GLENCORE

GLENCORE PLC
(Incorporated in Jersey under the Companies (Jersey) Law 1991)
(Registration number 107710)
JSE Share Code: GLN
LSE Share Code: GLEN
ISIN: JE00B4T3BW64
LEI: 2138002658CPO9NBH955

NEWS RELEASE
Baar, 15 February 2023

Preliminary Results 2022

Highlights

Glencore's Chief Executive Officer, Gary Nagle, commented:

"The global pandemic, recovery from it and years of underinvestment, followed by conflict in Europe, exposed pre-existing vulnerabilities in energy security and supply chains, underpinning the generally high and volatile 2022 commodity price environment, which enabled the Group to generate record profitability for the year.

"The unprecedented developments in global energy markets were material drivers for both our marketing and industrial businesses, lifting Group Adjusted EBITDA to $34.1 billion, up $12.8 billion over the period. Marketing posted another record performance, with Adjusted EBIT of $6.4 billion, up 73% year on year, driven primarily by our energy departments successfully navigating the extreme market imbalances, volatility and dislocations across crude oil, LNG, refined products, coal and logistics infrastructure. Industrial EBITDA increased by $10.2 billion to $27.3 billion, benefitting primarily from record prices for our key coal benchmarks, amplified by the incremental contribution from the two-thirds of Cerrejón, acquired in January 2022, that Glencore did not previously own.

"Aligned with the record Adjusted EBITDA results, particularly in marketing, our net working capital significantly increased during the period, reflecting materially higher energy prices and elevated commodity market volatilities, where such additional investment in working capital should be considered in the context of the $3.8 billion increase in Energy Marketing Adjusted EBIT to $5.2 billion. Accounting for this build, significant surplus cash generation reduced Net debt to $0.1 billion, allowing for today's announcement of $7.1 billion (c.$0.56/share) of shareholder returns, comprising a $5.1 billion base cash distribution ($0.40/share), an additional $0.5 billion "top-up" cash distribution ($0.04/share) and a new $1.5 billion buy back programme (c.$0.12/share).

"High inflation rates and associated tighter monetary conditions present some risk to the economic outlook in 2023. China's reopening, however, together with a continued global focus on energy security and decarbonisation / electrification, mean that demand for many of our commodities is likely to remain healthy, while supply constraints persist and inventories remain relatively low.

"Recent government policies, such as the US Inflation Reduction Act and the EU's proposed Green Deal Industrial Plan, demonstrate the growing need for critical raw materials through to the end of the decade and beyond, necessitating fresh investment in both primary supply and recycling.

"The strength of our diversified business model across industrial and marketing, focusing on metals and energy, has proved itself adept in a range of market conditions, giving us a solid foundation to successfully navigate shorter-term challenges that may arise, as well as meet the resource needs of the future. I would like to thank all our employees for their efforts and tremendous contribution during the challenging, but very successful, 2022. As always, we remain focused on operating responsibly and ethically and creating sustainable long-term value for all our stakeholders."

US$ million	**2022**	2021	Change %
Key statement of income and cash flows highlights[1]:			
Revenue	255,984	203,751	26
Adjusted EBITDA#	34,060	21,323	60
Adjusted EBIT#	26,657	14,495	84
Net income for the year attributable to equity holders	17,320	4,974	248
Earnings per share (Basic) (US$)	1.33	0.38	250
Funds from operations (FFO)#	28,938	17,057	70

US$ million	**31.12.2022**	31.12.2021	Change %
Key financial position highlights:			
Total assets	132,583	127,510	4
Total equity	45,219	36,917	22
Net funding#	27,500	30,837	(11)
Net debt#	75	6,042	(99)
Ratios:			
Net debt to Adjusted EBITDA#	0.00	0.28	(99)

1 Refer to basis of presentation on page 6.

\# Adjusted measures referred to as Alternative performance measures (APMs) which are not defined or specified under the requirements of International Financial Reporting Standards; refer to APMs section on page 116 for definitions and reconciliations and to note 2 of the financial statements for reconciliation of Adjusted EBIT/EBITDA.

STRONG FINANCIAL PERFORMANCE

- $34.1 billion Adjusted EBITDA, up 60% year-on-year (y/y), underpinned by robust Marketing and Industrial results
- Net income, pre-significant items: $18.9 billion, up 107%
- Post significant items, Net income attributable to equity holders was $17.3 billion, up 248%. Significant items reflect various impairments recorded and a gain on the acquisition of Cerrejón
- Net cash purchase and sale of PP&E: $4.5 billion, up 19%
- Shareholder returns of $7.1 billion (c.$0.56/share) announced, comprising a proposed $0.40/share ($5.1 billion) base distribution in respect of 2022 cash flows, alongside an additional 'top-up' $0.5 billion ($0.04/share) cash distribution and a new $1.5 billion (c$0.12/share) share buyback programme

RECORD INDUSTRIAL ASSET ADJUSTED EBITDA CONTRIBUTION

- Industrial Assets Adjusted EBITDA $27.3 billion, up 59%, primarily reflecting a $13.0 billion increase from energy products, in line with significantly higher coal prices, as well as the Cerrejon partner buy-out contribution
- Metals $9.3 billion, down $2.7 billion, reflecting higher costs and lower volumes; Energy $18.6 billion, up $13.0 billion (+232%)
- Unit cost results: Cu 80¢/lb (+13¢/lb y/y); Zn 38¢/lb (+42¢/lb y/y, whereby 2022 is net of 23¢/lb of non-cash inventory adjustments); Ni 631¢/lb (+177¢/lb y/y); coal $79/t ($166/t margin)

RECORD MARKETING RESULTS

- Marketing Adjusted EBIT $6.4 billion, up 73% y/y
- Energy Adjusted EBIT: $5.2 billion (+273%), as already tight post-pandemic energy markets were jolted by significant dislocation, generating extreme volatility in oil, refining margins, freight, gas and coal, with prices (absolute and in relation to quality and location differentials) reaching multi-year highs or records in many cases
- Metals Adjusted EBIT: $1.6 billion (-34%), mainly reflecting challenging conditions arising from China's prolonged Covid-19 lockdowns as well as higher overall inflation, triggering tighter monetary conditions and demand uncertainty
- Glencore's equity accounted share of Viterra rose 4% to $494 million

STRONG BALANCE SHEET

- Net debt being managed around a $10 billion cap, with sustainable deleveraging (after base distribution) below such cap periodically returned to shareholders via top-up cash distributions / buybacks, as appropriate.
- Year-end Net debt of $0.1 billion allows for $2.0 billion of additional shareholder returns under our "top-up" framework, taking into account the base distribution of $5.1 billion and $2.9 billion of pro-forma debt-like other cash commitments at year-end
- Net debt to Adjusted EBITDA of 0.00x
- Available committed liquidity of $13 billion; bond maturities capped at c.$3 billion in any given year
- Spot illustrative annualised free cash flow generation of c.$10.6 billion from Adjusted EBITDA of c.$22.6 billion

CLIMATE AMBITION

- Extensive stakeholder engagement on progress with our Climate Action Transition Plan during the year.
- There was broad support for our climate strategy, recognising the importance of maintaining a strategy that remains resilient to the risks and opportunities of the evolving energy transition, and encouragement to continue our focus on progressing towards our ambition of achieving a net zero total emissions footprint by 2050.
- A limited number of shareholders looked for opportunities to accelerate our current total emissions reduction pathway (50% reduction by 2035), while some raised the prospects for incremental growth in our coal production. However, the overwhelming majority of

shareholders reiterated their support for our current responsibly managed coal decline strategy and associated targets.

- Our emissions reduction targets remain sector leading for total emissions (Scope 1+2+3) along with our ambition to achieve Net-zero total emissions by 2050, with a supportive policy environment.
- Our strategy of responsibly depleting our coal portfolio over time reflects our belief that the energy transition will be non-linear through time and geography, with the responsible decline of our coal portfolio meeting critical energy needs through this evolution.
- We will continue to engage with our stakeholders as we progress the implementation of our strategy and respond to the global challenges of climate change and the energy transition.

To view the full report please click here: https://www.glencore.com/dam/jcr:be9ac3b7-a19c-4925-9554-3db0733101e4/GLEN-2022-Preliminary-Results.pdf

To view the full report on the Johannesburg Stock Exchange portal please click here: https://senspdf.jse.co.za/documents/2023/JSE/ISSE/GLN/2022-PRes.pdf

For further information please contact:

Investors

Martin Fewings	t: +41 41 709 2880	m: +41 79 737 5642	martin.fewings@glencore.com

Media

Charles Watenphul	t: +41 41 709 2462	m: +41 79 904 3320	charles.watenphul@glencore.com

www.glencore.com

This announcement contains inside information.

Notes for Editors

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 responsibly-sourced commodities that advance everyday life. Through a network of assets, customers and suppliers that spans the globe, we produce, process, recycle, source, market and distribute the commodities that enable decarbonisation while meeting the energy needs of today.

Glencore companies employ around 135,000 people, including contractors. With a strong footprint in over 35 countries in both established and emerging regions for natural resources, our marketing and industrial activities are supported by a global network of more than 40 offices.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil sectors. We also provide financing, logistics and other services to producers and consumers of commodities.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

Glencore recognises our responsibility to contribute to the global effort to achieve the goals of the Paris Agreement. Our ambition is to be a net zero total emissions company by 2050. In August 2021, we increased our medium-term emission reduction target to a 50% reduction by 2035 on 2019 levels and introduced a new short-term target of a 15% reduction by 2026 on 2019 levels.

Important notice concerning this document including forward looking statements

This document contains statements that are, or may be deemed to be, "forward-looking statements" which are prospective in nature. Such statements may include, but are not limited to, statements in respect of trends in commodity prices and currency exchange rates; demand for commodities; reserves and resources and production forecasts; expectations, plans, strategies and objectives of management; climate scenarios; sustainability performance (including environmental, social and governance) related goals, ambitions, targets, intentions, visions, milestones and aspirations; approval of certain projects and consummation of certain transactions (including acquisitions and disposals); closures or divestments of certain assets, operations or facilities (including associated costs); capital costs and scheduling; operating costs and supply of materials and skilled employees; financings; anticipated productive lives of projects, mines and facilities; provisions and contingent liabilities; and tax, legal and regulatory developments.

These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof including, but not limited to, "outlook", "guidance", "trend", "plans", "expects", "continues", "assumes", "is subject to", "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "projects", "anticipates", "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial conditions and discussions of strategy, and reflect judgments, assumptions, estimates and other information available as at the date of this document or the date of the corresponding planning or scenario analysis process.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from any future event, results, performance, achievements or other outcomes expressed or implied by such forward-looking statements. Important factors that could impact these uncertainties include, but are not limited to, those disclosed in the risk management section of our latest Annual Report and Half-Year Report (which can each be found on our website). These uncertainties may materially affect the timing and feasibility of particular developments. Other factors include, without limitation, the ability to produce and transport products profitably; demand for our products; changes to the assumptions regarding the recoverable value of our tangible and intangible assets; changes in environmental scenarios and related regulations; recovery rates and other operational capabilities; health, safety, environmental or social performance incidents; natural catastrophes or adverse geological conditions; the outcome of litigation or enforcement or regulatory proceedings; the effect of foreign currency exchange rates on market prices and operating costs, and actions by governmental authorities, such as changes in taxation or regulation, and political uncertainty.

Neither Glencore nor any of its affiliates, associates, employees, directors, officers or advisers, provides any representation, warranty, assurance or guarantee that the occurrence of the events, results, performance, achievements or other outcomes expressed or implied in any forward-looking statements in this document will actually occur. Glencore cautions against reliance on any forward-looking statements.

Except as required by applicable regulations or by law, Glencore is not under any obligation, and Glencore and its affiliates expressly disclaim any intention, obligation or undertaking, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of Glencore since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

No statement in this document is intended as a profit forecast or a profit estimate and past performance cannot be relied on as a guide to future performance. This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. Certain statistical and other information about Glencore included in this document is sourced from publicly available third-party sources. As such it has not been independently verified and presents the view of those third parties, but may not necessarily correspond to the views held by Glencore and Glencore expressly disclaims any responsibility for, or liability in respect of, such information.

Due to the inherent uncertainty and limitations in measuring greenhouse gas and air emissions and operational energy consumption under the calculation methodologies used in the preparation of such data, all greenhouse gas and air emissions and operational energy consumption data or volume references (including ratios and/or percentages) in this document are estimates. There may also be differences in the manner that third parties calculate or report such data compared to Glencore, which means that third-party data may not be comparable to Glencore's data. For information on how we calculate our greenhouse gas and air emissions and operational energy consumption data, see our latest Reporting criteria for selected KPIs, Climate Report and Extended ESG Data, which can be found on our website.

The companies in which Glencore plc directly and indirectly has an interest are separate and distinct legal entities. In this document, "Glencore", "Glencore group" and "Group" are used for convenience only where references are made to Glencore plc and its subsidiaries in general. These collective expressions are used for ease of reference only and do not imply any other relationship between the companies. Likewise, the words "we", "us" and "our" are also used to refer collectively to members of the Group or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

Sponsor

Absa Corporate and Investment Bank, a division of Absa Bank Limited