	(11)
Change net of write-downs of working capital	(11)	(3)	(1)
EBITDA	**982**	**301**	**1,051**
Operating depreciation expense	(130)	(123)	(259)
Net change in operating provisions and write-downs (ex. working capital)	1	(3)	(8)
Current operating income	**853**	**175**	**784**
Other operating income and expenses	(3)	(1)	95
Operating income	**850**	**174**	**879**
Net debt cost	(72)	(59)	(116)
Other financial income and expenses	16	(12)	5
Financial profit (loss)	**(56)**	**(71)**	**(111)**
Share of income from joint ventures and associates	147	77	121
Income taxes	(158)	(57)	(98)
Net income from continuing operations	**783**	**123**	**791**
Net income from operations held for sale(1)	(13)	(53)	(426)
Net income for the period	**770**	**70**	**365**
attributable to non-controlling interests	93	17	67
GROUP SHARE	**677**	**53**	**298**

(1) Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", the CGU of Sandouville, Erasteel and Aubert & Duval are presented as operations held for sale.

Performance indicators

(in millions of euros)	Mining and metals				Holding company Eliminations, restatements and other entities	Total from operations continuing	Erasteel and Aubert & Duval	Sandouville	Eliminations and restatements	Total from operations continuing and held for sale
	Manganese	Nickel	Sand Minerals	Lithium						
H1 2022										
Revenue	1,647	762	224	-	2	2,635	416	11		3,063
EBITDA	831	118	97	(8)	(55)	982	(18)	(2)	17	979
Current operating income	765	78	76	(8)	(58)	853	(25)	(2)	17	843
Net cash flow from operating activities	548	26	30	(31)	(85)	488	(92)	5	(11)	390
Industrial investments (intangible assets and property, plant & equipment)	144	37	26	28	5	240	22	0	-	262
H1 2021 RESTATED										
Revenue	887	438	138	-	7	1,471	330	77		1,878
EBITDA	280	24	47	(2)	(47)	301	(12)	(14)	18	293
Current operating income	219	(16)	25	(2)	(52)	175	(18)	(14)	18	159
Net cash flow from operating activities	222	(17)	59	(11)	(59)	194	(45)	(13)	20	155
Industrial investments (intangible assets and property, plant & equipment)	72	9	8	0	4	93	15	2	-	110
FINANCIAL YEAR 2021										
Revenue	2,267	1,046	349	-	6	3,668	677	154	-	4,499
EBITDA	910	113	137	(5)	(103)	1,051	(32)	(27)	38	1,031
Current operating income	769	37	94	(5)	(112)	784	(45)	(27)	38	751
Net cash flow from operating activities	728	39	129	(20)	(164)	713	(84)	(42)	58	644
Industrial investments (intangible assets and property, plant & equipment)	244	35	21	5	7	312	46	6	-	364

Revenue, capital expenditure and non-current assets by geographical area

(in millions of euros)	France	Europe	North America	China	Rest of	Oceania	Africa	South America	Total
REVENUE (DESTINATION OF SALES)									
H1 2022	**168**	**718**	**138**	**453**	**331**	**372**	**89**	**366**	**2,635**
H1 2021 restated	50	400	318	230	391	13	55	14	1,471
Financial year 2021	253	966	657	604	985	57	115	31	3,668
INDUSTRIAL INVESTMENTS (INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT)									
H1 2022	**6**	**15**	**4**	**-**	**-**	**37**	**150**	**28**	**240**
H1 2021 restated	3	18	1	-	-	9	61	0	93
Financial year 2021	9	42	2	-	-	35	219	5	312
NON-CURRENT ASSETS (EXCLUDING DEFERRED TAXES)									
30 June 2022	**145**	**459**	**320**	**2**	**234**	**563**	**1,589**	**-**	**3,313**
Financial year 2021	217	458	245	2	97	562	1,506	-	3,087

Consolidated performance indicators

Segment reporting information is supplemented by the consolidated performance indicators monitored by the Executive Committee. These indicators are taken from Group reporting and used for the financial disclosure of the Group's results and performance.

INCOME STATEMENT

(in millions of euros)	H1 2022	H1 2021 restated	Financial year 2021
Revenue	**2,635**	**1,471**	**3,668**
EBITDA	**982**	**301**	**1,051**
Depreciation of fixed assets	(130)	(123)	(259)
Provisions for contingencies and losses	1	(3)	(8)
Current operating income	**853**	**175**	**784**
Impairment of assets	(2)	(0)	117
Other operating income and expenses	(1)	(1)	(22)
Operating income	**850**	**174**	**879**
Financial profit (loss)	(56)	(71)	(111)
Share of income from associates	147	77	121
Income taxes	(158)	(57)	(98)
Net income from continuing operations	**783**	**123**	**791**
Net income from operations held for sale[1]	(13)	(53)	(426)
Net income for the period	**770**	**70**	**365**
Attributable to non-controlling interests	93	17	67
GROUP SHARE	**677**	**53**	**298**
Basic earnings per share *(in euros)*	23.54	1.98	10.42

(1) Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", the CGU of Sandouville, Erasteel and Aubert & Duval are presented as operations held for sale.

STATEMENT OF NET FINANCIAL DEBT FLOWS

(in millions of euros)	H1 2022	H1 2021 restated	Financial year 2021
OPERATING ACTIVITIES			
EBITDA	982	300	1,051
Cash impact of items below EBITDA	(220)	(107)	(258)
Cash flow from operations	**762**	**193**	**793**
Change in WCR	(273)	1	(80)
Net cash flow from continuing operations (A)	**489**	**194**	**713**
INVESTING ACTIVITIES			
Industrial investments	(240)	(93)	(312)
Other investment cash flows	180	65	125
Net cash used in investing activities of continuing operations (B)	**(60)**	**(28)**	**(187)**
Net cash used in financing activities of continuing operations	**(55)**	**(8)**	**21**
Impact of fluctuations in exchange rates and others	(10)	(9)	(25)
Acquisition of IFRS 16 rights of use	(14)	(5)	(10)
Change in the net financial debt of continuing operations before flows from operations sold/held for sale	**350**	**144**	**512**
Net cash flow from continuing operations generated from operations sold or held for sale[1]	(161)	(58)	(114)
CHANGE IN NET FINANCIAL DEBT OF CONTINUING OPERATIONS	**189**	**86**	**398**
Change in net financial debt of operations sold/held for sale before flow from continuing operations	**(138)**	**(57)**	**(125)**
Net cash flow from operations sold or held for sale generated from continuing operations[2]	161	58	114
Change in net financial debt of operations sold or held for sale	**23**	**1**	**(11)**
(INCREASE)/DECREASE IN NET FINANCIAL DEBT	**212**	**87**	**387**
Opening (net financial debt) of continuing operations	**(936)**	**(1,378)**	**(1,378)**
Opening (net financial debt) of operation sold or held for sale	(54)	N/A	N/A
Closing (net financial debt) of continuing operations	(748)	(1,289)	(936)
(Net financial debt) of operations sold or held for sale	(30)	N/A	(54)
Free cash flow (A) + (B)	**429**	**166**	**526**

(1) Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", the CGU of Sandouville, Erasteel and Aubert & Duval are presented as operations held for sale.

(2) The amounts are essentially related to financing flows from operations sold/held for sale by the continuing operations.

The reconciliation of cash and cash equivalents in the statement of cash flows with net financial debt from the Eramet Group reporting is as follows:

(in millions of euros)	30/06/2022	30/06/2021	31/12/2021
Cash and cash equivalents	**873**	**1,369**	**789**
Current financial assets	367	530	387
Borrowings	(1,899)	(3,100)	(2,033)
Lease obligation debt (IFRS 16)	(89)	(88)	(79)
NET FINANCIAL DEBT – REPORTING	**(748)**	**(1,289)**	**(936)**

ECONOMIC PRESENTATION OF THE BALANCE SHEET

(in millions of euros)	30/06/2022	31/12/2021
Non-current assets	**3,313**	**3,083**
Inventories	723	577
Trade receivables	605	375
Trade payables	(456)	(403)
Simplified Working Capital	**872**	**549**
Other Working Capital items	(275)	(233)
Total Working Capital Requirement (WCR)	**597**	**316**
Derivatives	**43**	**-**
Assets held for sale[1]	**671**	**651**
TOTAL ASSETS	**4,624**	**4,050**

(in millions of euros)	30/06/2022	31/12/2021
Shareholders' equity – Group share	1,729	1,012
Minority interests	426	323
Shareholders' equity	**2,155**	**1,335**
Cash and cash equivalents and other current financial assets	(1,239)	(1,176)
Borrowings	1,987	2,112
Net financial debt	**748**	**936**
Provisions and employee-related liabilities	**900**	**899**
Net deferred tax	**200**	**184**
Derivatives	**-**	**11**
Liabilities associated with assets held for sale[1]	**621**	**685**
TOTAL LIABILITIES	**4,624**	**4,050**

(1) In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the assets and liabilities of the CGUs Aubert & Duval, Erasteel and Eramet Sandouville are presented in the consolidated balance sheet at 31 December 2021 as "assets held for sale".

Note 4 Other operating income and minority interests

Other operating income and expenses

(in millions of euros)	H1 2022	H1 2021 restated	Financial year 2021
Asset depreciation and impairment losses	(2)	(0)	117
Other operating income and expenses, excluding depreciation	(1)	(1)	(22)
OTHER OPERATING INCOME AND EXPENSES	**(3)**	**(1)**	**95**

Asset depreciation and impairment losses

No asset depreciations were recorded in the first half of 2022 on continuing operations. As of 31 December 2021, the reversal of impairment concerned the relaunch of the Lithium extraction project in Argentina.

Attributable to non-controlling interests – minority interests

(in millions of euros)	% of non-controlling interests	Share of income H1 2022	Share of shareholders' equity 30/06/2022	Share of income Financial year 2021	Share of shareholders' equity 31/12/2021	Share of income H1 2021
At closing		**93**	**426**	**67**	**323**	**17**
Setrag	49.00%	(6)	8	-	-	-
Société Le Nickel-SLN	44.00%	17	(136)	(14)	(154)	(21)
Comilog SA	36.29%	77	517	76	478	37
Eramine Sudamerica	12.50%	(0)	33	-	-	-
Grande Côte Opérations	10.00%	5	5	7	(1)	2
Interforge	4.30%	(0)	(1)	(2)	0	(0)

Note 5 Net financial debt and shareholders' equity

Net financial debt

(in millions of euros)	30/06/2022	31/12/2021
Borrowings	**(1,899)**	**(2,033)**
• Borrowings from financial markets	(884)	(905)
• Borrowings from credit institutions	(687)	(770)
• Bank overdrafts and creditor banks	(84)	(101)
• Finance leases	(16)	(5)
• Other borrowings and financial liabilities	(228)	(253)
Lease obligation debt	**(89)**	**(79)**
Other current financial assets	**367**	**387**
Cash and cash equivalents	**873**	**789**
• Cash equivalents	322	212
• Cash	551	577
NET FINANCIAL DEBT	**(748)**	**(936)**
Net financial debt – more than one year	(1,644)	(1,644)
Net financial debt – less than one year	896	708

Some borrowings are subject to financial ratios or covenants at Group level or locally.
As of 30 June 2022, the covenants are met.

Change in borrowings

(in millions of euros)	H1 2022	H1 2021	Financial year 2021
At opening	2,033	3,098	3,098
Issuance of new borrowings(1)	113	48	120
Repayment of borrowings(2)	(209)	(56)	(1,185)
Changes in bank overdrafts(3)	(17)	32	57
Changes in accrued interest not due	(23)	(5)	(16)
Changes in scope	0	(8)	(7)
IFRS 5 reclassification	-		(56)
Currency differences and other movements	2	(9)	7
AT CLOSING – BORROWINGS	**1,899**	**3,100**	**2,033**
(1) Including change related to continuing operations	*113*	*44*	*120*
(2) Including change related to continuing operations	*(209)*	*(54)*	*(1,185)*
(3) Including change related to continuing operations	*(17)*	*21*	*57*

Change in lease obligation debt

(in millions of euros)	H1 2022	H1 2021	Financial year 2021
At opening	**79**	**91**	**91**
Change in lease obligation debt (IFRS 16)	6	(3)	(2)
Changes in scope	-	(1)	(1)
IFRS 5 reclassification	**-**	**-**	**(12)**
Currency differences and other movements	4	1	3
AT CLOSING – LEASE OBLIGATIONS	**89**	**88**	**79**

Shareholders' equity

The share capital of €87,702,893.35 consists of 28,755,047 fully paid-up ordinary shares with a par value of €3.05.

Note 6 Working capital requirement

(in millions of euros)	31/12/2021	Change in WCR Statement of cash flows	Change in trade payables non-current assets	IFRS 5 reclassification	Currency differences and other movements	30/06/2022
Inventories	577	144	-		2	723
Trade receivables	375	230	-		(0)	605
Trade payables	(403)	(13)	-		(40)	(456)
Simplified Working Capital	**549**	**361**	**-**	**-**	**(38)**	**872**
Other Working Capital items[1]	(232)	(88)	11		34	(275)
TOTAL WORKING CAPITAL REQUIREMENT (WCR)	**317**	**273**	**11**	**-**	**(4)**	**597**

(1) Includes tax and social security payables and receivables, other assets and liabilities, tax payables and receivables due and payables and receivables on non-current assets.

Note 7 Investments

Payments for non-current assets

(in millions of euros)	H1 2022	H1 2021 restated	Financial year 2021
Investments in property, plant and equipment during the period[1]	221	68	269
Investments in intangible assets during the period	19	25	43
Total industrial investments	**240**	**93**	**312**
Change in debt for the acquisition of non-current assets[1]	11	4	-
TOTAL PAYMENTS FOR NON-CURRENT ASSETS – STATEMENT OF CASH FLOWS	**251**	**97**	**312**

(1) Of which, investments related to property under finance leases (IFRS 16) in H1 2022: €14 million.

Change in property, plant, and equipment

(in millions of euros)	30/06/2022	30/06/2021	31/12/2021
At opening	**2,254**	**2,128**	**2,127**
Investments during the period[1]	207	85	269
Disposals during the period[2]	(1)	(3)	(3)
Depreciation and amortisation during the period[3]	(110)	(112)	(221)
Impairment loss for the period[4]	(0)	(32)	(0)
Reversal of impairment loss for the period[5]	2	32	117
Change in gross value of dismantling assets	-	-	-
Change in non-current assets under finance leases (IFRS 16)	14	(4)	2
Changes in scope	0	(8)	(12)
IFRS 5 reclassification	-	-	(58)
Hyperinflation	66	4	25
Currency differences and other movements	(41)	17	27
AT CLOSING	**2,391**	**2,107**	**2,254**
• Gross value	5,783	6,956	5,535
• Depreciation and amortisation	(3,291)	(4,199)	(3,178)
• Impairment loss	(101)	(650)	(104)
(1) Including change related to continuing operations	*207*	*68*	*269*
(2) Including change related to continuing operations	*(1)*	*-*	*(3)*
(3) Including change related to continuing operations	*(110)*	*(108)*	*(221)*
(4) Including change related to continuing operations	*(0)*	*(4)*	*(0)*
(5) Including change related to continuing operations	*2*	*4*	*117*

Rights of use relating to lease contracts

(in millions of euros)	30/06/2022	30/06/2021	31/12/2021
At opening	**69**	**80**	**80**
Change in user rights	16	3	13
Depreciation and amortisation during the period	(8)	(8)	(17)
Impairment loss for the period	(0)	-	(2)
IFRS 5 reclassification	-	-	(6)
Currency differences and other movements	(3)	-	1
AT CLOSING	**74**	**75**	**69**
• Gross value	121	117	107
• Depreciation and amortisation	(47)	(38)	(38)
• Impairment loss	0	(4)	-

Intangible assets and goodwill

(in millions of euros)	30/06/2022	30/06/2021	31/12/2021
At opening	**477**	**480**	**480**
Investments during the period[1]	19	25	46
Disposals during the period	0	-	1
Depreciation and amortisation during the period[2]	(11)	(10)	(27)
Impairment loss for the period	(0)	-	(1)
Changes in scope	-	-	-
IFRS 5 reclassification	-	-	(6)
Hyperinflation	2	1	2
Currency differences and other movements	12	(17)	(18)
AT CLOSING	**499**	**479**	**477**
• Gross value	755	786	723
• Depreciation and amortisation	(234)	(272)	(224)
• Impairment loss	(22)	(35)	(22)
(1) Including change related to continuing operations	*19*	*25*	*44*
(2) Including change related to continuing operations	*(11)*	*(9)*	*(24)*

Interests in joint ventures and associates

			Share of income	Share shareholders' equity	Share of income	Share shareholders' equity	Share of income
Companies	Country	% held	H1 2022	30/06/2022	Financial year 2021	31/12/2021	H1 2021
Strand Minerals – Weda Bay	Indonesia	43%	147	234	121	97	77
TOTAL INTERESTS IN JOINT VENTURES AND ASSOCIATES			**147**	**234**	**121**	**97**	**77**

Note 8 Taxes

Income tax

(in millions of euros)	H1 2022	H1 2021 restated	Financial year 2021
Current taxes	(157)	(58)	(123)
Deferred taxes	(1)	1	25
TAX INCOME (EXPENSE)	**(158)**	**(57)**	**(98)**

Effective tax rate

(in millions of euros)	H1 2022	H1 2021 restated	Financial year 2021
Operating income	850	174	879
Financial profit (loss)	(56)	(71)	(111)
Pre-tax profit (loss) of consolidated companies	**794**	**103**	**768**
Standard tax rate in France *(in percent)*	25.83%	28.41%	28.41%
Theoretical tax income (expense)	**(205)**	**(30)**	**(218)**
Effects on theoretical tax:			
• permanent differences between accounting profit and taxable profit	35	25	39
• taxes on dividend distribution (withholdings)	(10)	(10)	(3)
• standard current income tax differences in foreign countries	(19)	8	8
• changes in tax rates	1	(1)	1
• tax credits	-	-	2
• unrecognised or limited deferred tax assets	(1)	(24)	(8)
• use or activation of deferred tax assets not previously recognized	60	-	75
• use of tax losses classified as income from operations held for sale	9	-	13
• miscellaneous items	(28)	(25)	(7)
REAL TAX INCOME/(EXPENSE)	**(158)**	**(57)**	**(98)**
TAX RATES	**20%**	**-13%**	**13%**

The 20% tax rate is primarily the result of the use of deferrable deficits over the period, notably within the tax consolidation in France and from SLN limiting the tax effect on net income for the period. In addition, deferred tax assets on tax deficits were recognised in the amount of €50 million for the French tax consolidation group (€32 million at 31 December 2021).

Note 9 Provisions

(in millions of euros)	30/06/2022	31/12/2021
At opening	**796**	**736**
Allowances (reversals) during the period	10	160
• allowances during the period	19	228
• (reversals) used during the period	(9)	(62)
• (reversals) unused during the period	-	(6)
Accretion expenses	5	9
Dismantling assets	-	7
Changes in scope	-	(1)
IFRS 5 reclassification	-	(119)
Currency differences and other movements	2	4
AT CLOSING	**813**	**796**
• More than one year	779	786
• Less than one year	34	10
Environmental contingencies and site restoration	627	623
Employees	12	8
Other contingencies and losses	174	166

Note 10 Off-balance sheet commitments, other commitments, contingent liabilities and other information

Off-balance sheet commitments

(in millions of euros)	30/06/2022	31/12/2021
Commitments given	**109**	**118**
• Operating activities	75	82
• Financing activities	34	36
Commitments received	**46**	**44**
• Operating activities	46	44
• Financing activities	-	-

Other commitments, contingent liabilities and other disclosures

The other commitments, contingent liabilities and other information presented in the 2021 Universal Registration Document in Note 15 "Off-balance sheet commitments, other commitments, contingent liabilities and other information" in the notes to the consolidated financial statements were as follows:

Review of the quality process within the High Performance Alloys Division

A €31 million provision is maintained in order to take into account the estimate to date of the residual processing cost of the in-depth review of quality processes (€51 million at 31 December 2021).

During the completion of this review and depending on possible requests from certain customers, additional costs could be incurred, the amount of which cannot be estimated at this stage.

Operational risks in the High Performance Alloys Division

The High Performance Alloys Division develops special steels and super alloys, particularly for the aviation industry, involved in the process of building aircraft, helicopters and other equipment from the production of its customers in the sector. In this respect, the Group may, for example, be indirectly or directly involved in the event of damage, loss or accident, passenger death or operating losses to equipment containing manufacturing parts from this Division.

As part of its risk management policy, the Division implements actions to control these risks. These actions were effective as reflected in the fact that the accreditations or certifications relating to this type of industry were renewed and the validation process of the manufactured parts, if necessary, was validated by customers.

In addition, the Group implemented insurance to cover residual risks.

ICPE (Installations Classified for Environmental Protection) regulations applicable to the Doniambo power plant

As regards the Doniambo power plant (Plant B), the order issued by the President of the Assembly of the Southern Province of New Caledonia on 12 November 2009 established new technical requirements that were more stringent in terms of atmospheric discharge, with which the new power plant (Plant C) was required to comply, by no later than 1 September 2013.

In the absence of a new power plant, this deadline was extended on several occasions by means of various supplementary orders including requirements that favoured the reduction of Plant B's atmospheric emissions.

An order from the Southern Province dated 13 January 2021, amending the 2019 order, authorises the operation of Power Plant B until 12 June 2025.

As indicated in Note 1, a new temporary power plant is being moved to New Caledonia and is expected to progressively replace Power Plant B in the first half of 2023.

Other commitments received

Société Le Nickel-SLN has available financing of €10 million from the State, out of a total of €200 million maturing on 30 June 2024.

The amount drawn down at the end of June 2022 was €190 million, versus €180 million at 31 December 2021.

Other commitments given

As requested under the conciliation procedure relating to SLN in New Caledonia, Eramet agreed to extend certain environmental guarantees amounting to €71 million until 31 July 2023.

The other contingent liabilities did not change significantly.

Note 11 Post-closing events

To the best of the Company's knowledge, no other events have occurred since the closing date.

Note 12 Basis of preparation of the Condensed Interim Consolidated Financial Statements

General principles and declaration of compliance

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the condensed interim consolidated financial statements for the first half of 2022 are presented in millions of euros in accordance with IAS 34 "Interim Financial Reporting", and prepared in accordance with the IFRS framework as published by the IASB (International Accounting Standards Board) and the IFRS as adopted by the European Union as of 30 June 2022. Since they are condensed interim consolidated financial statements, these financial statements do not contain all the information and notes required for annual consolidated financial statements and should therefore be read in conjunction with the Eramet Group's annual consolidated financial statements for the year ended 31 December 2021. They do, however, include a selection of notes explaining significant events and transactions with a view to understanding the changes that have occurred in the financial position and performance of the Group since the last annual financial statements.

Changes to standards and interpretations

The accounting principles and methods applied for the condensed interim consolidated financial statements as of 30 June 2022 are identical to those used in the consolidated financial statements as of 31 December 2021, with the exception of IFRS standards, amendments and interpretations as adopted by the European Union and issued by the IASB, the application of which is mandatory for the financial years starting on or after 1 January 2022 (and which have not been applied early by the Group).

The Group has thus applied the standards and amendments to the following standards since 1 January 2022, which have no significant impact on the condensed interim consolidated financial statements:

- Amendments to IAS 16 "Property, plant & equipment – Proceeds before intended use", Amendments to IAS 37 "Onerous contracts – Cost of fulfilling a contract" and the Amendment to IFRS 3 "Reference to the conceptual framework".

Standards, interpretations and amendments issued by the IASB and the IFRS IC (IFRS Interpretations Committee), application of which is not mandatory for the financial years starting after 1 January 2022, have not been applied by the Group.

Seasonality effect

The Group's various activities are not subject to significant seasonal fluctuations.

Use of estimates and judgement

The judgements and estimates that are likely to result in a material change in the carrying value of assets and liabilities as of 30 June 2022 are the same as those for the previous year presented in the consolidated financial statements for 2021 and in the 2021 Universal Registration Document.

Consolidation scope

The company Eramet Sandouville was sold on 7 February 2022.

Aubert & Duval acquired 50% of the shares of its subsidiary UKAD held by its partner. The stake of Aubert & Duval in UKAD is now raised to 100%. This acquisition also results in an increase in the Group's stake in ECOTITANIUM, a 44.80% owned subsidiary of UKAD.

The Gabonese state acquired an interest of 9% in Setrag in January 2022. This transaction raised Comilog's interest in Setrag to 51%.

Tsingshan, a Chinese partner in the Lithium activity, participated in a 12.5% capital increase of Eramine Sudamerica in May 2022. Eramet Lithium now holds a stake of 87.50% in its subsidiary Eramine Sudamerica.

Treatment of hyperinflation in Argentina

Argentina has been considered a country in hyperinflation under IAS 29 since 1 July 2018. The Group applies IAS 29 to its operations in Argentina through its Eramine subsidiary. Given the start-up of the Lithium activity in Argentina, the Group's exposure is reflected as a financial loss of -€2 million in the financial results.

Specific features in the preparation of condensed interim consolidated financial statements

Employee benefits

The post-employment benefit expense for the half-year is half of the net expense estimated for financial year 2022, based on the actuarial assumptions and data used as of 31 December 2021, and adjusted where necessary for non-recurring events (plan amendments, curtailments, settlements). As of 30 June, the actuarial gains and losses estimated on the basis of a sensitivity analysis of the discount rates are recorded and recognised in shareholders' equity (defined-benefit plans) or in the income statement (other long-term benefits), as soon as they are considered significant.

Income tax

The current and deferred income tax expense for the period is calculated using the effective tax rate estimated for the current year at the Group level. It is adjusted for transactions specific to the first half year.

Asset depreciation and impairment losses

Impairment testing of goodwill and intangible assets with an indefinite useful life is always carried out in the second half of the year. As a result, as of the close of the first half, impairment tests for the assets were carried out only if there were indications of an impairment loss.

4 STATUTORY AUDITORS' REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022

To the Shareholders,

In compliance with the engagement entrusted to us by the Shareholders' Meeting and in accordance with the requirements of Article L. 451-1-2-III of the French Monetary and Financial Code *("Code monétaire et financier")*, we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Eramet S.A., for the period from 1 January 2022 to 30 June 2022;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France. A review of interim 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 professional standards applicable in France 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.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the following matter set out in the Note 1 "Highlights of H1 2022" of the disclosures to the financial statements, in the paragraph on "Continuation of the rescue plan and new business model of Société Le Nickel-SLN (SLN)", which sets out the continuation of the restructuring plan and the framework for assessing going concern matters of the entity.

II. SPECIFIC VERIFICATION

We have also verified the information presented in the half-yearly management report approved by the Board of Directors on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, 27 July 2022

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