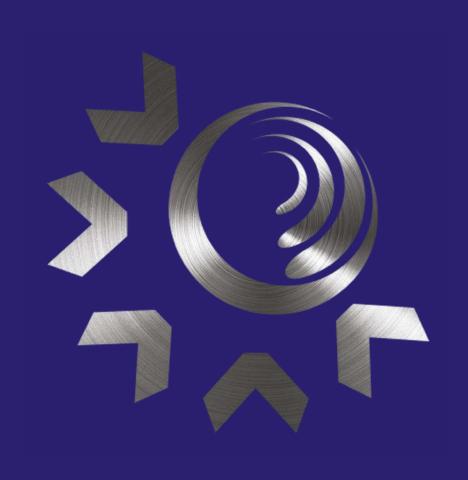
2018 METALCORP GROUP ANNUAL REPORT





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O1 METALCORP GROUP MANAGEMENT REPORT

At a Glance
Timeline
Global Presence
Strategy
Business Model
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Our Operations
Business Performance

Risks & Uncertainties

Who we Are

Outlook

WHO WE ARE

Metalcorp Group is a diversified metals and minerals group with activities that span production, processing, marketing and trading of ferrous and non-ferrous metals.

Established in 2006, the Metalcorp Group combines both production and processing units with trade and marketing operations to deliver cost effective metals, minerals and finished products to international customers. Headquartered in Luxembourg, the Group operates across 19 countries.

Metalcorp Group employs a sustainable business approach focussed on diversification, cost control and risk avoidance. With strong market knowledge, our diversified operations cover a variety of product categories enabling the Group to operate in both established and niche sectors. As both producer and marketer, we bring together the capabilities of the group to provide value to our international customers and suppliers. However, the Group is not active in the field of research and development.

We produce ferrous and non-ferrous products in strategically located production sites and invest in energy efficient facilities and technology enhancements. We create value through cost competitive production methods, reducing stock held and minimising price and currency risks.

Our trading and marketing operations specialise in physical trade of metals, minerals and raw materials. We secure, insured, back-to-back transactions, avoiding price and currency risks. Working with long-term off-take partners through a well-established trading and distribution network we enable access to international markets.

With decades of production, trading and marketing experience in the ferrous and non-ferrous sectors we are able to consistently deliver value in changing market conditions.

AT A GLANCE

+ **90** YEARS + 300 EMPLOYEES

19 COUNTRIES

Metalcorp Group is a diversified metals and minerals group with activities that span production and processing, to marketing and trading.

Our business is organised within two divisions:

Ferrous and Non-Ferrous Metals.

FERROUS METALS DIVISION

STEEL TRADING & MARKETING



STEELCOM GROUPMonaco, Austria, Germany, Switzerland, USA, Brazil, Spain, UAE, Serbia, Singapore, China and

+60 years in operation

Luxembourg.

12 Offices4 Continents

STEEL PRODUCTION



NIKOLAIDIS TH. BROS Greece

> +50 years in operation

NON-FERROUS METALS DIVISION

NON-FERROUS TRADING & MARKETING



TENNANT METALS GROUPMonaco, Australia, South Africa, Luxembourg

+ 60 years in operation 4 Offices
3 Continents

ALUMINIUM PRODUCTION



BAGR BERLINER ALUMINIUMWERK Germany STOCKACH ALUMINIUM Germany

+ 35 years in operation +90 years in operation

BAUXITE & ALUMINA MINING & PRODUCTION



SOCIÉTÉ DES BAUXITES DE GUINÉE Republic of Guinea

300 million tons of bauxite

COPPER PRODUCTION



CABLE RECYCLING INDUSTRIES Spain

+10 years in operation

METALCORP GROUP KEY DATA

REVENUES

621 M€

GROSS PROFIT

50 M€

OPERATING PROFIT

33 M€

EQUITY

147M€

EBITDA

34M€

TIMELINE



GLOBAL PRESENCE

Metalcorp Group is a global and diversified metals and minerals group, with a strategic portfolio of assets across the world.



6 CONTINENTS

19 COUNTRIES



STRATEGY

Our Strategy is based on five key success factors

01 Risk Averse

We avoid risk within our business model. Operating a risk averse trading strategy, we secure long-term offtake agreements and avoid price and currency risks. Our production programs are governed by customerled demand and we procure raw materials on orders, minimising waste and enabling cost effective planning.

02 Diversification

Our diversified model and **wide product range** reduces our exposure to changes in demand or reliance on a single service offering. We conduct business in both **large and niche markets** and operate between large trading houses and local small sized players.



Infrastructure 03

We have a **broad asset base** including production, processing and recycling facilities each in strategic locations. Our trading and marketing divisions benefit from a sophisticated logistics and distribution network.



We maintain **long term partnerships** with customers and suppliers. We offer services such as logistics and transport and fulfil the needs of suppliers and customers who do not have the equivalent internal capability, thereby making us a preferred partner and strengthening our long-term relationships.

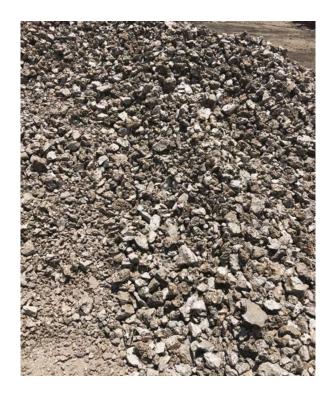
Know-how 05

We have significant **execution capabilities** including production facilities, sector knowledge and resources. Leveraging our **network** enables us to take advantage of changing demand and supply opportunities. Our **scale** and **global reach** gives us insight into market flows that yield **competitive advantage**.



BUSINESS MODEL

TRADING & MARKETING **RISK AVERSE BUSINESS** MODEL Bank Cash collateral Financing Sales **Purchase** agreement agreement **MCG** Customer Market price Market price +/-Transaction fee

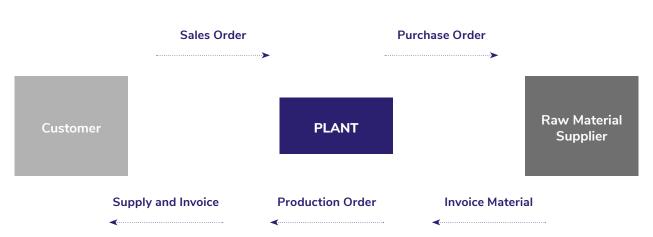


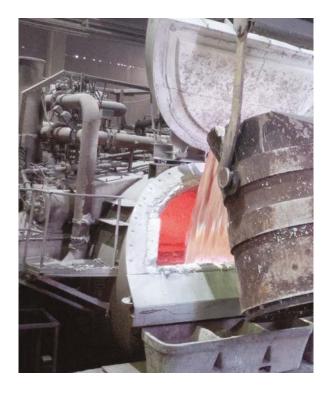
- We avoid risk by executing "back-to-back" trading transactions.
- Price risk is mitigated by using the same reference price and currency both on the supply and on the sell side thereby avoiding price speculation. Any differences between reference prices and/or currencies are mitigated through non-speculative hedging strategies.
- Transportation of materials is fully insured and we maintain relationships with leading insurance and trade credit companies

BUSINESS MODEL

PRODUCTION







- Our production units avoid risk by entering into "back-to-back" transactions.
- Input material are procured only when sales orders are confirmed by the customers and we use the same reference price to lock in gross margins and we mitigate the impact of currency and material price fluctuations through non speculative hedging strategies.
- By producing to order we avoid holding excess inventory and cost effective production planning can be established up to one year ahead in coordination with our customers.

SUSTAINABLE BUSINESS

Metalcorp's activities deliver benefits to our stakeholders and to wider society.

ENVIRONMENT

Metalcorp Group plants in Berlin, Bilbao and Stockach recycle scrap and waste metal into high grade products that can be used for a wide variety of applications.

Our approach saves on energy consumption, using less energy than primary production methods and also plays a vital role in the conservation of raw materials.

Our operational plants and mills have implemented energy management systems and we invest in technology to maximise the efficacy of our operations.







SOCIAL

We work with national and local governments to manage our corporate social responsibility.

We invest significantly in supporting the communities near our operations in different areas including:

- Health
- Infrastructure
- Education & Training





HEALTH & SAFETY

Metalcorp Group takes a proactive approach to Health and Safety.

- Our production sites comply with national and international health and safety laws and hold relevant certifications.
- Our staff are trained to meet specific requirements.
- We focus on risk management and share good practice across the Group.

METALCORP GROUP MANAGEMENT REPORT



FERROUS METALS

TRADING & MARKETING

STEELCOM GROUP

Established since:

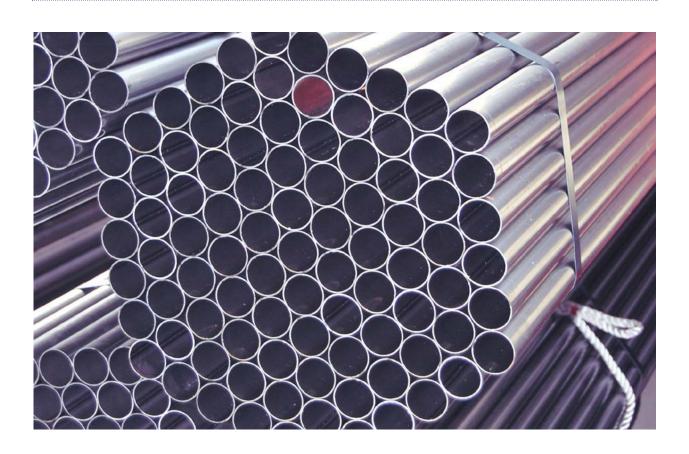
1958

Locations:

Luxembourg (Headquarters), Monaco, Germany, Austria, USA, Brazil, China, UAE, Spain, Serbia, Singapore and Switzerland. Steelcom Group is a leading steel service provider benefitting from an established global presence, comprehensive product coverage as well as extensive logistics capabilities.

The core business of Steelcom is trading steel and steel-related raw materials and supply chain management in the ferrous sector.





CORE PRODUCTS

SEMI-FINISHED PRODUCTS

- Slabs
- Billets



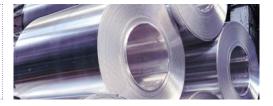
LONG PRODUCTS



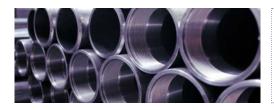
- Merchant bars & profiles
- Structural sections
- Reinforcement bars
- Wire rods

FLAT PRODUCTS

- Hot rolled plates
- Hot rolled coils, sheets & strips
- Cold rolled coils, sheets & strips
- Pre-Painted & galvanised products



OIL & GAS INDUSTRY PRODUCTS



- Pipes
- Tubes
- Hollow sections

AUTOMOTIVE PRODUCTS

- Hot rolled coils, strips & plates
- Hot dipped galvanized sheets
- Cold rolled sheets



RAW MATERIALS



- Iron ore
- Hot briquetted iron
- Coking coal

FERROUS METALS

PRODUCTION / STEEL

NIKOLAIDIS TH. BROS S.A. "NIKOLAÏDIS"

Founded in:

1963

Locations:

Greece

Capacity: 100,000 mts

Nikolaïdis produces a diversified range of high-quality steel pipes and tubes from a strategically positioned location near one of the largest ports in the Aegean Sea.

Nikolaïdis has built on long standing production experience; it boasts a new and efficient machine park, its own galvanizing facilities and two production lines from "VAI SEUTHE", one of the world's leading welded pipe line manufacturers.





CORE PRODUCTS

WATER STEEL TUBES	GAS TUBES "NIKOL GAS"
STEEL FIRE PROTECTION TUBES	TUBES FOR CONSTRUCTION
HOLLOW SECTIONS	OTHER TUBE FORMS
SPECIAL PROFILES	HOT DIP GALVANISED PRODUCTS







1 METALCORP GROUP MANAGEMENT REPORT



NON-FERROUS METALS

TRADING & MARKETING

TENNANT METALS GROUP

Operating Since:

1955

Locations:

Monaco, Australia, South Africa, Luxembourg Tennant Metals Group trade and market non-ferrous products.

Tennant Metals Group specialise in the physical supply of non-ferrous products in the form of refined metals, ores and concentrates.

Together with the Group's production assets and long-standing off-take agreements, Tennant Metals Group is a strategic partner for its suppliers and customers.

Tennant Metals Group also provide financial and logistical solutions.





CORE PRODUCTS

Tennant Metals Group markets a broad product portfolio from base metals, ores and concentrates to ferroalloys.

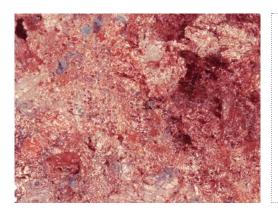
BASE METALS

We actively trade refined base metals with a particular focus on zinc, copper, tin, aluminium and nickel.

We supply primary as well as secondary produced metals.



ORES & CONCENTRATES



We market a range of non-ferrous ores and concentrates, predominantly copper, lead, tin and zinc.

We mainly supply smelters and refiners.

FERROALLOYS

We trade and market ferro chrome, silicon manganese and ferro manganese.



NON-FERROUS METALS

PRODUCTION / ALUMINIUM

BAGR BERLINER ALUMINIUMWERK "BAGR"

Producing since:

1981

Locations:

Germany

Capacity: 90,000 mts

BAGR is one of the leading independent aluminium slab producers in Europe.

The plant is an integral partner for its customers in the toll conversion of secondary aluminium into alloyed slabs for rolling mills and precision plate manufacturers.











STOCKACH ALUMINIUM

Producing since:

1921

Locations:

Germany

Capacity: 50,000 mts

Stockach Aluminium is a secondary aluminium slab producer which history begins in the early 1900s

Stockach Aluminium provides toll-conversion services for various scrap materials offering cost- efficient and environmentally conscious solutions.











NON-FERROUS METALS

PRODUCTION / COPPER

CABLE RECYCLING INDUSTRIES "CRI"

Incorporated since:

2012

Locations:

Spain

Capacity: 30,000 mts

CRI is a copper scrap recycler with a strong European customer base.

The plant is an energy efficient convertor, processing scrap copper into high quality copper granulates, with an emphasis on minimising waste.







CORE PRODUCTS

High quality copper granulates used in the production of copper cathodes, brass foundry products, and copper based alloys.

We are able to tailor both grain size and quality range according to customer requirements.







NON-FERROUS METALS

RAW MATERIALS

SOCIÉTÉ DES BAUXITES DE GUINÉE "SBG"

Locations:

Republic of Guinea

Mining Concession:

502 square km granted

for 25 years

SBG is an integrated bauxite and alumina processing project.

SBG holds a 25-year mining concession for a bauxite deposit in the Republic of Guinea.

In 2018 SBG was awarded a convention for bauxite mining and alumina refining.





PROJECT

Developing an integrated bauxite and alumina project including a refinery, with plans to:

- produce 3Mtpa of high grade bauxite
- process 1.6Mtpa of alumina





JORC Compliant Resource of 300 million tons of bauxite with alumina content higher than 41% and silica level of less than 2.7%

INTEGRATED ALUMINA REFINERY

The alumina refinery will produce 1.6 million tons per annum of alumina for export, using the Bayer refining process



METALCORP GROUP BUSINESS PERFORMANCE

BUSINESS PERFORMANCE

The Group has leveraged on the developments of the past years and was again able to further grow its business irrespective of the challenging markets. The fundamentals of growth that the Group shows year after year lie in the risk-averse strategy that Metalcorp Group applies: the gross profit on deals is locked in independent of the market prices, whilst other market participants take positions that lead ultimately to a price risk.

On the corporate level, the Metalcorp Group repaid 2013-2018 bond that was listed on the Frankfurt Exchange. The Group further tapped its existing 2017-

2022 bond by EUR 30 million, which was placed on the German market in 2017.

On the Ferrous side, the Group continued to organically grow its European supply-chain business in 2018 as well as its special steel business.

On the Non-Ferrous side, Metalcorp Group has further developed existing and initiated new multi-year offtake agreements in specific markets such as zinc. In addition, the Group secured the acquisition of the second 50% of Stokach Aluminium, further continuing to solidify its industrial base of the Non-ferrous production division.

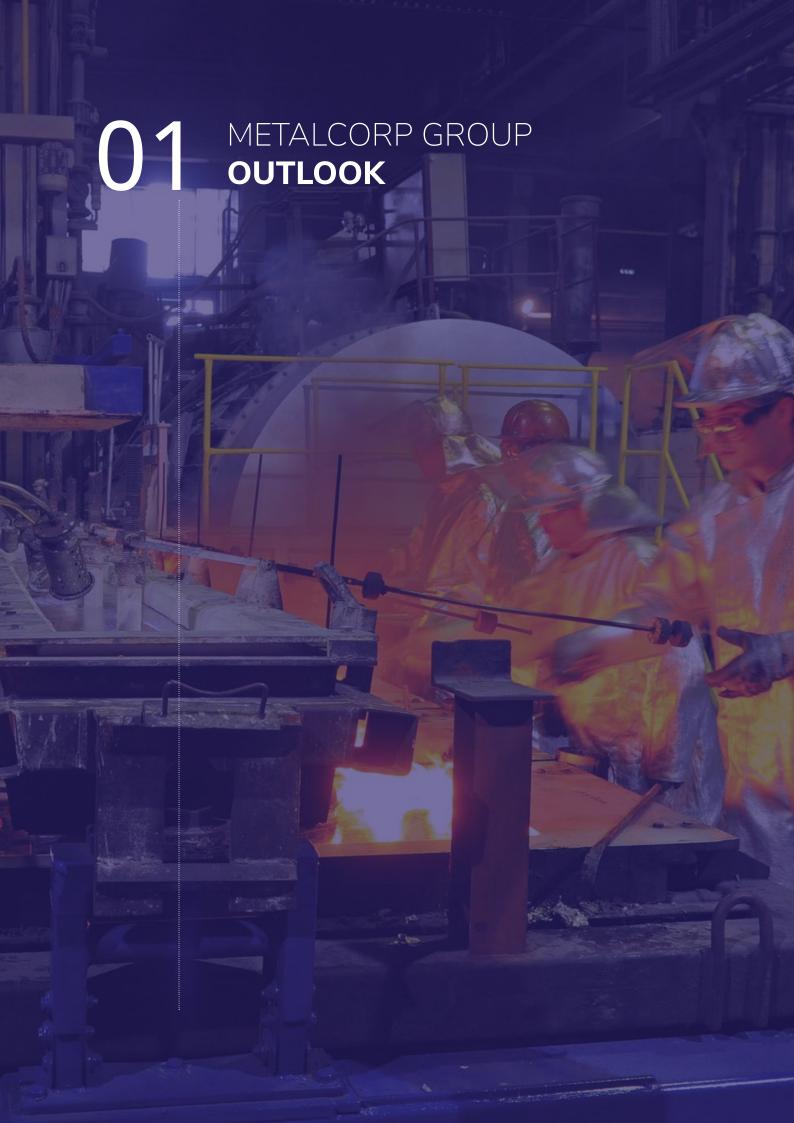
The table below provides a segmented overview of the Revenue and Gross profit ("GM") of the Company:

	Revenue		GM		Result	
EUR 1.000	2018	2017	2018	2017	2018	2017
Ferrous						
- Production	6.649	2.637	188	-21	237	-
- Trading & Other	244.866	190.176	12.793	16.313	1.661	2.188
Total Ferrous	251.515	192.813	12.981	16.292	1.898	2.188
Non-ferrous						
- Production	147.077	114.678	13.128	11.389	5.600	7.555
- Contract Based assets	1.828	-	-	-	-	-
- Trading & Other	220.308	285.197	24.232	19.241	2.147	3.382
Total Non-ferrous	369.213	399.875	37.360	30.630	7.747	10.937
Total	620.728	592.688	50.341	46.922	9.645	13.125

The gross margin ratio (gross margin divided by the revenue) of the Group has improved to 8,1% compared to 7,9% last year. Despite lower sales prices, the revenues across the Group continue to increase. The Ferrous trading division showed a significant improvement in trading volume, with a normalized lower gross margin compared to the previous year. Production revenues and gross profits rose following improved capacity utilization in the assets.

The solvency (total group equity divided by the balance sheet total) at the balance sheet date increased from 31,7% in 2017 to 34,0% in 2018.

Trade Finance is utilized to finance the deals of the Trading division and lead to a corresponding increase in inventory and accounts receivable, which are both pledged to the Trade Finance Banks. When receivables are paid by our customers, our Group receives the profit made on these deals and the Trade Finance facility is repaid. The solvency excluding self- liquidating Trade Finance (reference is made to note 14 to the consolidated financial statements) is 38,1% at 31 December 2018.



OUTLOOK

GENERAL

The Group will further explore and develop niche markets as well in the ferrous and the non-ferrous area of products. Furthermore, the Group continues to explore distressed assets that become available due to the market circumstances.

Several potential acquisitions are on the radar of the Group and it is expected that at least one plant will be added in the course of 2019.

A major contribution is expected from the Group's industrial activities in the production of aluminium, copper granulates and the pipe and tube plant. The Group will continue to further develop the synergies between the different divisions and its global network.

FINANCING

The long-term financing and short-term bank facilities are in place and the relationships with these banks will be maintained. In order to further grow the trading activities, additional trade finance capacity is being developed with the Group's current and new banking relationships.

EMPLOYEES

As over the last years, the Group will ensure that the organization remains lean in terms of headcount. Key management positions are filled in by personnel with the required experience, background, and the entrepreneurial spirit and drive to contribute to our growth and success. Additional personnel will only be employed when the growth in our activities requires so.

The Group is an equal opportunities employer and welcomes applications from all sections of society and does not discriminate on grounds of race, religion or belief, ethnic or national origin, disability, age, marital, domestic or civil partnership status, sexual orientation, gender identity, or any other basis as protected by applicable law.

1 METALCORP GROUP RISKS & UNCERTAINTIES

RISKS & UNCERTAINTIES

The presentation of consolidated financial statements requires the management to make estimations and assumptions which affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates impacted by the following risks:

FLUCTUATION IN CURRENCY EXCHANGE RATES

The Group finds its suppliers and customers across the globe, while operations and operating costs are spread across several different countries and currencies. Fluctuation in exchange rates, in particular, movements in US dollar and Australian dollar against the euro, may have a material impact on the Group's financial results. Note that our business is mainly executed on a dollar basis on the purchasing, selling as well as the financing side. If currency is not naturally hedged through back-to-back deals, the exposure is hedged through adequate instruments.

FINANCING, CASH FLOWS AND LIQUIDITY

The trading activities are dependent on trade financing lines availability. We have significant uncommitted trade lines with major banks. These trade financing lines are uncommitted by nature and, therefore, no guarantee can be given that trades presented to these banks will be funded. However, all presented deals thus far are financed by the banks.

PRICE VOLATILITY

The market prices for the various base metals are volatile and cannot be influenced neither controlled. Inventories are therefore subject to valuation changes, which may have a material impact on the Group's financial results. However, the Group enters into back-to-back deals in which serves as a natural hedge that "locks" the market price, so that the Group is not exposed to price fluctuations. In cases where the Group is not covered by this natural hedge, the price risk is mitigated by applying adequate financial instruments.

COUNTRY RISKS, POLITICAL, COMMUNITY AND FISCAL INTERVENTION

The Group's operations and projects span numerous countries, some of which have more complex, less stable political or social climates and consequently higher country risk. Political risks include changes in laws, taxes or royalties, expropriation of assets, currency restrictions or renegotiation of, or changes to, mining leases and permits. Similarly, communities in certain regions may oppose mining activities for various reasons. Any of these factors could have an adverse impact on the Group's profitability in a certain geographic region or at certain operations. However, so far the Group has not experienced those problems.

OTHER RISKS

Other risks facing the Group include performance risk on offtake agreements; quality of commodities traded and produced, competition, environmental and insurance risks and uncertainty of additional financing. These risks and the mitigating measures are monitored and managed by the Group on a regular basis and appropriate action is taken whenever this is required.

Luxembourg, April 30th 2019

Pascale Younès Chairwoman

O1 CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

PRESENTATION

As chairwoman of the management board (the "Chairwoman"), I am pleased to present the corporate governance report for the year ended 31 December 2018.

The Chairwoman notes that further to the regulation (EU) No 537/2014 of 16 April 2014, the management board (the "Board") can perform the equivalent functions that the functions assigned to the audit committee.

This report details how the Board has met its responsibilities under the corporate governance of the Luxembourg stock exchange in the last two months of the year ended 31 December 2018.

The Board focused particularly on the appropriateness of the Group's consolidated financial statements. The Board confirms that the 2018 Annual Report and consolidated financial statements are fair, balanced and understandable, and provide the information necessary for the sole shareholder to assess the Group's performance, business model and strategy. The significant issues that the Board considered in relation to the consolidated financial statements and how these issues were addressed are set out in this Report.

One of the Board's key responsibilities is to review the Group's risk management and internal controls systems, including in particular internal financial controls. During the financial year, the Board carried out an assessment of the principal risks facing the Group and monitored the risk management and internal control system on an on-going basis.

The Board also reviewed the effectiveness of the external audit process as part of the continuous improvement of financial reporting and risk management across the Group.

ROLE AND RESPONSIBILITIES

The Board monitors the integrity of the Group's consolidated financial statements and the effectiveness of the Group's internal financial controls. During the financial year the Board worked with the management, the external auditors and other members of the senior management team in fulfilling these responsibilities.

The Board report deals with the key areas in which the Board plays an active role and has responsibility. These areas are as follows:

- i. Financial Reporting;
- ii. The External Audit process;
- iii. Risk Management and Internal controls.

COMMITTEE MEMBERSHIP

As at 31 December 2018, the Board is formed by Mrs. Pascale MITRI YOUNES as Chairwoman, Mr. Anouar BELLI and Mr. Mehdi MEGDOUD as members.

The Board has an appropriate and experienced blend of commercial, financial, legal and industry expertise to enable it to fulfil its duties, and that the Chairwoman, Mrs Pascale MITRI YOUNES, has appropriate and relevant experience.

MEETINGS

The Board met one time during the year ended 31 December 2018. The Chairwoman of the Board also met the external auditor.

COMMITTEE EVALUATION

Any recommendations raised are acted upon in a formal and structured manner. No issues were identified for the year ended 31 December 2018.

FINANCIAL REPORTING

The Board is responsible for monitoring the integrity of the Group's consolidated financial statements and reviewing the financial reporting. The consolidated financial statements are prepared by a finance team with the appropriate qualifications and expertise.

The Board confirms that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for the sole shareholder to assess the Group's position and performance, business model and strategy.

EXTERNAL AUDIT PROCESS

The Board has responsibility for overseeing the Group's relationship with the external auditor including reviewing of their independence from the Group, their appointment and their audit fee proposals.

During the financial year, the Chairwoman of the Board met the external auditor. This meeting provided the opportunity for direct dialogue and feedback between the Chairwoman of the Board and the auditor.

EU Audit Reform EU legislation providing a new regulatory framework for statutory audit was adopted in April 2014 (comprising Directive 2014/56/EU and Regulation EU No. 537/2014). EU Audit reform legislation is applicable in the Member States of the European Union, including Ireland, and is applicable for the first financial year that commences after 17 June 2016. Under this legislation, Metalcorp Group S.A. is considered as a Public Interest Entity ("PIE").

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board monitors the Group's risk management and internal control processes through detailed discussions with the management, the review and approval of the external audit reports, which focus on the areas of greatest risk to the Group, as part of both the year-end audit and the half year review process, all of which highlight the key areas of control weaknesses in the Group. All weaknesses identified by external audit are discussed by the Board and an implementation plan for the targeted improvements to these systems is put in place. The implementation plan is being overseen by the Board.

On 30th April 2019

METALCORP GROUP S.A.

Pascale MITRI YOUNES Chairwoman of the management board Anouar BELLI Member of the management board Mehdi MEGDOUD Member of the management board

02 METALCORP GROUP CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

EUR 1.000	Note	2018	2017
Continuing Operations			
Revenue	2	618.900	592.688
Revenue from contract-based assets	2	1.828	-
Cost of sales	2	-570.387	-545.766
Gross profit	2	50.341	46.922
Operating expenses			
Selling expenses	3	-4.767	-4.834
Administrative expenses	3	-12.884	-10.980
		-17.651	-15.814
Operating profit		32.691	31.108
Non-operating income and expenses			
Unrealized fair value changes	11	6	-26
Financial income and expenses	4	-19.628	-14.359
Profit before tax		13.069	16.723
Income tax expense	5	-3.424	-3.598
Profit from continuing operations		9.645	13.125
Profit		9.645	13.125
Profit attributable to:			
Equity holders of Metalcorp Group S.A.		9.300	13.753
Non-controlling interests		345	-629
		9.645	13.125

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR 1.000	2018	2017
Profit	9.645	13.125
Other comprehensive income		
Revaluation tangible fixed assets	5.032	-
Translation differences foreign associated companies	-1.813	135
Total comprehensive income	12.865	13.260
Total comprehensive income attributable to:		
Equity holders of Metalcorp Group S.A.	12.519	13.588
Non-controlling interests	345	-328
Total result	12.865	13.260

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1.000	Note	31/12/2018	31/12/2017
Assets			
Non-current assets			
Property, plant and equipment	6	161.200	127.017
Intangible fixed assets	7	39.922	39.292
Financial fixed assets	8	623	48
Total non-current assets		201.745	166.357
Current assets			
Inventories	9	37.986	36.180
Receivables, prepayments and accrued income	10	165.964	174.773
Securities	11	6.031	6.025
Cash and cash equivalents	12	20.875	49.694
Total current assets		230.856	266.672
Total assets		432.601	433.030
Equity and liabilities			
Equity and natifices			
Equity			
Share capital		70.000	70.000
Reserves and retained earnings		48.823	36.650
Exchange difference		1.411	3.229
Equity attributable to the owners of the company	13	120.233	109.879
Non-controlling interest	13	27.006	27.440
Total equity		147.239	137.318
Non-current liabilities			
Loans and borrowings	14	160.561	115.611
Deferred tax liabilities	5	3.422	3.327
Total non-current liabilities		163.982	118.938
Current liabilities			
Current liabilities and accruals	14	121.381	176.774
Total current liabilities		121.381	176.774
Total equity and liabilities		432.601	433.030

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1.000	2018	2017
Operating profit	32.691	31.108
Adjustments for:		
- Depreciation (and other changes in value)	1.746	1.071
	1.746	1.071
Working capital changes		
- Movements trade receivables	12.858	6.233
- Movements inventories	-1.806	-2.304
- Movements on loans receivable	2.742	-8.063
- Movements trade payables	900	3.744
- Movements other payables and liabilities	-11.297	1.806
- Movements trade finance	-5.569 - 2.172	-14.965 - 13.549
	-2.1/2	-13.549
Interest paid after corporate income tax	2.424	5 207
Corporate income tax expense on operating activities	-3.424 - 3.424	-5.207 -5.207
	-3.424	-3.207
Cash flow from operating activities	28.841	13.422
Investments in intangible fixed assets	-3.204	=
Investments in property, plant and equipment	-35.303	-11.839
Disposals of property, plant and equipment	-	5.757
Disposals of group companies	484	-
Loss of control over subsidiaries	457	
Investments in other financial assets	-575	-
Disposals of other financial fixed assets	-	4.220
Acquisition of non-controlling interests	-	4.314
Cash flow from investment activities	-38.141	2.452
Receipt of long-term liabilities	44.950	83.166
Repayment of short term liabilities	-33.198	-3.472
Movements on loans receivable	-	-42.489
Change of ownership of a subsidiary	-11.649	
Other finance income	2.379	6.900
Other finance expense	-3.573	-6.761
Interest received	1.200	2.899
Interest paid	-19.174	-17.397
Cash flow from financing activities	-19.526	22.846
Net cash flow		
Exchange rate and translation differences on movements in cash	5	190
Movements in cash	-28.819	38.910
Cash and cash equivalents at 1 January 2018	49.694	
Cash and cash equivalents at 1 January 2016 Cash and cash equivalents at 31 December 2018	20.875	
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1.000	Issued share capital	Share premium	Revaluation reserve	Translation reserve	Other reserves	Result for the year	Legal entity share in group equity	Third-party share in group equity	Group Equity
2017 Opening Balance	70.000	9.628	-	114	9.909	8.353	98.004	23.590	121.594
Total comprehensive income and expense for the period									
Profit/(loss) for the period	-	-	-	-	-	13.753	13.753	-628	13.125
Foreign currency translation differences	-	-	-	-165	-	-	-165	300	135
Total comprehensive income and expense for the period	-	-	_	-165	-	13.753	13.588	-328	13.260
Other movements in equity Allocation of prior year result Acquisitions Other movements in equity	- - -	- - -	- - -	- - -	8.353 - -	-8.353 - -	-	- 4.314 -136	4.314 -136
Total other movements in equity	-	-	-	-	8.353	-8.353	-	4.178	4.178
Total	70.000	9.628		-51	18.262	13.753	111.592	27.440	139.032
Change in accounting principles ¹	-	-	16.399	3.280	-21.392	-	-1.713	-	-1.713
2018 Opening Balance	70.000	9.628	16.399	3.229	-3.130	13.753	109.879	27.440	137.318
Total comprehensive income and expense for the period									
Profit/(loss) for the period Revaluation of fixed assets	-	-	-	-	5.032	9.300	9.300 5.032	345	9.645 5.032
Foreign currency translation differences	-	-	-	-1.818	-	5	-1.813	-	-1.813
Total comprehensive income and expense for the period	-	-	-	-1.818	5.032	9.305	12.519	345	12.865
Other movements in equity									
Allocation of prior year result Other movements in equity	-	-	-1.828	-	13.753 -337	-13.753 -	- -2.165	- -779	-2.944
Total other movements in equity	-	-	-1.828	-	13.416	-13.753	-2.165	-779	-2.944
Total	70.000	9.628	14.571	1.411	15.318	9.305	120.233	27.006	147.239

¹ see note 1

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES

1.1 Corporate information

The activities of Metalcorp Group S.A. ("the Group" or "the Company") and its group companies primarily consist of the trading and production of metals, ores, alloys and related services like financing activities and provision of management services.

The Company was incorporated as a limited liability company under the laws of the Netherlands on 14 April 2003 for the purpose of establishing an industrial holding company in the Netherlands. Its ultimate shareholder is Cycorp First Investment Ltd.

Until October 31, 2018, the company was registered under Metalcorp Group B.V., a limited liability company incorporated under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands, and its registered office at Orlyplein 10, Crystal Tower 20th floor, 1043 DP Amsterdam, the Netherlands, registered with the Dutch Trade Register of the Chamber of Commerce under number 34189604. By resolution of the shareholder's meeting of 31 October 2018 the Company transferred its registered office and the place of central management from Amsterdam to 8, rue Dicks, L-1417 Luxembourg, Grand Duchy of Luxembourg, effective as of 1 November 2018, and as a result changed the nationality of the Company of Dutch nationality to Luxembourg nationality. Metalcorp Group continues under the form of a public limited liability company (société anonyme) under the name "Metalcorp Group S.A.".

The Company has its corporate headquarters in Luxembourg, registered with the Luxembourg Trade Register of the Chamber of Commerce under number B229218.

The consolidated annual accounts comprise the financial information of the Company and of its investments in which it exercises a controlling interest. These investments are fully included in the consolidation.

1.2 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as adopted by the European Union effective for the year ended 31 December 2018, and its interpretations as issued by the International Accounting Standards Board (IASB) effective for the year ended 31 December 2018. The above Standards and Interpretations are collectively referred to as "IFRS" in these financial statements.

As Metalcorp Group in 2018 has issued a bond on the Oslo Stock Exchange (regulated market) the Company is obliged to prepare its consolidated financial statements in accordance with IFRS. The Company-only financial statements are prepared in accordance with Luxembourg accounting principles and are presented and published separately from the consolidated financial statements.

1.3 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for:

- leasing transactions that are within the scope of IAS 17; and
- measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

 Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.4 New and revised IFRSs

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) (collectively, the Boards) respectively have issued largely converged new IFRS: IFRS 15 Revenue from Contracts with Customers, IFRS 9 Financial Instruments and amendments to IFRS 2 – Classification and measurement of share-based payment transactions.

As a result, the standards will likely affect an entity's financial statements, business processes and internal controls over financial reporting. Successful implementation will require an assessment of and a plan for managing the change. These IFRS standards will need to be implemented for the financial statements 2018.

The consolidated financial statements of the Group will be prepared using the same accounting policies as applied in the audited 2017 Annual Report, except for the adoption of a number of new and revised accounting pronouncements, that became effective as of 1 January 2018 and have been adopted by the Group.

IFRS 2 Share-based payment

The amendments to IFRS 2 clarify the classification and measurement of share-based payments transactions with respect to accounting for cash-settled share-based payment transactions that include a performance obligation, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The adoption of this amendment has had no material impact on the Company.

IFRS 9 and IFRS 15 require retrospective application. The Board (IASB) decided to allow either "full retrospective" adoption in which the standards are applied to all of the periods presented or a "modified retrospective" adoption. The Group performed a comprehensive analysis of the changes and impact.

The final position is described in the paragraphs below.

IFRS 9 Financial Instruments

IFRS 9 replaces the former IAS 39 "Financial Instruments: Recognition and Measurement" and covers classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting. The new IFRS 9 modifies the classification and measurement of certain classes of financial assets and liabilities and requires Metalcorp Group to reassess classification of financial assets from four to three primary categories (amortised cost, fair value through profit and loss, fair value through other comprehensive income), reflecting the business model in which assets are managed and their cash flow characteristics. Financial liabilities are measured as before at either fair value through profit and loss or amortised cost. Furthermore IFRS 9 introduced an expected credit loss ("ECL") impairment model, which means that anticipated as opposed to incurred credit losses are recognised resulting in earlier recognition of impairments. Changes in accounting policies resulting from IFRS 9 have been applied as at 1 January 2018, with no restatement of comparative information for prior year. Any difference between the carrying amount of financial instruments under IAS 39 and the carrying amount under IFRS 9 will be recognised in the opening retained earnings as at date of initial application. This will be reflected in the Other Comprehensive Income (OCI).

For Metalcorp Group the impact from the adoption of IFRS 9 is as follows:

- Presentational changes in the trade receivables (note 10) and corresponding supplementary note disclosures to reflect the business model and cash flow characteristics of these assets and liabilities and group them into their respective IFRS 9 category
- additional note disclosures regarding classification and measurement of financial instruments (table 1 below)
- additional net credit loss allowance and fair value adjustment of EUR 879 thousand as at January 2018 (table 2)

Table 1: Summary of the change in classification and measurement of financial assets and liabilities under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018:

EUR 1.000	Note	Original measurement category under IAS 39	New measurement category under IFRS 9	Original carrying amounts under IAS 39	effect of IFRS 9 adoption	new carrying amount under IFRS 9
Financial assets						
- Financial fixed assets (other receivables)	8	loans and receivables	amortised cost	48		48
- Trade receivables	10	loans and receivables	amortised cost	140.807	-5.881	115.549
- Trade receivables (Factoring)	10	loans and receivables	FVTPL	-	19.377	19.377
- Other receivables, prepayments and accrued income	10	loans and receivables	amortised cost	39.847		39.847
- Securities	11	available for sale	FVTPL	6.025		6.025
- Cash and cash equivalents	12	FVTPL	amortised cost	49.694		49.694
Financial liabilities						
- Borrowings (> 1 year)	14	loans and receivables	amortised cost	115.611		115.611
- Trade payables	14	amortised cost	amortised cost	43.361		23.984
- Trade payables (Factoring)	14	loans and receivables	FVTPL	-	19.377	19.377
- Trade finance	14	loans and receivables	amortised cost	51.335		51.335
- Current liabilities and accruals	14	loans and receivables	amortised cost	82.078		82.078
					-5.881	-

The effect of IFRS 9 adoption regarding trade receivables is composed as follows:

EUR 5.881 thousand

correction of deferred revenue EUR 2.964 thousand
 value adjustments EUR 2.038 thousand
 expected credit loss EUR 879 thousand

But this effect has no influence on profit or loss for 2018.

Metalcorp applies a simplified approach to measure the loss allowance for trade receivables classified as amortised cost using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating, adjusted as appropriate for current observable data. The following table details the risk profile of trade receivables based on the Company's provision matrix.

Table 2:

EUR 1.000	Expected default rate by historic observations	Carrying amount	Credit Loss allowance (included)
Current	0,56%	116.118	656
1-30 days past due	0,89%	10.144	90
31-60 days past due	1,01%	1.723	17
61-90 days past due	1,61%	868	14
more than 90 days past due	1,68%	6.072	102
	_	134.926	879

The carrying amount includes the trade recivables, the trade recivables (Factoring) and the contract based assets, already considering the expected loss

The company sells trade receivables as part of factoring. In addition to the characteristics of the contractual cash flows, the decisive factor for the classification according to IFRS 9 is the business model according to which the company manages the receivables. If receivables are sold as part of factoring and is derecognised on the balance sheet, the business model is no longer (only) the receipt of the contractual cash flows at maturity of the receivables, since the assignment or the sales is substantial for the control. The sale of receivables as part of a factoring program is therefore usually based on a liquidity management intent, so that an assignment to the business model "held for trading" no longer seems appropriate. Valuation in this case is at fair value through profit and loss. The impact as at January 2018 belongs to an amount of EUR 19.377 thousand without any effect on profit or loss for 2018 and leads to a separate (additional) disclosure of trade receivables (Factoring) as well as the corresponding trade payables (Factoring).

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 applies to revenue from contracts with customers and replaces all of the revenue standards and interpretations in IFRS. The standard outlines the principles an entity must apply to measure and recognize revenue and the related cash flows.

Metalcorp Group has undertaken a comprehensive analysis of the impact of the new standard based on a review of the contractual terms of its principal revenue streams with the primary focus being to understand whether the timing and amount of revenue recognized could differ under IFRS 15. Changes in accounting policies resulting from IFRS have been applied as at 1 January 2018, with no restatement of comparative information for prior year in accordance with the practical expedient not to restate contracts that begin and end within the same annual reporting period or have been completed as at 1 January 2017. As the majority of the Group's revenue is derived from arrangements in which the transfer of risks and rewards coincides with the fulfilment of performance obligations and transfer of control as defined by IFRS 15, the adoption of IFRS 15 has had no material impact in respect of timing and amount of revenue currently recognized by the Metalcorp Group. Therefore prior period amounts were not restated.

Metalcorp group has only one group of revenues that derives from arrangements with performance obligations over time. This relates to the commissions that are guaranteed by an Off-take agreement and payed/agreed at the end of the Off-take period between parties, but these are earned on every fulfilled service (metal back-to-back trade). As this is a distinct part of the contract the group will present this as a contract based asset and recognize the share of total commission revenue. In connection to that, the group will change the accounting principles for licenses and Off-take agreements according to fair value measurement which will present the full value of the Off-takes (and final value of the contract based asset) at any reporting date. As addition the amortization of the Off-takes will offset the revenue from the contracts, to show a fair presentation of Profit and Loss.

The impact of the adoption as of 1 January 2018 is the identification of an additional contract-based asset at fair value instead of a trade receivable of EUR 10.517 thousand.

IFRS 16 Leases

The new and revised IFRS 16 regarding Leases that is relevant for the Company has been issued but is not yet effective (effective for year ends beginning on or after 1 January 2019). The Directors have evaluated the impact that these new standards and interpretations will have on the financial statements of the Company. As a result, the directors assume that there will be no material impact on the adoption of IFRS 16 as the group will lease only non-essential assets.

1.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of

the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated

as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

1.6 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date the identifiable assets acquired and the liabilities assumed are recognized at their fair value except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to sharebased payment arrangements of the acquiree or sharebased payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred the amount of any noncontrolling interest in the acquiree and the fair value

of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interest proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interest are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the

Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

1.7 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 1.6.) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rate based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.8 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power

to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control. The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IFRS 9 are applied to determine whether it is necessary to recognize an impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any Impairment loss recognized forms part of the carrying amount of the

investment

Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture or when the investment tis classified as held for sale. When the group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interest in the associate or joint venture that are not related to the Group.

1.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns rebates and other similar allowances.

The majority of Group's revenue is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amounts of revenue can be measured reliably;
- it is probably that the economic benefits associated with the transaction will flow to the Group;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group has one type of revenues that derives from arrangements with performance obligations satisfied over time (contract based assets) in accordance with IFRS 15. The method of this specific revenue recognition is described in note 1.4 and note 2.2.

1.10 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to quaffing assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognized an expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except

where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits form the leased asset are consumed.

1.11 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future reductive use which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Euros using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period,

unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributed to noncontrolling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset) all of the exchange differences accumulated in equity in respect of the operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

1.12 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

1.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income, because items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax based used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized., based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets

reflects the consequences that would follow from the manner in which the Group expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination the tax effect is included in the accounting from the business combination.

1.14 Property, plant and equipment and Intangible fixed assets

Property, plant and equipment are stated at cost, being the fair value of the consideration given to acquire or construct the asset, including directly attributable costs required to bring the asset to the location or to a condition necessary for operation and the direct cost of dismantling and removing the asset, less accumulated depreciation and any accumulated impairment losses.

Intangible assets include goodwill and Offtake contracts. The Offtake contracts as per 31 December 2017 were valued at cost. As the value of Offtakes is mainly driven by their use of the company and is therefore calculable through the value of the outputs, the group intends according to IAS 8. 14(b) to improve the presentation of it's intangible fixed assets containing an Offtake Portfolio and measured them at fair value.

For the accounting policies concerning mineral rights reference is made to note 1.15.

Property, plant and equipment are depreciated to their estimated residual value over the estimated useful life of the specific asset concerned. Identifiable intangible assets with a finite life are amortized on a straightline basis and/or in accordance with the unit-of-production method ("UOP") over their expected useful life. Reference is made to note 1.27 for more details on the application of the UOP method. Goodwill is not amortized.

The major categories of property, plant and equipment and intangible assets are depreciated/amortized on a UOP and/or straight-line basis as follows (per annum):

Land and Buildings: 0%

Plant and Equipment: 10% - 33% Other operating assets: up to 10% Assets under finance leases, where substantially all the risks and rewards of ownership transfer to the Group as lessee, are capitalized and depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. All other leases are classified as operating leases, the expenditures for which are charged against income over the accounting periods covered by the lease term.

1.15 Mineral rights

Mineral rights consist of exploration and evaluation expenditure, mineral resources, mineral reserves, and mineral rights.

Exploration and evaluation expenditure relates to costs incurred on the exploration and evaluation of potential mineral resources and includes costs such as researching and analyzing historical exploration data, exploratory drilling, trenching, sampling and the costs of pre-feasibility studies.

Exploration and evaluation expenditure for each area of interest, other than that acquired from the purchase of another company, is charged to the statement of income as incurred except when:

- the expenditure is expected to be recouped from future exploitation or sale of the area of interest; and it is planned to continue with active and significant operations in relation to the area;
- or at the reporting period end, the activity has not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves, in which case the expenditure is capitalized.

Purchased exploration and evaluation assets are recognized at their fair value at acquisition.

Capitalized exploration and evaluation expenditure is recorded as a component of mineral rights in property, plant and equipment. All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest or at the cash generating unit level. To the extent that capitalized expenditure is not expected to be recovered it is charged to the statement of income.

Mineral reserves, resources and rights (together Mineral Rights) which can be reasonably valued, are recognized

In the assessment of fair values on acquisition, Mineral Rights for which values cannot be reasonably determined are not recognized. Exploitable Mineral

Rights are amortized using the UOP over the commercially recoverable reserves and, in certain circumstances, other mineral resources. Mineral resources are included in amortization calculations where there is a high degree of confidence that they will be extracted in an economic manner.

1.16 Impairment

At the end of each reporting period the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis can be identified, Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cashgenerating unit) is estimated to be less than its carrying amount the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount, does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognized immediately in profit or loss unless the relevant asset is

carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.17 Inventories

Production Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a first-in-first-out basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The Trading inventories are stated at Fair Value less costs to sell.

1.18 Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.19 Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Since 1 January 2018 the Group classifies its financial instruments as either financial assets at amortised cost, at fair value through other comprehensive income

(FVTOCI) or at fair value through profit or loss (FVTPL). The classification depends on the Group's business model for managing the financial assets and contractual terms of the cash flows.

Amortised cost: Assets that are held for collection of contractual cash flows represent solely payments of principal and interest. Interest income from those financial is included in finance income.

FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the cash flows of the assets represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Unrealized gains or losses are recorded as a fair value adjustment in the consolidated statement of comprehensive income and transfered to the consolidated income statement when this financial asset is sold. Exchange gains and losses and impairments related to these financial assets are immediately recognized in the consolidated income statement.

FVTPL: Assets that do not meet the criterias for amortised cost or FVTOCI. Changes in fair value of financial instruments at FVPL are immediately recognized in the consolidated income statement.

Listed redeemable notes held by the Group that are traded in an active market are classified as FVTPL and are stated at fair value at the end of each reporting period. Changes in the carrying amount of FVTPL monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on FVTPL equity investments are recognized in profit or loss. Other changes in the carrying amount of FVTPL financial assets are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on FVTPL equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

The fair value of FVTPL monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognized in profit or loss are determined based on the amortised cost of

the monetary asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

FVTPL equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Financial assets are initially recognised at fair value on the trade date, including, in the case of instruments not recordedat fair value through profit or loss, directly attributable costs. Other investments, provisionally priced trade receivables and derivates are carried at fair value. Trade receivables (without provisional price features), loans and other receivables are carried at amortised cost adjusted for any loss allowance.

Financial liabilities (except derivates and liabilities with provisional price features) are initially recognised at fair value of consideration received net of transaction costs as appropriate and subsequently carried at amortised cost. Derivates and financial liabilities including provisional price features are carried at FVTPL.

1.20 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For FVTPL equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables assets are assessed for impairment on a

collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL, at the end of each reporting period. The expected credit loss recognised represents a probability-weighted estimate of credit losses over the expected life of the financial instrument. Metalcorp Group applies the simplified approach to measure the loss allowance for trade receivables classified as amortised cost using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and an equivalent credit rating, adjusted as appropriate for current observable data and forward-looking information. For all other financial assets at amortised cost the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

For financial assets carried at amortised cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortised cost, if, in a

subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

In respect of FVTPL equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of FVTPL debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

1.21 De-recognition of financial assets and financial liabilities

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On de-recognition of a financial asset other than its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of

those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or losses allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

1.22 Derivatives and hedging activities

Derivative instruments, which mainly include contracts to sell or purchase commodities that do not meet the own use exemption, as well as FX derivatives to a minor extend, are initially recognize at fair value when the Company becomes a party to the contractual provisions of the instrument and are subsequently re-measured to fair value at the end of each reporting period. Fair values are determined using quoted market prices, dealer price quotations or using models and other valuation techniques, the key inputs for which include current market and contractual prices of the underlying instrument, time to expiry, yield curves, volatility of the underlying instrument and counterparty risk.

Gains and losses on derivative instruments for which hedge accounting is not applied, other than the revenue adjustment mechanism embedded within provisionally priced sales, are recognized in cost of goods sold.

Those derivatives qualifying and designated as hedges are either

- (i) a Fair Value Hedge of the change in fair value of a recognized asset or liability or an unreconized firm commitment, or
- (ii) a Cash Flow Hedge of the change in cash flows to be received or paid relating to a recognized asset or liability or a highly probably transaction.

A change in the fair value of derivatives designated as a Fair Value Hedge is reflected together with the change in the fair value of the hedged item in the statement of income.

A change in the fair value of derivatives designated as a Cash Flow Hedge is initially recognized as a cash flow hedge reserve in shareholders' equity. The deferred amount is then released to the statement of income in the same periods during which the hedged transaction affects the statement of income. Hedge ineffectiveness is recorded in the statement of income when it occurs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in shareholders' equity and is recognized in the statement of income when the committed or forecast transaction is ultimately recognized in the statement of income.

A derivative may be embedded in a "host contract". Such combinations are known as hybrid instruments and at the date of issuance, the embedded derivative is separated from the host contract and accounted for as a stand-alone derivative if the criteria for separation are met. The host contract is accounted for in accordance with its relevant accounting policy.

1.23 Critical accounting policies, key judgments and estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates.

The Company has identified the following areas as being critical of understanding the Company's financial position as they require management to make complex and/or subjective judgments and estimates about matters that are inherently uncertain:

Depreciation and amortization of property plant and equipment and mineral rights

Mineral rights and certain plant and equipment are depreciated / amortized using UOP rate of depreciation / amortization, and therefore the annual charge to

operations, can fluctuate from initial estimates. This could generally result when there are significant changes in any of the factors or assumptions used in estimating mineral reserves, notably changes in the geology of the reserves and assumptions used in determining the economic feasibility of the reserves. Such changes in reserves could similarly impact the useful lives of assets depreciated on a straight line basis, where those lives are limited to the life of the project, which in turn is limited to the life of the proven and probably mineral reserves. Estimates of proven and probable reserves are prepared by experts in extraction, geology and reserve determination.

Assessments of extraction, geology and reserve determination, assessments of UOP rates against the estimated reserve and resource base and the operating and development plan are performed regularly.

Impairments

Investments in Associates and other investments, advances, and loans and property, plant and equipment, and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable or at least annually for goodwill and other indefinite life intangible assets.

If an asset's recoverable amount is less than the assets' carrying amount, an impairment loss is recognized. Future cash flow estimates which are used to calculate the asset's fair value are based on expectations about future operations primarily comprising estimates about production and sales volumes, commodity prices, reserves and resources, operating rehabilitations and restoration costs and capital expenditures. Changes in such estimates could impact recoverable values of these assets.

Estimates are reviewed regularly by management.

Valuation of derivative instruments

Derivative instruments are carried at fair value and the company evaluates the quality and reliability of the assumptions and data used to measure fair value in the

three hierarchy levels, Level 1, 2 and 3, as prescribed by IFRS 7.

Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets (Level 1); by using models with externally verifiably inputs (Level 2); or using alternative procedures such as comparison to comparable instruments and/or using models with unobservable market inputs requiring the Company to make market based assumptions (Level 3).

Provisions

The amount recognized as a provision, including tax, legal, restoration and rehabilitation, contractual and other exposures or obligations is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. The Group assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

Fair Value measurements

In addition to recognizing derivative instruments at fair value, as discussed above, an assessment of air value of assets and liabilities is also require in accounting for other transaction most notably, business combinations and disclosures related to fair values of marketing inventories, financial assets and liabilities. In such instances, fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end, and are therefore not necessarily reflective of the likely cash flow upon actual settlements. Where fair value measurements cannot be derived from publicly available information, they are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs take into account externally verifiable inputs. However, such information is by nature subject to uncertainty; particularly where comparable market based transactions rarely exist.

NOTE 2. SEGMENT INFORMATION

2.1 General

The Company is organized in two segments, Non-Ferrous and Ferrous, with the following sub-segments: Trading and Production.

This structure is used by management to assess the performance of the Company.

The Non-Ferrous production is headed by BAGR Berliner Aluminiumwerk GmbH, which is the leading independent secondary producer of aluminium slabs. BAGR is located in Berlin, Germany and has a highly efficient team of qualified professionals who turn aluminium scrap, alloy additives and small quantities of primary aluminium into high-quality aluminium slabs. These are then further processed by our customers into strips, sheets, plates and cuttings. BAGR has increased its business activities by taking 100% stake of Stockach Aluminium GmbH, a secondary slab manufacturer located in Southern Germany. The Group has furthermore a non-ferrous production base with Cable Recycling Industries S.L., a secondary copper producer based in Bilbao.

The Non-Ferrous Trading activities are managed by Tennant Metals, which trades in all the LME metals and a range of specialty and bulk metals and acts as principal in the vast majority of its trading activities.

The main metals traded by Tennant Metals are ferrochrome, aluminium, copper, lead, tin and zinc.

The raw materials activities consists of a team of professionals that has the objective to develop resources projects to establish off-take agreements and partnerships with third parties.

The Ferrous Trading division is headed by Steelcom and its trading activities cover a wide range of steelmaking raw materials (such as coal, metallurgical coke, iron ore, pig iron, hot briquetted iron (HBI) and direct reduced iron (DRI), semi-finished products (such as slabs and billets), and finished industrial steel products (such as long and flat finished steel products, from structural sections to high-value-added coated and pre-painted products). Furthermore, since September 2016 Steelcom runs a steel automotive supply-chain business, which has now proven to be a consistent and prominent business stream of the division. Steelcom is well positioned to serve international clients and suppliers due to its global presence, its renowned back office, its trade finance facilities and its operating track record of over 50 years.

In Ferrous Production, the Group runs a state-of the art pipe and tube manufacturing plant in Thessaloniki, Greece.

2.2 Segment Revenues and Results

The following is an analysis of the Group's revenue, gross profit ("GM") and results from continuing operations by reportable segment.

reportable segment.	Reven	ue	GM	1	Res	sult
EUR 1.000	2018	2017	2018	2017	2018	2017
Ferrous						
- Production	6.649	2.637	188	-21	237	-
- Trading & Other	244.866	190.176	12.793	16.313	1.661	2.188
Total Ferrous	251.515	192.813	12.981	16.292	1.898	2.188
Non-ferrous - Production - Contract Based assets	147.077 1.828	114.678	13.128	11.389	5.600	7.555
- Trading & Other	220.308	285.197	24.232	19.241	2.147	3.382
Total Non-ferrous	369.213	399.875	37.360	30.630	7.747	10.937
Total	620.728	592.688	50.341	46.922	9.645	13.125

Segment revenue reported above represents revenue generated from external customers. The revenues from contract based assets derive from arrangements with performance obligations over time in accordance with IFRS 15. This relates to commissions that are

guaranteed by an Offtake agreement and payed/agreed at the end of the Offtake period between parties, but these are earned on every fulfilled service (metal back-to-back trade). As this is a distinct part of the contract the group presents this as a contract based asset and

NOTE 2.

recognizes the share of total commission revenue. The amount of EUR 1.828 thousand reflects the difference of the fair value off the contract based assets as per 31 December 2018 (EUR 12.345 thousand) and 31 December 2017 (EUR 10.517 thousand), see note 1.4 and note 10. The Offtake contracts are written off in the same amount so that the impact on the income statement is balanced out, see note 7. As a result, the group shows the correlation between the fair values of

the Offtake contracts and the Contract based assets. Apart from service fees charged between entities for services provided, there were no inter-segment sales in the current year.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Profit represents the profit after tax earned by each segment.

2.3 Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment.

	Assets	s	Liabilities		
EUR 1.000	2018	2017	2018	2017	
Ferrous					
- Production	35.021	32.773	15.841	13.960	
- Trading & Other	64.994	50.497	42.390	33.643	
Total Ferrous	100.015	83.270	58.231	47.604	
Non-ferrous					
- Production	107.229	64.200	36.165	37.070	
- Trading & Other	225.357	285.560	190.967	211.038	
Total Non ferrous	332.586	349.760	227.132	248.108	
Total	432.601	433.030	285.363	295.711	

Depreciation	and	amortization
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Additions to non-current assets

EUR 1.000	2018	2017	2018	2017
_				
Ferrous				
- Production	88	76	-35	-80
- Trading & Other	77	80	-71	-133
Total Ferrous	165	156	-106	-213
Non-ferrous				
- Production	901	846	8.269	6.886
- Trading & Other	680	69	27.225	-6.073
Total Non-ferrous	1.581	915	35.494	813
Total	1.746	1.071	35.388	600
	1.740	1.071	33.300	- 000

The additions to non-current assets in the trading division also include the additions of financial instruments as reported in Note 8 Financial Fixed Assets.

It is included in this overview, as it is a significant position that is reported to management on a regular basis.

NOTE 2.

2.4 Geographical Information

The Group operates globally and operations are managed by the following geographical analysis:

	Revenue		GM		Non-Current assets	
EUR 1.000	2018	2017	2018	2017	2018	2017
						_
Region						
Europe	470.515	481.966	45.243	42.266	68.537	60.507
Middle East	5.897	6.903	107	496	-	-
Asia-Pacific	41.210	36.940	1.826	1.540	6.616	6.862
Americas	37.654	13.546	1.461	587	-	-
Africa	65.452	53.333	1.704	2.033	126.592	98.988
Total	620.728	592.688	50.341	46.922	201.745	166.357

The allocation of Revenue and GM is based on the country of incorporation of the sales counterparty. This may not necessarily be the country of the counterparty's ultimate parent and/or final destination of product. Note that the Non-Current assets also contain the financial instruments as reported in Note 8 Financial

Fixed Assets, as this is a significant position that is reported to management on a regular basis.

None of the customers contribute over 10% of revenue.

NOTE 3. EXPENSES

EUR 1.000	2018	2017
Selling expenses		
Personnel	4.736	4.778
Sales and marketing expenses	31 4.767	56 4.834
Total selling expenses	4.707	4.054
Administrative expenses		
Personnel	2.458	2.818
Professional services fees Facilities and offices	2.559 2.515	2.537 2.373
Other operating expenses	3.606	2.373
Depreciation and amortization	1.746	1.071
Total administrative expenses	12.884	10.980
Operating expenses	17.651	15.814
Breakdown: depreciation and amortization		
Property Plant and Equipment	1.120	997
Intangible assets	536	255
Total depreciation and amortization	1.656	1.252
Allocated to production costs	90	-181
As included in administrative expenses	1.746	1.071

The average number of employees of the Group during the year, converted to full-time equivalents was 280 (2017: 286) of which 277 are employed outside of Luxembourg (2017: 280 outside of the Netherlands). In the personnel expenses an amount of EUR 975

thousand related to social security premiums (2017: EUR 1.034 thousand) and an amount of EUR 226 thousand related to pension premiums are included (2017: EUR 208 thousand).

NOTE 4. FINANCIAL INCOME AND EXPENSES

EUR 1.000	2018	2017
Financial income and expenses		
Other interest income and similar income	1.200	2.899
Interest expenses and similar charges	-19.174	-17.397
Other financial income	2.587	3.724
Other financial expenses	-4.032	-6.761
Total financial income and expenses	-19.420	-17.535
Income from foreign exchange		
Forex gains	3.807	7.344
Forex losses	-4.015	-4.169
Total income from foreign exchange	-208	3.176
Total financial income and expenses	-19.628	-14.359

The other financial expenses include a loss on the sale of the entire shares of a subsidiary of A&A Metals S.A., Switzerland, in the amount of EUR 257 thousand (share sale and purchase agreement dated 19 March 2018). As the conditions of this agreement (payment of shares, fully paid back loan) were refilled as per 30 September 2018, the Group lost control of its subsidiary. The consideration paid was EUR 457 thousand. As the confirmed net asset value as per 30 September 2018 amounts to EUR 713 thousand the Group made a loss on the sale at an amount of EUR 257 thousand. The Cash flow is shown separately as Cash flow from investment activities in accordance with with IAS 7.39

NOTE 5. TAXATION

Income taxes consist of the following:

EUR 1.000		2018		2017
Current income tax expense		-3.424		-5.207
Deferred income tax		-		1.609
Total income tax expense		-3.424		-3.598
EUR 1.000	%	2018 EUR	%	2017 EUR
Taxable result		13.069		16.723
Tax burden based on Luxembourg nominal rate (2017: Dutch nominal rate)	18,0%	2.352	24,9%	4.171
Tax rate differences.	8,2%	1.072	3,4%	-573
Taxation on result on ordinary activities	26,2%	3.424	31,1%	3.598

The effective tax rate on the Group results rate differs from the statutory Luxembourg (2017: Dutch) income tax rate applicable to the Company mainly due to increased activity in European regions such as Germany and the beneficial deferred tax impact in Greece.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

The movements in Property, plant and equipment are as follows:

EUR 1.000	Land and buildings	Plant and machinery	Other operating assets	Mineral rights	Total
Gross carrying amount	10.003	24.450	2.162	02.625	121 120
1 January 2017 Additions	10.893 1.170	24.458 7.790	3.162 591	92.625 2.288	131.138 11.839
Sold assets	1.170	7.790	591	-5.767	-5.767
31 December 2017	12.063	32,248	3.753	89.146	137.210
51 December 2017	12.003	32.240	3.733	09.140	137.210
Accumulated depreciation and impairments					
1 January 2017	143	7.135	1.918	-	9.196
Depreciation	-	495	502	-	997
31 December 2017	143	7.630	2.420	-	10.193
Net book value at 31 December 2017	11.920	24.618	1.333	89.146	127.017
EUR 1.000	Land and buildings	Plant and machinery	Other operating assets	Mineral rights	Total
Gross carrying amount					
1 January 2018	12.063	32.248	3.753	89.146	137.210
Additions	2.217	1.739	1.138	30.209	35.303
Sold assets	4.4.200	-	4.004	- 440 255	472 542
31 December 2018	14.280	33.987	4.891	119.355	172.513
Accumulated depreciation and impairments					
1 January 2018	143	7.630	2.420	_	10.193
Depreciation	322	211	587	_	1.120
31 December 2018	465	7.841	3.007	-	11.313
Net book value at 31 December 2018	13.815	26.146	1.884	119.355	161.200

The Plant and Machinery as at 1 January 2018 represent the production facilities of BAGR, CRI and Nikolaïdis.

Part of the equipment for the BAGR facilities is leased for which reference is made to Note 15 – Leasing.

The additions of 2018 in Plant and Machinery and Other operating assets are mainly related to capitalized maintenance expenses that extend the economic life, which are written off in line with the accounting principles as set out in Note 1.

The additions in Mineral rights are related to the further development of Societe des Bauxites de Guinee (SBG), an integrated bauxite and alumina facility in Guinea. They result from investments in the infrastructure and from the mining convention reached in May 2018 and ratified by the Guinean Parliament in July 2018.

The annual impairment test did not lead to any writeoffs. For the accounting treatment of Mineral rights and the impairments, reference is made to note 1.15 and note 1.16.

NOTE 7. INTANGIBLE FIXED ASSETS

A summary of the movements of intangible fixed assets is given below:

EUR 1.000	Offtake Contracts	Goodwill	Other intangible assets	Total
Gross carrying amount				
1 January 2017	12.719	22 634	306	35 659
Adjustment due to accounting policy change	3.927	-	-	3.927
Exchange rate differences		-	-	
31 December 2017	16.646	22.634	306	39.586
Accumulated amortization and impairments				
1 January 2017	-	-	280	280
Adjustment due to accounting policy change	-241	-	-	-241
Amortization	241	-	14	255
31 December 2017	-	-	294	294
Net book value at 31 December 2017	16.646	22.634	12	39.292
EUR 1.000	Offtake Contracts	Goodwill	Other intangible assets	Total
	Offtake Contracts	Goodwill	intangible	Total
EUR 1.000 Gross carrying amount 1 January 2018	Offtake Contracts	Goodwill 22.634	intangible	Total 39.586
Gross carrying amount			intangible assets	
Gross carrying amount 1 January 2018 Acquisitions Revaluation	16.646 - -	22.634	intangible assets	39.586 3.204
Gross carrying amount 1 January 2018 Acquisitions Revaluation Disposals / Write Off's	16.646 - - -1.828	22.634	intangible assets	39.586 3.204 - -1.828
Gross carrying amount 1 January 2018 Acquisitions Revaluation Disposals / Write Off's Exchange rate differences	16.646 - - - -1.828 -210	22.634 3.204 - -	intangible assets 306 - - -	39.586 3.204 - -1.828 -210
Gross carrying amount 1 January 2018 Acquisitions Revaluation Disposals / Write Off's	16.646 - - -1.828	22.634	intangible assets	39.586 3.204 - -1.828
Gross carrying amount 1 January 2018 Acquisitions Revaluation Disposals / Write Off's Exchange rate differences	16.646 - - - -1.828 -210	22.634 3.204 - -	intangible assets 306 - - -	39.586 3.204 - -1.828 -210
Gross carrying amount 1 January 2018 Acquisitions Revaluation Disposals / Write Off's Exchange rate differences 31 December 2018 Accumulated amortization and impairments 1 January 2018	16.646 - - -1.828 -210 14.608	22.634 3.204 - -	intangible assets 306 - - -	39.586 3.204 - -1.828 -210 40.752
Gross carrying amount 1 January 2018 Acquisitions Revaluation Disposals / Write Off's Exchange rate differences 31 December 2018 Accumulated amortization and impairments 1 January 2018 Amortization	16.646 	22.634 3.204 - -	306 - - - - 306 294 9	39.586 3.204 - -1.828 -210 40.752 294 536
Gross carrying amount 1 January 2018 Acquisitions Revaluation Disposals / Write Off's Exchange rate differences 31 December 2018 Accumulated amortization and impairments 1 January 2018	16.646 - - -1.828 -210 14.608	22.634 3.204 - -	306 - - - - 306	39.586 3.204 - -1.828 -210 40.752

The Offtake contracts as per 31 December 2017 are related to a portfolio of supply contracts that the Company obtained through past acquisitions (in 2017 referred to as contract based intangible assets). According to IAS 8.14(b) the Group intends to improve the presentation of its intangible fixed assets containing an Offtake Portfolio valued at cost. As the value of Offtakes is mainly driven by their use of the company and is therefore calculable through the value of the outputs, the fair value measurement is the favorable approach to clear estimate the value. The impact of this change in accounting principles amounts to total EUR 4.168 thousand. To show more transparent the correlation between contract based assets and Offtake contracts all Offtake contracts that existed on 31 December 2018 were pooled and revaluated at fair value.

This new portfolio includes two Offtake contracts in South Africa and Indonesia.

The fair value of Offtake contracts can be derived from the development of contract based assets. To the extent that contract based asset is built on the right to commission, the Offtake portfolio is written off, in 2018 with an amount of EUR 1.828 million, see correspondingly note 2.2 and note 10.

The production related to these contracts has started or is expected to commence within one to four years. The contracts are expected to produce over a period between 10 and 16 years. The valuation of these contracts is assessed by calculating the net present values of the supply that will be provided over the contract-term

NOTE 7.

using long term price forecast for the metals provided by third parties. As the contracts relate to operations that are in development, the discount rates are set at similar levels used for project development applicable to the regions in which the operations are located.

The increase in goodwill in 2018 with an amount of EUR 3.204 thousand results from the acquisition of the remaining shares in Stockach Aluminium GmbH through the Group's subsidiary BAGR Berliner Aluminiumwerk GmbH. Following the requirements of IFRS 3.10 a purchase price allocation was prepared in 2017, based on the fair values of all assets and liabilities The result of the purchase price allocation in 2017 was, that no Goodwill needed to be capitalized. With the purchase and assignment contract dated 5 July 2018, BAGR acquired the remaining 50% of the shares in the Stockach Aluminium GmbH with effect from 1 January 2018. In 2018 the Group recalculated the Goodwill following IFRS 3.45-50 as the measurement period with the available information is still applicable. The new total purchase price amounted to EUR 11.192 thousand EUR. The reported goodwill results from the difference between the purchase price and the equity of 100% of the shares in Stockach Aluminium GmbH as of 1 January 2018.

Purchase price	11.192
Total equity value as per 31 December 2017	-7.987
Goodwill	3.204

The Group accounted the remaining goodwill within the financial year 2018 as IFRS 3.49 defines that there is no change of prior accounting periods allowed. The Cash flow of the purchase price paid is shown separately as Cash flow from financing activities in accordance with IAS 7.42B, 17B.

Goodwill is related to the investments in the production activities (2018: EUR 24.024 thousand; 2017: EUR 20.820 thousand) and the trading activities (2018: EUR 1.814 thousand; 2017: EUR 1.814 thousand). The recoverable amount of each cash-generating unit, used in the annual impairment tests performed in the fourth quarter, is based on its value in use. Key assumptions used in the impairment tests for the cash-generated units were sales growth rates, operating result and the rates used for discounting the projected cash flows. These cash flow projections were determined using management's internal forecasts that cover a period of 5 years, based on the financial plans as approved by the Company's management. The annual impairment test did not lead to any impairments of goodwill. The present value of estimated cash flows has been calculated using a pre-tax discount rate of 8,7 % in respect of our trading activities and 11,10 % in respect of our production activities. The pre-tax discount rate reflects the current market assessment of the time value of money and the specific risks of the cash-generating

NOTE 8. FINANCIAL FIXED ASSETS

A summary of the movements in the financial fixed assets is given below:

EUR 1.000	Other receivables	Total
Book Value		
Balance at 1 January 2017	4.268	4.268
Sales, redemptions and other	-4.220	-4.220
Balance at 31 December 2017	48	48
Book Value		
Balance at 1 January 2018	48	48
Additions	575	575
Balance at 31 December 2018	623	623

The "Other receivables" includes loans given to various companies to finance the start-up of production facilities for which we will receive potential off-takes in return.

All these loans are secured by underlying assets of those companies.

NOTE 9. INVENTORIES

EUR 1.000	31/12/2018	31/12/2017
Manufacturing Raw materials and consumables Finished products	10.320 10.603	7.747 9.696
Trading Finished products	17.063	18.737
Total inventories	37.986	36.180

The manufacturing inventories consist of finished products and raw materials and consumables of BAGR, CRI, Nikolaïdis and Stockach Aluminium. The finished products are already sold and in the course of delivery to the client.

The trading inventories are commodities that are already sold by, but still held by the Trading companies

as the Company still retains the principal risks and rewards of ownership. These inventories are pledged as a security for trade finance facilities with an amount of EUR 28 million.

No impairment has been recorded for the inventories during the year.

NOTE 10. RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME

EUR 1.000	31/12/2018	31/12/2017
Trade receivables	92.174	105.032
Trade receivables (Factoring)	24.340	19.377
Contract based assets	12.345	10.517
Other receivables	24.300	27.975
Taxation	1.605	1.878
Prepayments and accrued income	11.200	9.994
Total receivables, prepayments and accrued income	165.964	174.773

Regarding the trade receivables the Group applies a simplified approach to measure the loss allowance for trade receivables classified as amortised cost using the lifetime expected loss provision (see note 1.4 regarding the new IFRS 9). The expected credit loss on trade

receivables is estimated using a provision matrix by reference to past default experience and credit rating, adjusted as appropriate for current observable data. The following table details the risk profile of trade receivables based on the Groups's provision matrix:

EUR 1.000	expected default rate	Carrying amount	Credit Loss allowance(included)
Current	0,89%	98.436	877
1-30 days past due	0,89%	24.220	217
31-60 days past due	1,01%	3.000	30
61-90 days past due	1,62%	1.976	32
more than 90 days past due	1,69%	1.226	21
		128.858	1.176

The provision for doubtful receivables as at 31 December 2018 amounts to a total of EUR 1.387 thousand (2017: 879, see note 1.4, table 2) and contains other doubtful receivables with an amount of EUR 210 thousand. The

difference between the Credit loss allowance as per 31 December 2017 and 31 December 2018 amounts to EUR 297 thousand and is recognized as other financial expenses.

Part of the trade receivables are pledged as collateral for trade financed loans. The credit risk of the Trade receivables is insured at renowned insurance firms and all related due trade receivables were collected in the first guarter of 2019.

Regarding the trade receivables (Factoring) reference is made to note 1.4./IFRS 9. These trade receivables are valued at fair value through profit and loss and show the value as per 31 December 2018. They correspond with the trade payables (Factoring), see note 14.

The contract based assets are explained under note 1.4./IFRS 15 and correspond to the Offtake contracts as described in note 7.

Within other receivables an amount of EUR 5,3 million is included concerning products already delivered and to be invoiced to a customer. Furthermore, an amount of EUR 4,7 million is included (2017: EUR 4,7 million) in relation to a manganese project that Metalcorp initiated and then sold to a third party for further development. The amount is outstanding and the Company deems it reasonable to collect it as the total nominal value of the project is EUR 7,0 million. Furthermore VAT refund claims are an important part of the other receivables.

Prepayments and accrued income include prepayments for material purchased and down payments received from customers.

NOTE 11. SECURITIES

EUR 1.000	01/01/2017	Acquisition	Disposal	Revaluation	31/12/2017
Unlisted securities Listed securities	6.051	-	-	-26 -	6.025
Total	6.051	-	-	-26	6.025
EUR 1.000	01/01/2018	Acquisition	Disposal	Revaluation	31/12/2018
Unlisted securities Listed securities	6.025	-	-	6	6.031
Total	6.025	-	-	6	6.031

The unlisted securities include a portfolio of shares of the Company's parent company, which are held for trading in relation with future business acquisitions (reference is made to note 18).

NOTE 12. CASH AND CASH EQUIVALENTS

Part of the amount of EUR 20,8 million of the Cash and Cash Equivalents is restricted as this cash is mainly deposited at multiple renowned trade finance banks and serve as cash collateral for trade finance

transactions at 31 December 2018. Trade finance has a self-liquidating character, which means that the cash becomes unrestricted upon completion of the trade finance transaction.

NOTE 13. SHARE CAPITAL AND RESERVES

The movement in Equity is provided in E. Consolidated statement of changes in equity.

Isued Share Capital

The issued share capital of the Company amounts to EUR 70 million (2017: EUR 70 million) divided into 70 million ordinary shares of EUR 1 per share. The total number of authorized shares is 110 million (2017: 110 million shares). All of the shares are owned by Lunala Investments S.A. (Luxembourg).

Translation Reserve

The translation reserve comprises of all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of intercompany loans of permanent nature.

NOTE 14. LIABILITIES

EUR 1.000	31/12/2018	31/12/2017
Long-term liabilities		
Bonds	146.627	108.008
Long term leasing	2.010	1.364
Other Long-term Liabilities	11.924	6.239
	160.561	115.611
Current liabilities and accruals		
Bank loans (< 1 year)	62.160	69.219
Short term portion of bonds	-	42.720
Short term portion of leasing	233	233
Trade payables	24.884	23.984
Trade payables (Factoring)	24.340	19.377
Associated companies	-	-
Related parties payable	4.721	4.901
Taxes and social security charges payable	801	1.446
Other current liabilities	1.110	1.488
Accrued liabilities and deferred income	3.131	13.406
	121.381	176.774

NOTE 14.

Long Term Liabilities

The Long term liabilities are those bank loans and lease obligations which are due in more than 1 year. None of these are due in more than 5 years.

Bonds represent the 2017-2022 bonds which were launched in 2017 on the Norway Exchange (EUR 70 million) and the Frankfurt Exchange (EUR 80 million)—including the tap of EUR 30 million during 2018. The term of both bonds is 5 years with an interest of 7,00% per annum. The Fair value of the bonds amount to EUR

150,8 million at 31 December 2018. These placements have secured the repayment of the German bond that expired on 27 June 2018

With regards to Long term leasing, reference is made to Note 15.

Other long-term liabilities represent the loan given by a Greek bank to our steel production facility, Nikolaïdis. The loan has a term of 10 years with an interest of Euribor plus 3,75%.

Current Liabilities and Accruals

All liabilities due in less than a year plus bank credit related to trade finance are classified as current liability. Inventory and debtors have been pledged as collateral. The following rates with respective amounts apply to the bank loans:

EUR 1.000	Amount 2018	Amount 2017
Trade finance Uncommitted facilities	45.765	51.335
Working capital facilities Euribor + markup 3% - 7% 4% - 10% fixed	10.993 5.403	12.430 5.455
Total bank loans (< 1 year)	62.160	69.219

Regarding the trade payables (Factoring) reference is made to note 1.4./IFRS 9. These trade payables are valued at fair value through profit and loss and show

the value as per 31 December 2018. They correspond with the trade receivables (Factoring), see note 10.

NOTE 15. LEASING

The obligations for leases entered into are shown below:

EUR 1.000	2018	2017
Lease installments < 1 year	233	233
Lease installments 1 - 5 years	2.010	1.364
Total lease installments	2.243	1.597

The lease obligations contain financial lease liabilities of plant and equipment. The assets leased under financial leasing terms have been accounted for in the balance sheet under tangible fixed assets at EUR 2.243 thousand at 31 December 2018 (2017: EUR 2.138 thousand). BAGR is not the legal owner of these assets. The charge in the profit and loss account for FY 2018

amounts to EUR 64 thousand (2017: EUR 81 thousand).

The company has operating leases in the amount of EUR 4.176 thousand related to cars and equipment at BAGR and Stockach and qualify as off-balance positions. The duration of these contracts is between one and five years.

NOTE 16. FINANCIAL INSTRUMENTS

The table below provides an overview of the financial instruments of the Group divided into the classes amortised cost and fair value through profit and loss ("FVTPL"). Financial instruments of the class fair value through other comprehensive income ("FVTOCI") are not applicable.

2017 EUR 1.000	note	amortised cost	FVTPL	total
Financial fixed assets (other receivables) Trade receivables Trade receivables (Factoring) Receivables, prepayments and accrued income Securities Cash and cash equivalents	8 10 10 10 11 11	48 115.549 39.847 49.694	19.377 6.025	48 115.549 19.377 39.847 6.025 49.694
Total financial assets		205.138	25.402	230.540
Borrowings (> 1 year) Trade payables Trade payables (Factoring) Trade finance Current liabilities and accruals	14 14 14 14 14	115.611 23.984 - 51.335 82.078	19.377 - -	115.611 23.984 19.377 51.335 82.078
Total financial liabilities		273.008	19.377	292.385
2018 EUR 1.000	note	amortised cost	FVTPL	total
Financial fixed assets (other receivables) Trade receivables Trade receivables (Factoring) Receivables, prepayments and accrued income Securities Cash and cash equivalents	8 10 10 10 11 12	623 104.519 - 37.105 - 20.875	24.340 - 6.031	623 104.519 24.340 37.105 6.031 20.875
Total financial assets		163.122	30.371	193.493
Borrowings (> 1 year) Trade payables Trade payables (Factoring) Trade finance Current liabilities and accruals	14 14 14 14 14	160.561 24.884 - 45.766 26.391	24.340 - -	160.561 24.884 24.340 45.766 26.391
Total financial liabilities		257.602	24.340	281.942

Fair Value Measurements

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows. Metalcorp Group S.A. classifies the fair values of its financial instruments into a three level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Metalcorp Group S.A. can assess at the measurement date; or Level 2 - Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; or

Level 3 - Unobservable inputs for the assets or liabilities, requiring Metalcorp Group S.A. to make market based assumptions.

NOTE 16.

The Fair Value hierarchy of these items are provided in the table below:

2017 EUR 1.000	Level 1	Level 2	Level 3	Total
Financial fixed assets (other receivables)	-	-	-	-
Trade receivables	-	-	-	-
Trade receivables (Factoring) Receivables, prepayments and accrued income	19.377 -	-	-	19.377 -
Securities	-	-	6.025	6.025
Cash and cash equivalents	-	-	-	-
Total financial assets	19.377	-	6.025	25.402
Borrowings (> 1 year)	-	-	-	-
Trade payables	-	-	-	-
Trade payables (Factoring) Trade finance	19.377	-	-	19.377
Current liabilities and accruals	-	-	-	-
T. s. C	10 277			40 277
Total financial liabilities	19.377	-	-	19.377
2018 EUR 1.000	Level 1	Level 2	Level 3	Total
Financial fixed assets (other receivables)	-	-	-	-
Trade receivables	-	-	-	-
Trade receivables (Factoring) Receivables, prepayments and accrued income	24.340	-	-	24.340
Securities	-	-	6.031	6.031
Cash and cash equivalents	-	-	-	-
Total financial assets	24.340	-	6.031	30.371
Perrousings (> 1 year)				
Borrowings (> 1 year) Trade payables	-	-	-	-
Trade payables (Factoring)	24.340	-	-	24.340
Trade finance	-	-	-	-
Current liabilities and accruals	-	-	-	-
Total financial liabilities	24.340	-	-	24.340

During the year no amounts were transferred between Level 1, Level 2 and Level 3 of the fair value hierarchy. As at 31 December 2018 no financial assets and liabilities were subject to offsetting.

The level 3 securities are mainly related to unlisted

shares. In circumstances where Metalcorp Group S.A. cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

NOTE 16.

Financial and Capital Risk Management

The Group has exposure to the following risks arising from financial instruments:

Credit risk Liquidity risk Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans related to raw materials:

- The financial fixed assets are secured by underlying assets of those companies. Reference is made to note 8.
- The receivables, prepayments and accrued income mainly consists of trade receivables which is secured by adequate credit insurance.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. During 2018 and 2017 none of the Group's revenue attributable to sales transactions with a single multinational customer exceeded 10% of the total revenue.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's payment and delivery terms and conditions are offered. This is done in close cooperation with the Trade Finance banks and Credit insurance companies. Nevertheless, in principle insurance coverage is obtained for all trade receivables.

Furthermore the Group applies a simplified approach to measure the loss allowance for trade receivables using the lifetime expected loss provision (reference is made to note 1.4 regarding the new IFRS 9 and note 10).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible,

that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. With regards to its hedging activities, that primarily take place in the trading activities, the Company implemented a policy that hedging is only allowed under a tri-partite agreement in order to avoid margin calls.

Market risk

Market risk is the risk that results out of changes in market prices, such as foreign exchange rates, interest rates, market prices and equity prices and will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group buys and sells derivatives in order to manage market risks. All such transactions are carried out within the guidelines set by the Group. In principle all derivatives are accounted at FVTPL; if required and

Currency risk

The Production facilities mainly enter in to euro agreements and therefore, the currency risk is insignificant.

appropriate, the Group seeks to apply hedge accounting

in order to manage volatility in profit or loss.

The Trading activities are mainly exposed to the USD/EUR exchange rate, as the trades are predominantly in USD and the reporting currency is in EUR. However, the currency risk is limited as contract deals are denominated in USD for both purchases and sales. Purchases are financed by means of trade finance in USD as well. As the purchase, sale and financing are all in USD, and as trading occurs in principle on a back-to-back basis, the deals are naturally hedged.

Interest rates

To limit the interest rate risk, the Company decided to only give out and obtain loans with a fixed interest rate. For overdraft facilities the risk is limited due to the short term of these facilities.

Market price risk

The production facilities mainly produce on the basis of tolling agreements. In these agreements the purchase of material is related to the sale and the price risk is mitigated.

The Group mainly enters into back-to-back deals, which means that the market price risk is naturally hedged. In case that a trade is subject to price risk, this is hedged through adequate instruments. When instruments are required, the Company prepares a sensitivity analysis with regards to the impact of the changes in commodity price and (if applicable) the changes

NOTE 16.

in foreign currency risks. Based on this analysis an adequate non speculative hedging strategy is applied.

At 31 December 2018, the Company has a limited number of hedging instruments, which are presented under Current liabilities and accruals. These instruments are designated as FVTPL and include trade related financial and physical forward purchase and sale commitments. Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and

are presented to reflect the expected gross future cash in/outflows.

It is the Group's policy that transactions and activities in trade related financial instruments are netted. Note that the Company only purchases futures and options. In principle the Company does not write futures and options.

2018	EUR 1.000
Commodity related contracts Futures Options	375 -
Total Current liabilities EVTDI	375

The total loss in the consolidated statement of income amounts to EUR 478 thousand (2017: EUR 413 thousand). All derivatives mature within the first three

months of 2019. The Company had instruments for a total of EUR 375 thousand at 31 December 2018 (2017: EUR 20 thousand).

Equity price risk

The Company invested into listed and unlisted shares of junior mining companies to secure its (future) off-take contracts. These securities are presented in Note 11 Securities. The Company is closely involved in these

mining companies and monitors the progress on an on-going basis. Management is of the opinion that, by nature, the market index of junior mining companies increases when production starts.

NOTE 17. REMUNERATION OF KEY MANAGEMENT

The remuneration of key management (director and CEO) of the legal entity is as follows:

EUR 1.000	2018	2017
Short-term employee benefits	354	354
Post-employment benefits	-	-
Other long-term benefits	-	-
Total	354	354

NOTE 18. TRANSACTIONS WITH RELATED PARTIES

In 2018, the Company conducted various transactions with related parties.

EUR 1.000	Note	2018	2017
Related parties <1yr	10	-	-
Total Receivables		-	-
Related parties <1yr	14	4.721	4.901
Total Liabilities		4.721	4.901

The related party liabilities of 2018 are mainly related to loans provided by minority shareholders or parties related to these minority shareholders. Those loans are provided at market conditions.

The Company has 848 shares in its parent company

(2017: 848 shares) that can be used in future transactions and are included in the unlisted securities (reference is made to note 11). Transactions can take place between the Group and its related parties that are part of the Monaco Resources Group. Reference is made to Note 2.

NOTE 19. GUARANTEES

The Company has provided several corporate guarantees to subsidiaries and related parties and in principle these are all related to trade finance.

The possibility of any cash outflow with regards to these guarantees is remote.

NOTE 20. CONTINGENT ASSETS AND LIABILITIES

In the course of business, the company is involved in discussions with business partners from time to time. These discussions may include the interpretation and compliance with the terms and conditions of agreements and may also include claims made by the

company, as well as against the company. At year end, no claims against the company existed - if any - that were assessed to be probable, nor possible to be successful.

NOTE 21. AUDITOR'S REMUNERATION

EUR 1.000	2018	2017
Audit of the financial statements Other audit engagements	485 10	440
Total professional service fees	495	440

NOTE 22. LIST OF PRINCIPAL OPERATING, FINANCIAL AND INDUSTRIAL SUBSIDIARIES AND INVESTMENTS

Name	Country of	Ownership interest	
	incorporation	2010	2047
		2018	2017
Consolidated (direct)			
BAGR Non-Ferrous Group GmbH	Germany	100,0%	100,0%
Tennant Metals Group S.à.r.l.	Luxembourg	100,0%	100,0%
Metalcorp Finance B.V.	The Netherlands	100,0%	100,0%
Metalcorp Services (UK) Ltd.	United Kingdom	100,0%	0,0%
Steelcom Group S.à r.l.	Luxembourg	100,0%	100,0%
Tennant Metals UK Ltd.	United Kingdom	0,0%	100,0%
Consolidated (indirect)		100.00/	100.00/
A&A Metals S.A.	Switzerland	100,0%	100,0%
Steelcorp Industries S.à.r.l	Luxembourg	100,0%	100,0%
Stockach Aluminium GmbH	Germany	94,0%	47,0%
BAGR Berliner Aluminiumwerk GmbH	Germany	94,0%	94,0%
Cable Recycling Industries S.L.	Spain	94,0%	94,0%
Tennant Metals Trade B.V.	The Netherlands	100,0%	100,0%
MCG-SRR B.V.	The Netherlands	100,0%	100,0%
Norwich Sarl	Luxembourg	94,0%	94,0%
NB Investments B.V.	The Netherlands	100,0%	100,0%
Nikolaidis Th. Bros. S.A.	Greece	70,0%	70,0%
Orlyplein Investment B.V.	The Netherlands	100,0%	100,0%
Société des Bauxites de Guinée S.A.	Guinea	73,1%	76,1%
Steelcom Pipe International LLC	USA	0,0%	100,0%
Steelcom Austria GesmbH	Austria	100,0%	100,0%
Steelcom International GmbH	Switzerland	0,0%	100,0%
Steelcom USA LLC	USA	100,0%	100,0%
Steel and Commodities S.A.M.	Monaco	100,0%	100,0%
Steel and Commodities Iberica S.L.	Spain	100,0%	100,0%
Steel and Commodities Singapore PTE Ltd.	Singapore	0,0%	100,0%
Steel and Commodities India private Ltd.	India	0,0%	100,0%
Steelcom Steel and Commodities GmbH	Germany	100,0%	100,0%
Tennant Metals GmbH	Germany	100,0%	100,0%
Tennant Metals (Pty) Ltd.	Australia	100,0%	100,0%
Tennant Metals S.A.M.	Monaco	100,0%	100,0%
Tennant Metals South Africa (Pty) Ltd.	South Africa	100,0%	100,0%
SBG Bauxite and Alumina N.V.	The Netherlands	94,0%	94,0%

In 2018 the following key changes are effected:

- The Company became a majority stake holder at Stockach Aluminium GmbH
- Tennant Metals Group B.V. was relocated to Luxembourg as Tennant Metals Group S.à.r.l.
- Steelcorp Industries B.V. was relocated to Luxembourg as Steelcorp Industries S.à.r.l.
- Steelcom Group B.V. was relocated to Luxembourg as Steelcom Group S.à.r.l.
- The Company dissolved Tennant Metals UK Ltd.
- The Company created Metalcorp Services Ltd in the United Kingdom
- ET Investment B.V. was renamed to Tennant Metals Trade B.V.
- The Company dissolved Steelcom International GmbH
- The Company dissolved Steel and Commodities Singapore PTE Ltd.
- The Company dissolved Steel and Commodities India private Ltd.

SIGNING OF THE FINANCIAL STATEMENTS

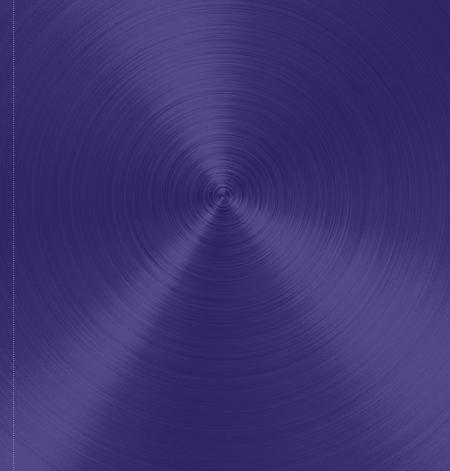
Luxembourg 30th April 2019

Pascale Younès Chairwoman

Ioannis Zaimis Chairman of the Supervisory Board Sebastien Maurin Vice-Chairman of the Supervisory Board

Christina Soteriou Member of the Supervisory Board

METALCORP GROUP OTHER INFORMATION



OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

Reference is made to the independent auditor's report on page 84.

SUBSEQUENT EVENTS

No reportable matters

APPROPRIATION OF RESULTS

The profit earned in a financial year is at the disposal of the general meeting. The Company may pay dividends only insofar as its equity exceeds the paid-in and called-up capital plus the reserves the company is required by law to maintain. Dividends are paid after adoption of the annual accounts, if the annual accounts demonstrate that dividend payments are permissible. Dividends are due and payable immediately after they are declared, unless the general meeting fixes another date in the relevant resolution. A shareholder's claim to a dividend will lapse five years after the dividend becomes due and payable. The general meeting may resolve to pay interim dividends and to pay dividends from a reserve that the Company is not required by law to maintain. The general meeting may resolve to pay dividends in kind. The shares held by the Company in its own capital are to be disregarded in the calculation of the amount of dividend to be paid on shares.

In accordance with the conditions of the bonds (see Note 14 to the consolidated financial statements) the dividend is limited to 50%.

APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2017

The Company-only annual report of 2017 was approved in the General Meeting of Shareholders. The General Meeting of Shareholders has determined that the appropriation of result in accordance with the proposal being made to add the result of 2018 to the Other Reserves.

PROPOSED APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2018

The Board of Directors proposes to transfer the result over the financial year 2018 to the other reserves. The financial statements do not yet reflect this proposal.



REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

To the Shareholders of Metalcorp Group S.A. 8, rue Dicks L-1417 Luxembourg

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Metalcorp Group S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

BASIS OF OUR OPINION

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation No 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of "Réviseur d'Entreprises Agréé" for the Audit of the Consolidated Financial Statements" section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ACQUISITIONS, DISPOSALS AND VALUATIONS

Key Audit Matter Description

In 2018, new acquisitions and a disposal were completed. There was an investigation on the valuation of these acquisitions and the disposal of 2018 following the requirements of IFRS 3 and the measurement period of business combinations as well as regarding the disposal the requirements of IFRS 10 and IFRS 12.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to determination of whether the transaction represented a business combination, and reasonableness of the key inputs used in the valuation of assets acquired and liabilities assumed, included the following, among others:

- We tested the effectiveness of controls over management's accounting assessment for the transaction and determination of the key inputs used in the valuation of assets acquired, including fixed assets, and liabilities assumed.
- We evaluated the terms of the Agreement to determine whether the transaction qualified as a business combination.
- We performed a detailed analysis on the valuations and audited the validity and completeness of the stated positions.
- Furthermore, we assessed whether the disclosures were made in accordance with IAS 7 and IFRS 3 business combinations.

IMPAIRMENT OF MINERAL RIGHTS, GOODWILL AND OTHER INTANGIBLE ASSETS

Key Audit Matter Description

The Group has disclosed an amount of EUR 119,35 million assumed to be mineral rights under property plant and equipment. An amount of EUR 39,92 million is reported as intangible assets. The corresponding goodwills, Offtake contracts and mineral rights are subject to the future performances of the companies, industries, commodity prices, projects as well as foreign exchange rates. This requires management to closely monitor the carrying values. The impact of revaluation of the Offtake contracts at fair value amounts to total EUR 4.168 thousand.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the impairment of mineral rights, goodwill and other intangible assets included the following, among others:

- We reviewed management's assessment of the indicators of any impairment and challenged significant underlying assumptions.
- We assessed the appropriateness of management's recoverable value models, which included the inherent model inputs and significant assumptions.
- We challenged the significant inputs and assumptions used in impairment testing for intangible assets.
- We also assessed the adequacy and completeness of impairment related disclosures in the financial statements, including the key assumptions used as well as the sensitivity.

APPLICATION OF NEW IFRS

Key Audit Matter Description

The Group has to comply with new mandatory IFRS in 2018, which could have a major impact to its actual and retroactive figures

How the Key Audit Matter Was Addressed in the Audit

- Our audit procedures related to the new mandatory IFRS included the following, among others:
- We perform procedures check the adequacy and completeness of the application of the new standards.
- We perform audit procedures on the disclosures. The calculation of the expected loss Model and correct application and presentation according to IFRS 9 and IFRS 15.

OTHER INFORMATION

The Management Board is responsible for the other information. The other information comprises the information management report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the "Réviseur d'Entreprises Agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGEMENT BOARD AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "Réviseur d'Entreprises Agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises Agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

OTHER MATTER

The Corporate Governance Statement includes, when applicable, information required by Article 68ter paragraph (1) points a), b), e), f) and g) of the law of 19 December 2002 on the commercial and companies register and on the accounts of undertakings, as amended.

Baker Tilly Audit & Assurance s.à r.l. Cabinet de revision agréé

Gaétan François

Réviseur d'entreprises agréé

Howald, 30 April 2019

Baker Tilly Audit & Assurance s.à r.l. 45, rue des Scillas L-2529 Howald



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