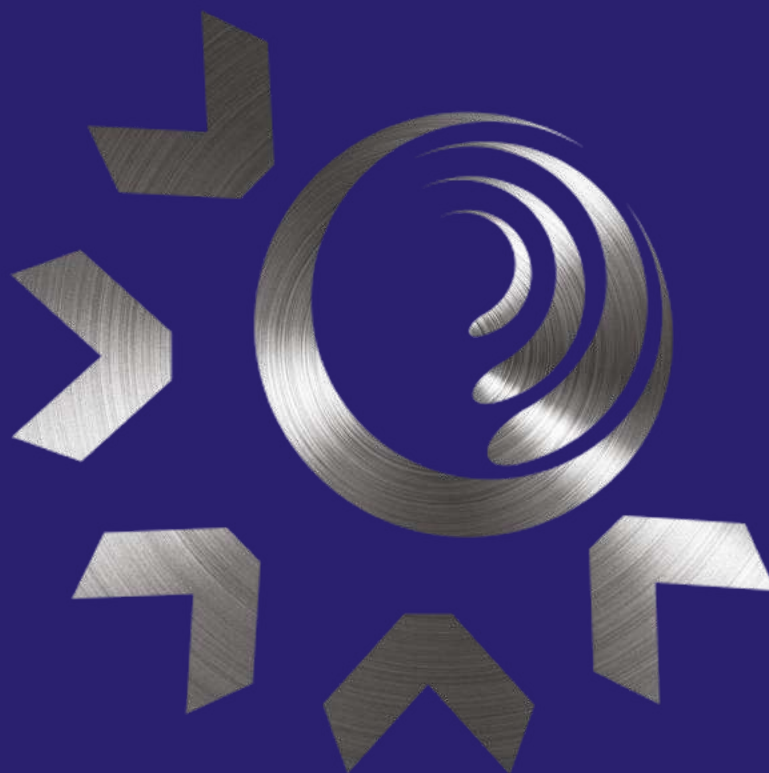


2020

METALCORP GROUP
HALF-YEAR REPORT



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METALCORP GROUP

KEY DATA

REVENUES
HY 2020

229 M€

GROSS PROFIT
HY 2020

20 M€

OPERATING
PROFIT
HY 2020

15 M€

EQUITY
HY 2020

159 M€

METALCORP GROUP AT A GLANCE

KEY FIGURES



BUSINESS UNITS

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

Our business consists mainly of:

Aluminium, Base metals, Bulk & Ferrous and Raw materials.

ALUMINIUM

We are a leading European, independent producer of alloyed slabs. Production is based on the environmentally friendly recycling of aluminium scrap.



BAGR BERLINER ALUMINIUMWERK
Germany

+35
years
in operation

+90,000 mt
production
capacity p.a.



STOCKACH ALUMINIUM
Germany

+90
years
in operation

+55,000 mt
production
capacity p.a.

BASE METALS, BULK & FERROUS

We process and trade a range of metals and minerals which includes copper, zinc, ferrochrome, chrome and steel products.

STEEL PRODUCTION



NIKOLAIDIS TH. BROS
Greece

+50
years
in operation

+100,000 mt
production
capacity p.a.

COPPER PRODUCTION



CABLE RECYCLING INDUSTRIES
Spain

+10
years
in operation

+30,000 mt
production
capacity p.a.

TRADING & MARKETING



STEELCOM GROUP
Luxembourg (HQ), Monaco, Germany, Austria, USA,
Brazil, China, UAE, Spain, Serbia, and Switzerland.

+60
years
in operation

11 Offices
4 Continents



TENNANT METALS GROUP
Monaco, Australia, South Africa, Luxembourg.

+60
years
in operation

4 Offices
3 Continents

RAW MATERIALS

Our raw materials business unit is currently focused on the development of our bauxite asset in the Republic of Guinea.



SOCIÉTÉ DES BAUXITES DE GUINÉE
Republic of Guinea

300
million tonnes
of bauxite reserves

8
million tonnes
production capacity p.a.

01

METALCORP GROUP
BUSINESS PERFORMANCE

BUSINESS PERFORMANCE

Despite various COVID-19 related challenges, all of our assets have continued to operate and develop, with our first priority to protect the health and safety of all our employees and communities.

During the COVID-19 pandemic, we have implemented strict protocols globally across the business. These range from physical distancing to travel restrictions, roster changes and team splits, to flexible working arrangements, rapid screening and personal hygiene controls.

The financial impact thus far has been limited and we delivered a satisfactory performance, apart from the automotive steel business in Germany, demonstrating resilience of our business and ability to adapt in difficult conditions.

Key impacts to date on our markets, operations and workforce and our products are as follows:

- Changes to demand resulting in lower commodity prices
- Volume impacts, both in response to market demand and in response to government directives.
- Changes to operating costs, including additional costs incurred to manage the impact on our assets (e.g. costs relating to controls such as cleaning, and screening)

While uncertainties continue to exist in our business environment, we are focused on our underlying resilience and ability to adapt in a fast-moving environment.

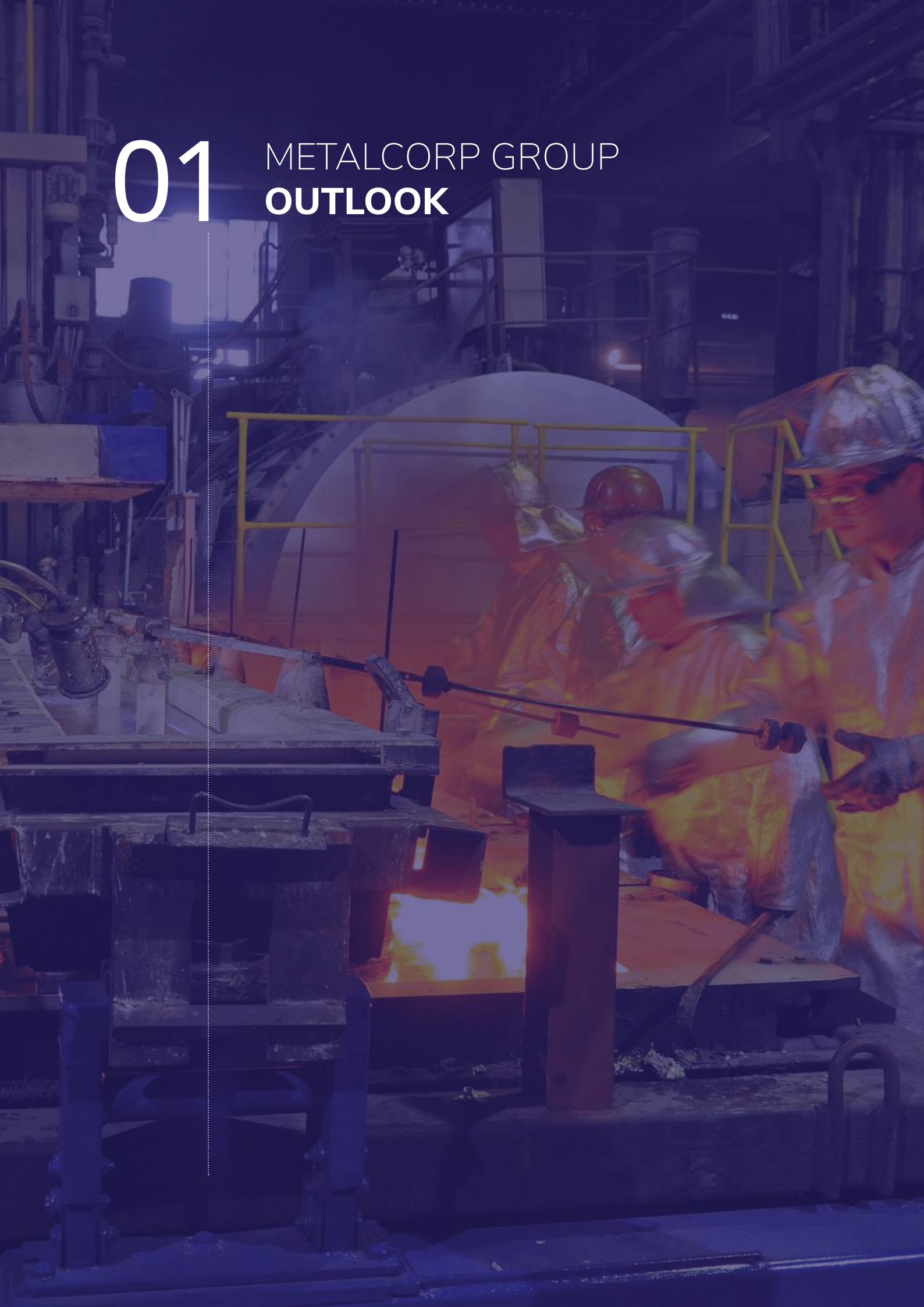
In H1 2020, Metalcop realized a revenue of EUR 229 million (EUR 305 million in 2019) and an EBITDA of EUR 14.68 million (EUR 17 million 2019). The risk averse business model thus proved again to be the right strategy in challenging markets. Metalcop's liquidity position is strong, with a cash position of EUR 30.1 million.

The business was impacted by the following:

- lower market prices
- reduced turnover in automotive business segment in April and May 2020
- Aluminium production has been below budget
- raw materials trade was up and zinc and copper were above expectations
- since June a significant recovery has taken place

01

METALCORP GROUP OUTLOOK



OUTLOOK

GENERAL

The turbulent and uncertain market conditions continue to prevail, as governments work to bring the COVID-19 pandemic under control and to restart the global economy. But as has been demonstrated during the first half of financial year 2020, Metalcorp Group is a highly resilient company that is providing goods that are reliable and vital for global markets. Those goods were dominant in our revenues and profits in this reporting period, and we are confident that this will continue to be the case for the second half of our financial year.

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.

No significant repayment is due in 2020.

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.

01

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:

COVID-19

Looking ahead, following the outbreak of the COVID-19 pandemic, the Group sees increased uncertainties and further market volatility. It is still difficult to say how effective governmental measures will be in preventing the further spread of the virus. In the event of a prolonged pandemic there may be an effect on the financial performance of the company. The Group has taken measures to ensure that its employees and partners continue to be safe while interacting together. Measures have been taken to minimise the impact of the pandemic and to continue operations in the Group's businesses. Business continues to function well and largely uninterrupted. Parts of it are already returning to a more or less normality. The Group continues to provide access to vital services for modern life. The Group is showing that this can be done responsibly and efficiently in challenging circumstances. The Group has sufficient cash and headroom in its financial facilities. Given the evolving nature of COVID-19, uncertainties will remain.

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 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 on 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, August 13th 2020

Pascale MITRI YOUNES
Director

Anouar BELLI
Director

01

METALCORP GROUP
**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 30 June 2020.

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 as those 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 year ended 30 June 2020.

The Board focused particularly on the appropriateness of the Group's consolidated financial statements. The Board confirms that the 2020 Half-Year 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 30 June 2020, 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 half-year ended 30 June 2020. 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 half-year ended 30 June 2020.

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 half-year 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 first half of the 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.

Luxembourg, August 13th 2020

Pascale MITRI YOUNES
Director



Anouar BELLI
Director





02

METALCORP GROUP **CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated statement of income
Consolidated statement of other comprehensive income
Consolidated statement of financial position
Consolidated statement of cash flows
Consolidated statement of changes in equity
Notes to the financial statements



02

METALCORP GROUP
**CONSOLIDATED
FINANCIAL STATEMENTS**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(before appropriation of result)

EUR 1.000	Note	HY 2020	HY 2019
Continuing Operations			
Revenue	2	228.655	305.440
Revenue from contract-based assets	2	177	876
Cost of sales	2	-208.425	-282.062
Gross profit	2	20.407	24.254
Operating expenses			
Selling expenses	3	-2.303	-1.754
Administrative expenses	3	-3.423	-5.384
		-5.726	-7.138
Operating profit		14.681	17.115
Non-operating expenses			
Financial income and expense	4	-9.963	-6.263
		-9.963	-6.263
Profit before tax		4.718	10.853
Income tax expense	5	-624	-1.491
Profit from continuing operations		4.094	9.362
Profit		4.094	9.362
Profit attributable to:			
Equity holders of Metalcop Group S.A.		3.611	9.517
Non-controlling interests		482	-154
		4.094	9.362

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR 1.000	HY 2020	HY 2019
Profit	4.094	9 362
Other comprehensive income		
Amortization Offtakes	-177	-
Translation differences foreign associated companies	156	-410
Total comprehensive income	4.073	8 953
Total comprehensive income attributable to:		
Equity holders of Metalcorp Group S.A.	3.485	9 107
Non-controlling interests	588	-154
Total result	4.073	8 953

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(before appropriation of result)

EUR 1.000	Note	30/06/2020	31/12/2019
Assets			
Non-current assets			
Property plant and equipment	6	253.600	219.272
Intangible fixed assets	7	41.036	40.969
Financial fixed assets	8	3.011	2.425
Total non-current assets		297.647	262.666
Current assets			
Inventories	9	30.545	37.275
Receivables, prepayments and accrued income	10	149.012	169.901
Securities	11	6.049	6.059
Cash and cash equivalents	12	30.091	47.047
Total current assets		215.698	260.281
Total assets		513.346	522.948
Equity and liabilities			
Equity			
Share capital		70.000	70.000
Reserves and retained earnings		59.258	55.922
Equity attributable to the owners of the company		129.258	125.922
Non-controlling interest		30.123	29.641
Total equity		159.381	155.564
Non-current liabilities			
Loans and borrowings	14	206.880	220.320
Provisions	14	180	351
Deferred tax liabilities	5	3.665	3.695
Total non-current liabilities		210.726	224.366
Current liabilities and accruals	14	143.238	143.019
Total current liabilities		143.238	143.019
Total equity and liabilities		513.346	522.948

CONSOLIDATED STATEMENT OF CASH FLOWS

(before appropriation of result)

EUR 1.000	HY 2020	HY 2019
Operating profit	12.681	17.115
Adjustments for:		
- Depreciation (and other changes in value)	1.075	1.018
- Lease payments accounted as expense	-	75
	1.075	1.093
Working capital changes		
- Movements trade receivables	11.441	-36.137
- Movements inventories	6.729	3.480
- Movements on loans receivable	4.792	-1.484
- Movements trade payables	-9.010	14.375
- Movements other payables and liabilities	3.320	2.081
- Movements trade finance	-3.266	2.479
	14.007	-14.606
Interest paid after corporate income tax	-	-1.491
	-	-1.491
Cash flow from operating activities	29.763	2.111
Disposals of intangible fixed assets	98	-
Investments in property, plant and equipment	-31.726	-7.973
Disposals of group companies	-	103
Investments in other financial assets	-709	-
Disposals of securities	10	-
Cash flow from investment activities	-32.327	-7.870
Proceeds from borrowings and leasing liabilities	4.014	45.622
Repayment of borrowings and leasing liabilities	-19.876	-3.858
Movements on loans receivable	2.009	-
Other finance income	57	926
Other finance expense	-802	-500
Interest received/paid	-404	-6.688
Cash flow from financing activities	-15.052	35.502
Exchange rate and translation differences on movements in cash	661	-
Movements in cash	-16.955	29.743

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(before appropriation of result)

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
HY 2019									
Opening Balance	70.000	9.628	14.571	1.411	15.318	9.305	120.233	27.006	147.239
Total comprehensive income and expense for the period									
Profit/(loss) for the period	-	-	-	-	-	9.709	9.709	-164	9.545
Revaluation of fixed assets	-	-	-1.376	-	-	-	-1.376	-	-1.376
Foreign currency translation differences	-	-	-	51	-	-	51	105	-156
Total comprehensive income and expense for the period	-	-	-1.376	51	-	9.709	8.384	-59	8.326
Other movements in equity									
Allocation of prior year result	-	-	-	-	9.305	-9.305	-	-	-
Acquisitions	-	-	-	-	-2.694	-	-2.694	2.694	-
Other movements in equity	-	-	-	-	-	-	-	-	-
Total other movements in equity	-	-	-	-	6.611	-9.305	-2.694	2.694	-
Total	70.000	9.628	13.195	1.462	21.929	9.709	125.923	29.641	155.564
HY 2020									
Opening Balance	70.000	9.628	13.195	1.462	21.929	9.709	125.923	29.641	155.564
Total comprehensive income and expense for the period									
Profit/(loss) for the period	-	-	-	-	-	3.611	3.611	482	4.094
Revaluation of fixed assets	-	-	-177	-	-	-	-177	-	-177
Foreign currency translation differences	-	-	-	51	-	-	51	105	156
Total comprehensive income and expense for the period	-	-	-177	51	-	3.611	3.483	588	4.073
Other movements in equity									
Allocation of prior year result	-	-	-	-	9.709	-9.709	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-
Other movements in equity	-	-	-	-256	-	-	-256	-	-256
Total other movements in equity	-	-	-	-256	9.709	-9.709	-256	-	-256
Total	70.000	9.628	13.018	1.257	31.638	3.611	129.150	30.229	159.381

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES

1.1 Corporate information

The activities of Metalcorp Group S.A. ("Metalcorp Group" or "the Company") and its group companies primarily consist of the trading and production of metals, ores, alloys and related services. The Company has its legal seat at 8, rue Dicks, L-1417 Luxembourg, and is registered with the chamber of commerce under number B229218

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.

The Company has its corporate headquarters in Luxembourg, which is also the head of the group of legal entities. 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 beginning 1st January 2020, and its interpretations as issued by the International Accounting Standards Board (IASB) effective for the year beginning 1st January 2020. 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

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC), IAS 34 Interim Financial Reporting as adopted by the European Union (EU), and the Disclosure and Transparency Rules of the Financial Conduct Authority

effective for Metalcorp's reporting for the six months ended 30 June 2020. These unaudited condensed interim consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the audited 2019 Annual Report of Metalcorp S.A. and subsidiaries (2019 Annual Report) available at www.metalcorpgroup.com. These financial statements for the six months ended 30 June 2020 and 2019, and financial information for the year ended 31 December 2019 do not constitute statutory accounts. Certain financial information that is included in the audited annual financial statements but is not required for interim reporting purposes has been condensed or omitted.

The 2020 Half Year Report and audited financial statements for the year ended 31 December 2019 have been published at www.metalcorpgroup.com. Companies and the audit report on those financial statements was not qualified. The interim financial report for the six months ended 30 June 2020 has been prepared on a going concern basis as the directors believe there are no material uncertainties that lead to significant doubt that the Group can continue as a going concern in the foreseeable future, a period not less than 12 months from the date of this report. Further information is included in the Directors report. All amounts are expressed in thousands of Euro, unless otherwise stated, consistent with the predominant functional currency of Metalcorp's operations. The impact of seasonality or cyclicity on operations is not regarded as significant to the unaudited condensed interim consolidated financial statements.

NOTE 2. SEGMENT INFORMATION

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 is 100% owner 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.

NOTE 3. EXPENSES

EUR 1.000	HY 2020	HY 2019
Selling expenses		
Personnel	2.292	1.743
Sales and marketing expenses	11	12
Total selling expenses	2.303	1.755
Administrative expenses		
Personnel	367	809
Professional services fees	891	1.380
Facilities and offices	833	934
Other operating expenses	256	1.243
Depreciation and amortization	1.075	1.018
Total administrative expenses	3.423	5.384
Operating expenses	5.726	7.139
Breakdown: depreciation and amortization		
Property Plant and Equipment	411	2.305
Intangible assets	275	-
right-of-use assets	641	-
total depreciation and amortization	1.327	2.305
Allocated to production costs	-252	-1.287
As included in administrative expenses	1.075	1.018

The average number of employees of the Group during the half-year, converted to full-time equivalents was 280 (HY 2019: 280) of which 277 are employed outside of Luxembourg (HY 2019: 277).

In the personnel expenses an amount of EUR 457 thousand related to social security premiums (HY 2019: EUR 434 thousand) and an amount of EUR 67 thousand related to pension premiums are included (HY 2019: EUR 52 thousand).

NOTE 4. FINANCIAL INCOME AND EXPENSES

EUR 1.000	HY 2020	HY 2019
Financial income and expense		
Other interest income and similar income	1.067	40
Interest expenses and similar charges	-10.057	-6.728
Other financing income	1.021	-163
Other financing expenses	-1.029	-500
Total financial income and expense	-8.999	-7.351
Income from foreign exchange		
Forex gains	2.719	1.077
Forex losses	-3.683	11
Total income from foreign exchange	-964	1.088
Total financial income and expense	-9.963	-6.263

NOTE 5. TAXATION

Income taxes consist of the following:

EUR 1.000		HY 2020		HY 2019
Current income tax expense		-627		-1.491
Deferred income tax		3		-
Total income tax expense		-624		-1.491
EUR 1.000		HY 2020		HY 2019
	%	EUR	%	EUR
Taxable result		4.718		10.853
Tax burden based on Luxembourg nominal rate	24,9%	1.175	18,0%	1.954
Tax rate differences.	-11,7%	-551	-4,3%	-463
Taxation on result on ordinary activities	13,2%	624	13,7%	1.491

The decrease in the deferred tax liabilities led to a favorable impact on the total income tax expense. The effective tax rate on the group results rate differs from the statutory Luxembourg 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, Construction & Development	Mineral rights	Total
Gross carrying amount					
IFRS 16 and IAS 8	1.714	1.942	-	-	3.656
1 January 2019	15.994	35.929	4.891	34.355	151.170
Adjustments due to accounting principle change	-	-	-	-	-
Additions	-	10.842	71.197	539	82.578
Disposals	-1.293	-	-	-	-1.293
31 December 2019	16.415	48.713	76.088	94.894	232.455
Accumulated depreciation and impairments					
1 January 2019	465	7.841	3.007	-	11.313
Depreciation	144	1.166	560	-	1.870
31 December 2019	609	9.007	3.567	-	13.183
Net book value at 31 December 2019	15.806	39.706	72.521	94.894	219.272
EUR 1.000	Land and buildings	Plant and machinery	Other operating assets, Construction & Development	Mineral rights	Total
Gross carrying amount					
1 January 2020	16.415	48.713	76.088	94.894	236.110
Additions	1.812	2.437	2.249	25.028	31.726
30 June 2020	18.227	51.150	78.537	119.922	267.836
Accumulated depreciation and impairments					
1 January 2020	609	9.007	3.567	-	13.183
Depreciation	71	735	246	-	1.052
30 June 2020	680	9.742	3.813	-	14.235
Net book value at 30 June 2020	17.547	41.408	74.724	119.922	253.600

Land and buildings, plant and machinery, operating assets and construction & development

The additions of 2020 are mainly related to expansion of the investments in the aluminum business at BAGR, AluStockach, investments in the bauxite activities and some smaller investments. Furthermore maintenance expense that extend the economic life of the production and port facilities were capitalised and will be written of in line with the accounting principles as set out in Note 1.

Mineral rights

The mineral rights are related to the bauxite activities of the Group in development of Societe des Bauxites de Guinee (SBG) and connected mining activities in Guinee, where the Group is developing integrated bauxite and alumina facilities. The semi-annual impairment test did not lead to any write-offs. For the accounting treatment of Mineral rights and the impairments, reference is made to note 1.15 and note 1.16.

Included in the above line items are right-of-use assets over the following:

	EUR 1.000
Land and buildings	1.516
Plant & machinery	11.019
	12.535

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 2019	14.608	25.838	306	40.752
Acquisitions	-	-	28	28
Additions	-	-	3.373	3.373
31 December 2019	14.608	25.838	3.707	44.153
Accumulated amortization and impairments				
1 January 2019	527	-	303	830
Acquisitions	-	-	776	776
Amortization	1.577	-	-	1.577
31 December 2019	2.104	-	1.079	3.183
Net book value at 31 December 2019	12.504	25.838	2.628	40.969
EUR 1.000	Off-take contracts	Goodwill	Other intangible assets	Total
Gross carrying amount				
1 January 2020	14.608	25.838	3.707	44.153
Acquisitions	-	-	-	-
Additions	-	-	-	-
Exchange rate differences	340	-	-	163
30 June 2020	14.948	25.838	3.707	44.316
Accumulated amortization and impairments				
1 January 2020	2.104	-	1.079	3.183
Amortization	177	-	98	275
30 June 2020	2.281	-	1.177	3.458
Net book value at 30 June 2020	12.667	25.838	2.530	41.036

7.1 Offtake contracts

The offtake contracts as per 30 June 2020 relate to contracts obtained through past acquisitions (referred to as contract based intangible assets before 2019). Since adoption of IFRS 15 "Revenue from Contracts with Customers" the portfolio of Offtakes correlates to the contract-base assets of the group. The Group writes off the portfolio at the same value the Group builds up contract-base asset, as the contractbased asset is derived from the commission on offtakes over the lifetime of the offtake until the offtake matures. The portfolio includes Offtake contracts in South Africa, Indonesia and Australia. The production relate 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. Any

potential impairment is assessed by calculating the net present values of the supply that will be provided over the contract-term 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 for project development applicable to the regions on which the operations are located.

7.2 Goodwill

Goodwill is related to the investments in the production activities (2020: EUR 24.024 thousand; 2019: EUR 24.024 thousand) and the trading activities (2020: EUR 1.814 thousand; 2019: EUR 1.814 thousand). The recoverable amount of each cash-generating unit, used in the annual impairment tests performed in the fourth

NOTE 7.

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.

7.3 Impairment

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 multiple years, based on the financial plans. 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 that reflects the current market assessment of the time value of money and the specific risks of the cash-generating unit.

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 2019	623	623
Additions	1.802	1.802
Balance at 31 December 2019	2.425	2.425
Book Value		
Balance at 1 January 2020	2.425	2.425
Additions	709	709
Revaluation	-123	-123
Balance at 30 June 2020	3.011	3.011

NOTE 9. INVENTORIES

EUR 1.000	30/06/2020	31/12/2019
Total inventories	30.545	37.275

The manufacturing inventories consist of finished products and raw materials and consumables of BAGR, CRI, Nikolaïdis and Alu Stockach. 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.

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

NOTE 10. RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME

EUR 1.000	30/06/2020	31/12/2019
Trade receivables	98.922	110.363
of that Trade receivables (Factoring)	12.321	15.145
Contract-based assets	14.099	13.922
Shareholder	-	556
Associated companies	-	-
Related parties	5.502	6.955
Other receivables	16.959	21.739
Taxation	1.209	1.221
Total receivables, prepayments and accrued income	149.012	169.901

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. 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:

The provision for doubtful receivables as at 30 June 2020 amounts to a total of EUR 458 thousand (2019: 441) and contains other doubtful receivables with an amount of EUR 301 thousand. The difference between

the Credit loss allowance as per 31 December 2019 and 30 June 2020 amounts to EUR 17 thousand and is recognized as other financial expenses.

EUR 1.000	expected default rate	Carrying amount	Credit Loss allowance(included)
Current	0,26%	134.627	351
1-30 days past due	0,37%	8.459	31
31-60 days past due	0,67%	1.369	9
61-90 days past due	1,34%	632	8
more than 90 days past due	1,48%	3.925	58
		149.012	458

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.

The trade receivables (Factoring) are valued at fair value through profit and loss and show the value as per 30 June 2019. They correspond with the trade payables (Factoring), see note 14.

The contract based assets correspond to the Offtake contracts as described in note 7.

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

NOTE 11. SECURITIES

EUR 1.000	01/01/2019	Acquisition	Disposal	Revaluation	31/12/2019
Unlisted securities	6.031	-	-	28	6.059
Listed securities	-	-	-	-	-
Total	6.031	-	-	28	6.059

EUR 1.000	01/01/2020	Acquisition	Disposal	Revaluation	30/06/2020
Unlisted securities	6.059	-	-10	-	6.049
Listed securities	-	-	-	-	-
Total	6.059	-	-10	-	6.049

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).

Both listed and unlisted securities are revalued through other comprehensive income.

NOTE 12. CASH AND CASH EQUIVALENTS

A part 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 30 June 2020. 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.

Issued Share Capital

The issued share capital of the Company amounts to EUR 70 million (2019: EUR 70 million) divided into 70 million ordinary shares of EUR 1 per share. The total number of authorized shares is 110 million (2019: 110 million shares). The majority 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	HY 2020	31/12/2019
Long-term liabilities		
Bonds	198.365	196.829
Leasing liabilities IFRS 16	8.514	10.236
Provision	180	351
Other Long-term Liabilities	-	13.253
	207.059	220.670

Current liabilities and accruals		
Bank loans and other financing	93.720	89.428
Short term portion of IFRS 16 Leasing Liability	1.840	-
Trade payables	16.966	25.976
of that Trade payables (Factoring)	12.321	15.145
Related parties payable	3.518	917
Taxes and social security charges payable	611	-530
Other current liabilities	1.571	1.358
Accrued liabilities and deferred income	12.691	10.724
	143.239	143.020

EUR 1.000	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
1 January 2019	158.551	121.147	2.243	281.941
Adoption of IFRS 16	-	-	3.656	3.656
Revised 1 January 2019	158.551	121.147	5.899	285.597
Cash-flows				
-Proceeds	51.883	27.268	4.337	83.488
-Repayment		-13.594	-	-13.594
Non-cash				
-Foreign exchange movements	-	605	-	605
-Movement in accruals	-	7.593	-	7.593
31 December 2019	210.434	143.020	10.236	363.689

EUR 1.000	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
1 January 2020	210.434	143.019	10.236	363.689
Cash-flows				
-Repayment	-11.889	-4.941	-3.046	-19.876
-Proceeds	-	850	3.164	4.014
Non-cash				
-Foreign exchange movements	-	505	-	505
-Movement in accruals	-	1.947	-	1.967
31 December 2020	198.545	141.400	10.354	350.299

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 120 million)– including the tap of EUR 40 million during 2019. 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

190,8 million at 30 June 2020. 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, Nikolaidis. 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 HY 2020	Amount HY 2019
Trade finance		
Uncommitted facilities - interest applied deal by deal based on framework agreements	71.930	48 244
Working capital facilities		
Euribor + markup 3% - 7%	15.342	10 993
7,9% - 9,3% variable	6.448	5 403
Total bank loans (< 1 year)	93.720	64 639

The trade payables (Factoring) are valued at fair value through profit and loss and show the value as per 30 June 2020. They correspond with the trade receivables (Factoring), see note 10.

NOTE 15. LEASING

The Group has leases for land and buildings, plant and machinery. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Leases of the Group do not contain variable lease payments.

The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 6),

Leases of property generally have a lease term ranging from 5 years to 13 years however most leases of property are generally expected to be limited to 5 years or less.

Lease payments of the Group are generally fixed.

Each lease generally has restrictions that, unless there is a contractual right for the Group to sub-rent the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

Most leases contain an option to purchase the underlying asset at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office and other buildings the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group has to insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No. of right of use assets leased	Range of remaining term	Average remaining term	No. of leases with extension options	No. of leases with options to purchase
Land and buildings	1	13 years	13 years	1	0
Plant and machinery	58	3 - 6 years	4 years	58	58

Right-of-use assets

Additional information on the right-of-use assets by class of assets is as follows:

EUR	Asset	Carrying Amount	Additions	Depreciation
Office Building	1	1.714	0	198
Plant and machinery	58	5.060	7.651	1.692

The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

NOTE 15.

Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

EUR 1.000	30/06/2019	31/12/2019
Non-current	10.354	10.236

The Group has no possible future lease termination options, therefore additional information on the lease liabilities and amounts in respect of possible future lease termination options not recognised are given.

At 30 June 2020 the Group had not committed to leases which had not commenced. The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at 30 June 2020 is as follows:

Minimum lease payment due	EUR 1.000				
	Within 1 year	1-5 years	5-10 years	10-25 years	Total
30.06.2020					
Lease payments	2.009	7.826	1.004	327	11.167
Finance charges	169	515	118	11	813
Net present value	1.840	7.311	886	317	10.354
31.12.2019					
Lease payments	3.046	6.848	1.004	327	9.582
Finance charges	337	521	119	11	940
Net present value	2.964	6.265	783	224	10.236

NOTE 15.**Lease payments not recognised as a liability**

The group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	EUR 1.000
Short-term leases	-
Leases of low value assets	28

At 30 June 2020 the Group was committed to short term leases and the total commitment at that date was EUR 0.

The Group has no leases with Variable lease payments

Additional profit or loss and cash flow information

Total cash outflow in respect of leases in the year EUR 1.000	3.046
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For interest expense in relation to leasing liabilities, refer to finance costs (Note 4)

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.

31/12/2019 EUR 1.000	note	amortised cost	FVTPL	total
Financial fixed assets (other receivables)	8	2.425	-	2.425
Trade receivables, prepayments and accrued income	10	124.285	-	124.285
Thereof trade receivables (Factoring)	10	-	15.145	15.145
Other receivables	10	30.471	-	30.471
Securities	11	-	6.059	6.059
Cash and cash equivalents	12	47.047	-	47.047
Total financial assets		204.228	21.204	225.432
Borrowings (> 1 year)	14	220.670	-	220.670
Trade payables	14	25.976	-	25.976
Thereof trade payables (Factoring)	14	-	15.145	15.145
Trade finance	14	89.428	-	89.428
Current liabilities and accruals	14	12.470	-	12.470
Total financial liabilities		348.544	15.145	363.689
HY 2020 EUR 1.000	note	amortised cost	FVTPL	total
Financial fixed assets (other receivables)	8	3.011	-	3.011
Trade receivables, prepayments and accrued income	10	113.020	-	113.020
Thereof trade receivables (Factoring)	10	-	12.321	12.321
Other receivables	10	23.671	-	23.671
Securities	11	-	6.059	6.059
Cash and cash equivalents	12	30.091	-	30.091
Total financial assets		169.793	18.380	182.114
Borrowings (> 1 year)	14	207.059	-	207.059
Trade payables	14	16.966	-	16.966
Trade payables (Factoring)	14	-	12.321	12.321
Trade finance	14	93.720	-	93.720
Current liabilities and accruals	14	20.231	-	20.231
Total financial liabilities		337.977	12.321	350.299

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:

31/12/2019 EUR 1.000	Level 1	Level 2	Level 3	Total
Financial fixed assets (other receivables)	-	-	-	-
Trade receivables	-	-	-	-
Trade receivables (Factoring)	15.145	-	-	15.145
Receivables, prepayments and accrued income	-	-	-	-
Securities	-	-	6.059	6.059
Cash and cash equivalents	-	-	-	-
Total financial assets	15.145	-	6.059	21.204
Borrowings (> 1 year)	-	-	-	-
Trade payables	-	-	-	-
Trade payables (Factoring)	15.145	-	-	15.145
Trade finance	-	-	-	-
Current liabilities and accruals	-	-	-	-
Total financial liabilities	15.145	-	-	15.145

HY 2020 EUR 1.000	Level 1	Level 2	Level 3	Total
Financial fixed assets (other receivables)	-	-	-	-
Trade receivables	-	-	-	-
Trade receivables (Factoring)	12.321	-	-	12.321
Receivables, prepayments and accrued income	-	-	-	-
Securities	-	-	6.059	6.059
Cash and cash equivalents	-	-	-	-
Total financial assets	12.321	-	6.059	18.380
Borrowings (> 1 year)	-	-	-	-
Trade payables	-	-	-	-
Trade payables (Factoring)	12.321	-	-	12.321
Trade finance	-	-	-	-
Current liabilities and accruals	-	-	-	-
Total financial liabilities	12.321	-	-	12.321

During the year no amounts were transferred between Level 1, Level 2 and Level 3 of the fair value hierarchy. As at 30 June 2020 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 2020 and 2019 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.

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 appropriate, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Currency risk

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

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 30 June 2019, 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.

HY 2020	EUR 1.000
Commodity related contracts	96
Total Current liabilities FVTPL	96

The total impact in the consolidated statement of income amounts to EUR 20 thousand (2019: EUR 30 thousand). All derivatives mature within the first three

months. The Company had instruments for a total of EUR 96 thousand at 30 June 2020 (2019: EUR 217 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	HY 2020	HY 2019
short-term employee benefits	82	170
Total	82	170

NOTE 18. TRANSACTIONS WITH RELATED PARTIES

In 2020, the Company conducted various transactions with related parties.

EUR 1.000	Note	30/06/2020	31/12/2019
Shareholder <1yr	10	-	556
Related parties <1yr	10	5.502	6.955
Total Receivables		5.502	7.511
Related parties <1yr	14	3.518	917
Total Liabilities		3.518	917
Net receivable (-liability)		1.984	6.594

The related party transactions are related to minority shareholders or parties related to minority shareholders and logistic and construction activities of the projects the group is currently realizing.

The Company has 848 shares in its parent company (2019: 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. LIST OF PRINCIPAL OPERATING, FINANCIAL AND INDUSTRIAL SUBSIDIARIES AND INVESTMENTS

Name	Country of incorporation	Ownership interest HY 2020	2019
Metalcorp Group S.A.			
Consolidated (direct)			
BAGR Non-Ferrous Group GmbH	Germany	100,00%	100,00%
IMP Invest S.A.	Luxembourg	100,00%	100,00%
MCG SRR B.V.	The Netherlands	100,00%	100,00%
C.S. Tetrano Limited	Cyprus	100,00%	100,00%
Tennant Metals Group S.à.r.l.	Luxembourg	100,00%	100,00%
Orlyplein Investment B.V.	The Netherlands	100,00%	100,00%
Metalcorp Services (UK) Ltd.	United Kingdom	100,00%	100,00%
Steelcom Group S.à r.l.	Luxembourg	100,00%	100,00%
Consolidated (indirect)			
Steelcorp Industries S.à.r.l	Luxembourg	100,00%	100,00%
Stockach Aluminium GmbH	Germany	94,00%	94,00%
BAGR Berliner Aluminiumwerk GmbH	Germany	94,00%	94,00%
Cable Recycling Industries S.L.	Spain	94,00%	94,00%
GB Mining SARLU	Guinea	100,00%	00,00%
Tennant Metals Trade B.V.	The Netherlands	100,00%	100,00%
MCOM Investments Ltd.	United Kingdom	100,00%	100,00%
Norwich Sarl	Luxembourg	94,00%	94,00%
NB Investments B.V.	The Netherlands	100,00%	100,00%
Nikolaidis Th. Bros. S.A.	Greece	70,00%	70,00%
Société des Bauxites de Guinée S.A.R.L.	Republic of Guinea	73,10%	73,10%
Steelcom Australia (Pty) Ltd.	Australia	100,00%	00,00%
Steelcom Austria GesmbH	Austria	100,00%	100,00%
Steelcom USA LLC	USA	100,00%	100,00%
Steel and Commodities S.A.M.	Monaco	100,00%	100,00%
Steel and Commodities Iberica S.L.	Spain	100,00%	100,00%
Steelcom Steel and Commodities GmbH	Germany	100,00%	100,00%
Tennant Metals GmbH	Germany	100,00%	100,00%
Tennant Metals (Pty) Ltd.	Australia	100,00%	100,00%
Tennant Metals S.A.M.	Monaco	100,00%	100,00%
Tennant Metals South Africa (Pty) Ltd.	South Africa	100,00%	100,00%
SBG Bauxite and Alumina N.V.	The Netherlands	94,00%	94,00%
TCC Coke Ltd	United Kingdom	100,00%	100,00%
Riviera Marine S.A.M.	Monaco	29,60%	29,60%

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METALCORP GROUP
OTHER INFORMATION



OTHER INFORMATION

SUBSEQUENT EVENTS

There were no significant subsequent events to report.

APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2019

The Company-only annual report of 2019 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 2019 to the other reserves.

DISCLAIMER

The facts and information contained in this report contains information as known to the reporting date and is subject to future changes. Neither the Metalcop Group S.A. (the “Company”) or related companies, affiliates, subsidiaries or management, supervisory board members, employees or advisors nor any other person can be held liable for any misrepresentations and do not provide any warranties with regards to the completeness of this report.

Neither the Company or related company, affiliates, subsidiaries nor any of the previous mentioned persons shall have any liability for any loss arising from the use of this report, neither direct nor indirect nor consequential damages. Whilst all reasonable care has been taken to ensure that the facts stated herein is correct and the views expressed herein are fair and reasonable, no guarantee can be provided. With regards to quoted information from external sources, this information is not to be interpreted as if they have been accepted or confirmed by the Company.

This document contains forward-looking statements. Forward-looking statements include all statements that do not describe historic facts, but contains terms such as “believe”, “assume”, “expect”, “anticipate”, “estimate”, “plan”, “intend”, “could” or similar wording. However, these statements are by nature subject to risk and uncertainties, as they are related to future events and are based on assumptions and estimates, which could not occur at all or do not occur as anticipated in the future. Therefore, no guarantee is provided for any future results or the performance of the Company, the actual financial situation and the actual results of the Company as well as the overall economic development and legal frameworks that may differ materially from the expectations reflected in the forward looking statements that are expressed or implied and may not fulfill.

Investors are therefore cautioned not to base their investment decisions regarding the Company on the expressed forward looking statements.



METALCORP GROUP

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