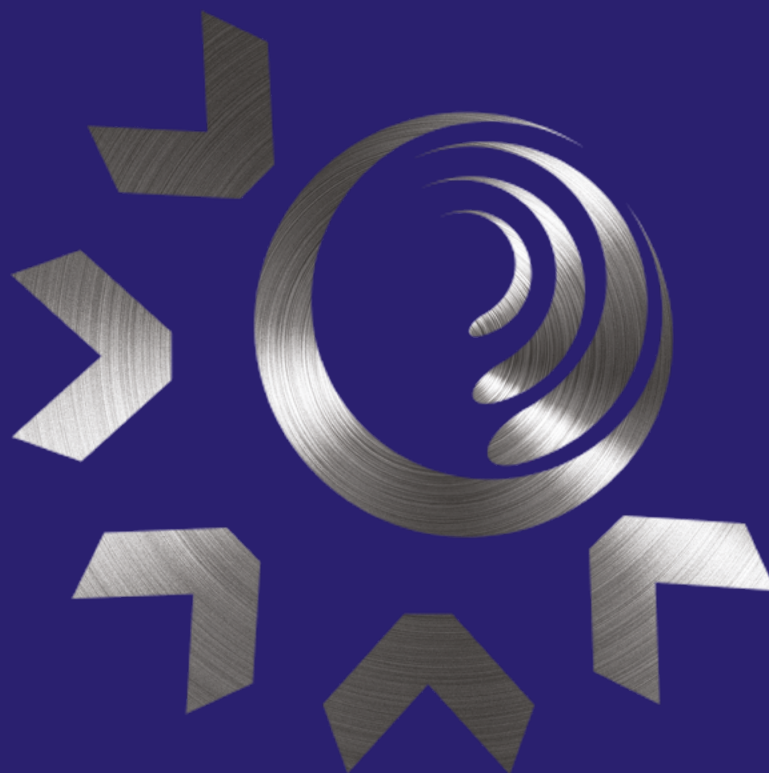


2021

METALCORP GROUP  
**HALF-YEAR REPORT**



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# METALCORP GROUP

## KEY DATA

REVENUES  
HY 2021

304 M€

GROSS PROFIT  
HY 2021

31 M€

OPERATING  
PROFIT  
HY 2021

26 M€

EQUITY  
HY 2021

184 M€

# METALCORP GROUP AT A GLANCE

## KEY FIGURES



## BUSINESS UNITS

Metalcorp Group is an international and diversified metals and minerals group with production facilities and mining assets in Europe and Africa.

We market metals, concentrates and ores derived from our own production facilities as well as from long-term offtake partners through a well-established distribution network.

Our business is organised across three divisions:

**Aluminium, Metals & Concentrates** and **Bulk & Ferrous**.







## ALUMINIUM

Our Aluminium Business Unit focus on Bauxite mining activities in the Republic of Guinea and Aluminium scrap recycling in Germany.

### RECYCLING



**BAGR BERLINER ALUMINIUMWERK**  
Germany

**+35**  
years  
in operation

**+90,000 mt**  
production  
capacity p.a.



**STOCKACH ALUMINIUM**  
Germany

**+90**  
years  
in operation

**+75,000 mt**  
production  
capacity p.a.

### MINING



**SOCIÉTÉ DES BAUXITES DE GUINÉE (SBG)**  
Republic of Guinea

**350**  
million tonnes  
of bauxite reserves

**8**  
million tonnes  
production capacity p.a.



**TARESSA MINING LOGISTIC (TML)**  
Republic of Guinea

**200**  
million tonnes  
of bauxite reserves

**10**  
million tonnes  
production capacity p.a.

## METALS & CONCENTRATES

We process and market a range of metals and minerals which includes scrap, refined metals, ores and concentrates.

## MARKETING



### TENNANT METALS GROUP

Monaco, Australia, South Africa, Luxembourg.

**+60**  
years  
in operation

**4** offices  
**3** Continents

## PRODUCTION



### CABLE RECYCLING INDUSTRIES

Spain, Greece

**+10**  
years  
in operation

**+30,000 mt**  
production  
capacity p.a.

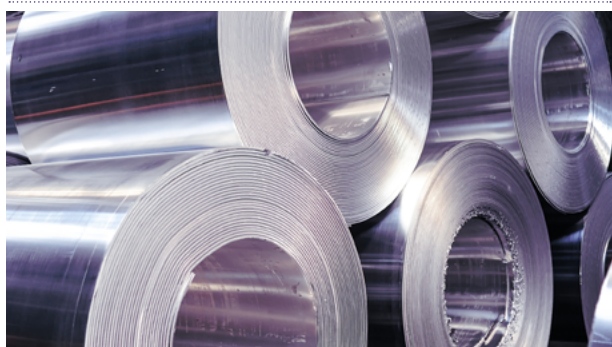




## BULK & FERROUS

We manufacture high quality steel pipe and coke as well as marketing a range of steel products and raw materials.

## MARKETING



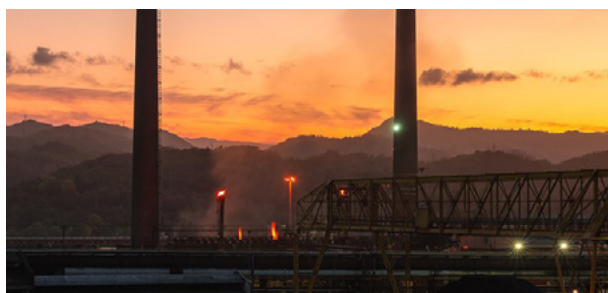
### STEELCOM GROUP

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

**+60**  
years  
in operation

**11** Offices  
**4** Continents

## PRODUCTION



### ITALIANA COKE

Italy

**Producing since: 1897**  
**Location: Savona Italy**  
**Capacity: 450,000 mt/a**



### CAPITAL STAR STEEL

Mozambique

**Producing since: 2008**  
**Location: Mozambique**  
**Capacity: 200,000 mt/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.

In HY 2021, Metalcorp realized a revenue of EUR 303,6 million (up 32.8% versus HY 2020) and an operating profit of EUR 25.8 million (up 63.6% versus HY 2020). Metalcorp's liquidity position is strong, with a cash position of EUR 159.7 million.

The diversified and risk averse business model thus proved again to be the right strategy in challenging markets.

After successfully operating through the challenges of COVID-19 in 2020, Metalcorp Group achieved despite the ongoing constraints of the pandemic, an increase of volume in all its business segments.

In our key secondary aluminium businesses, production met our H1 guidance and is operating at three-shift-capacity, while mining performed according to expectations and large export will be realised after the raining season.

Our marketing business has again performed well, with constructive market conditions allowing us to meet our H1 guidance range supported by our acquired production assets.

Further activities in processing, mining and marketing started and contributed to these results.

In the near term we remain alert to the continuing challenges of Covid-19, and our operational teams remain focussed on operating safely and responsibly to create sustainable long-term value.

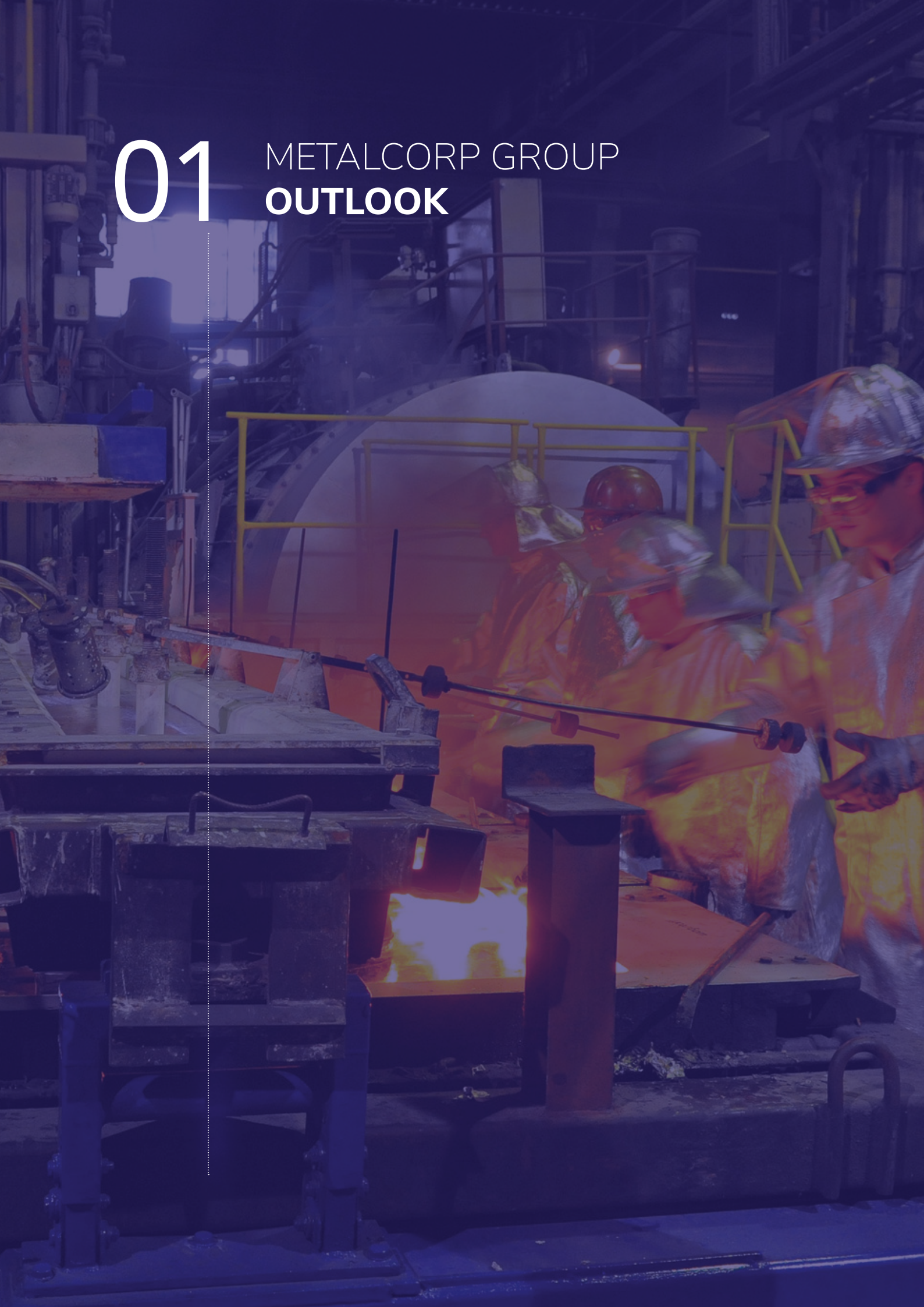
The business was impacted by the following:

- higher market prices
- Aluminium production met H1 guidance
- raw materials marketing was up and zinc and copper were above expectations.



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 2021, Metalcop Group is a highly resilient company that is providing goods and services that are reliable and vital for global markets. Those goods and services 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.

Metalcop Group S.A. has successfully completed the offering of its new secured 8.5% bond 2021/2026 (ISIN: DE000A3KRAP3) with a volume of EUR 250 million. The new bond 2021/2026 is listed on the Open Market of the Frankfurt Stock Exchange.

No significant repayment is due in 2021.

## 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 marketing 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 3<sup>rd</sup> 2021

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 2021.

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 2021.

The Board focused particularly on the appropriateness of the Group's consolidated financial statements. The Board confirms that the 2021 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 2021, the Board is formed by Mrs. Pascale MITRI YOUNES as Chairwoman and Mr. Anouar BELLI as member.

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 2021. 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 2021.

## 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 3<sup>rd</sup> 2021

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 2021	HY 2020
<b>Continuing Operations</b>			
<b>Revenue</b>	2	<b>303.585</b>	<b>228.832</b>
thereof revenue from contract-based assets	2	5.867	177
Cost of sales	2	-272.409	-208.425
<b>Gross profit</b>	2	<b>31.176</b>	<b>20.407</b>
<b>Operating expenses</b>			
Selling expenses	3	-3.242	-2.303
Administrative expenses	3	-2.154	-2.347
		<b>-5.396</b>	<b>-4.650</b>
<b>Operating profit</b>		<b>25.780</b>	<b>15.757</b>
Depreciation and amortization	3	-2.522	-1.075
<b>Non-operating expenses</b>			
Other non operating income and expenses	4	-1.852	-972
Financial income and expense	4	-7.240	-8.990
<b>Net finance cost</b>		<b>-9.092</b>	<b>-9.963</b>
<b>Profit before tax</b>		<b>14.166</b>	<b>4.718</b>
Income tax expense	5	-2.089	-624
<b>Profit from continuing operations</b>		<b>12.077</b>	<b>4.094</b>
<b>Profit</b>		<b>12.077</b>	<b>4.094</b>
<b>Profit attributable to:</b>			
Equity holders of Metalcop Group S.A.		11.629	3.611
Non-controlling interests		448	482
		<b>12.077</b>	<b>4.094</b>

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR 1.000	HY 2021	HY 2020
<b>Profit</b>	<b>12.077</b>	<b>4.094</b>
<b>Other comprehensive income</b>		
Amortization Offtakes	-258	-177
Translation differences foreign associated companies	2.077	156
<b>Total comprehensive income</b>	<b>9.742</b>	<b>4.073</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of Metalcorp Group S.A.	9.294	3.485
Non-controlling interests	448	588
<b>Total result</b>	<b>9.472</b>	<b>4.073</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(before appropriation of result)

EUR 1.000	Note	30/06/2021	31/12/2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property plant and equipment	6	284.729	285.605
Intangible fixed assets	7	39.621	37.619
Financial fixed assets	8	30.547	30.486
<b>Total non-current assets</b>		<b>354.897</b>	<b>353.710</b>
<b>Current assets</b>			
Inventories	9	43.862	39.730
Receivables, prepayments and accrued income	10	150.814	114.208
Securities	11	5.300	5.300
Cash and cash equivalents	12	159.712	22.474
<b>Total current assets</b>		<b>359.688</b>	<b>181.712</b>
<b>Total assets</b>		<b>714.585</b>	<b>535.422</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		70.000	70.000
Reserves and retained earnings		78.334	38.401
<b>Equity attributable to the owners of the company</b>		<b>148.334</b>	<b>108.401</b>
<b>Non-controlling interest</b>		<b>35.122</b>	<b>51.272</b>
<b>Total equity</b>		<b>183.456</b>	<b>159.673</b>
<b>Non-current liabilities</b>			
Loans and borrowings	14	278.766	222.330
Provisions	14	28	47
Deferred tax liabilities	5	4.118	4.069
<b>Total non-current liabilities</b>		<b>282.911</b>	<b>226.446</b>
Current liabilities and accruals	14	248.219	149.304
<b>Total current liabilities</b>		<b>248.219</b>	<b>149.304</b>
<b>Total equity and liabilities</b>		<b>714.585</b>	<b>535.422</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

(before appropriation of result)

EUR 1.000	HY 2021	HY 2020
<b>Operating profit</b>	<b>25.780</b>	<b>15.757</b>
Adjustments for:		
- Depreciation and amortization	-	-
<b>Working capital changes</b>		
- Movements trade receivables, prepayment and accrued income	-41.456	11.441
- Movements inventories	-4.132	6.729
- Movements on loans receivable	2.107	4.792
- Movements trade payables	25.007	-9.010
- Movements other payables and liabilities	-7.875	3.320
- Movements trade finance and other financing	-33.484	-3.266
	<b>-59.833</b>	<b>14.006</b>
Interest paid after corporate income tax	-2.152	-
	<b>-2.152</b>	<b>-</b>
<b>Cash flow from operating activities</b>	<b>-36.205</b>	<b>29.763</b>
Investments in intangible fixed assets	-2.246	-
Disposals of intangible fixed assets	-	98
Investments in property, plant and equipment	-6.149	-31.726
Investments in other financial assets	-60	-709
Disposals of securities	-	10
Acquisition of non-controlling interests	-6.814	-
<b>Cash flow from investment activities</b>	<b>-15.269</b>	<b>-32.327</b>
Proceeds from capital increase	5.000	-
Proceeds from borrowings and leasing liabilities	272.754	4.014
Repayment of borrowings and leasing liabilities	-80.699	-19.876
Movements on loans receivable	2.520	2.009
Other finance income	618	57
Other finance expense	-4.067	-802
Interest received/paid	-6.943	-454
<b>Cash flow from financing activities</b>	<b>189.183</b>	<b>-15.052</b>
Exchange rate and translation differences on movements in cash	-471	661
<b>Movements in cash</b>	<b>137.238</b>	<b>-16.955</b>
Cash and cash equivalents at 1 January 2021	22.474	
Cash and cash equivalents at 30 June 2021	159.712	

## 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
<b>2020</b>									
Opening Balance	70.000	9.628	13.195	1.462	21.929	9.709	125.921	29.641	155.564
<b>Total comprehensive income and expense for the period</b>									
Profit/(loss) for the period	-	-	-	-	-	220	220	2.551	2.771
Amortization of fixed assets	-	-	-1.006	-	-	-	-1.006	-	-1.006
Foreign currency translation differences	-	-	-	4.577	-	-	4.577	-	4.577
<b>Total comprehensive income and expense for the period</b>	-	-	-1.006	4.577	-	220	3.791	2.551	6.342
<b>Other movements in equity</b>									
Allocation of prior year result	-	-	-	-	220	-220	-	-	-
Other movements in equity	-	-	-	-	-21.314	-	-21.314	19.080	-2.234
Acquisitions	-	-	-	-	-	-	-	-	-
<b>Total other movements in equity</b>	-	-	-	-	-21.094	-220	-21.314	19.080	-2.234
<b>Total</b>	<b>70.000</b>	<b>9.628</b>	<b>12.189</b>	<b>6.039</b>	<b>835</b>	<b>9.709</b>	<b>108.400</b>	<b>51.272</b>	<b>159.672</b>
<b>HY 2021</b>									
Opening Balance	70.000	9.628	12.189	6.039	835	9.709	108.400	51.272	159.672
<b>Total comprehensive income and expense for the period</b>									
Profit/(loss) for the period	-	-	-	-	-	11.629	11.629	448	12.077
Amortization of fixed assets	-	-	-258	-	-	-	-258	-	-258
Foreign currency translation differences	-	-	-	-2.077	-	-	-2.077	-	-2.077
<b>Total comprehensive income and expense for the period</b>	-	-	-258	-2.077	-	11.629	-9.294	448	9.742
<b>Other movements in equity</b>									
Allocation of prior year result	-	-	-	-	9.709	-9.709	-	-	-
Capital increase	-	-	-	-	30.640	-	30.640	-16.599	14.041
Other movements in equity	-	-	-	-	-	-	-	-	-
<b>Total other movements in equity</b>	-	-	-	-	40.349	-9.709	30.640	-16.599	14.041
<b>Total</b>	<b>70.000</b>	<b>9.628</b>	<b>11.931</b>	<b>3.962</b>	<b>41.184</b>	<b>11.629</b>	<b>148.334</b>	<b>35.122</b>	<b>183.456</b>

The translation reserve is used to capture the cumulative impact of foreign currency translation adjustments arising from the Group's non-EUR denominated functional currency subsidiaries. The net revaluation reserve is used to accumulate the gains and losses associated with the remeasurement of the Group's investments carried at FVTOCI.

The third-party share and other reserve is used to capture equity movements arising from changes in the Group's ownership in its subsidiaries. Changes from capital increase result from the share increase in Societe des Bauxites de Guinee S.A.R.L. and the increase of equity in Metalcop Group S.A. (Note 13).

# 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 1<sup>st</sup> January 2021, and its interpretations as issued by the International Accounting Standards Board (IASB) effective for the year beginning 1st January 2021. 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 2021. These unaudited condensed interim consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the audited 2020 Annual Report of Metalcorp S.A. and subsidiaries (2020 Annual Report) available at [www.metalcorpgroup.com](http://www.metalcorpgroup.com). These financial statements for the six months ended 30 June 2021 and 2020, and financial information for the year ended 31 December 2020 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 2021 Half Year Report and audited financial statements for the year ended 31 December 2020 have been published at [www.metalcorpgroup.com](http://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 2021 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 the following sub-segments:

- Aluminium
- Metals & Concentrates
- Bulk & Ferrous

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

The Aluminium business unit is organised into Recycling and Mining activities. Aluminium Recycling 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 invested furthermore in Bauxite mining activities in the Republic of Guinea, which is the raw material for Alumina, and ultimately Aluminium production.

The Metals & Concentrates marketing activities are managed by Tennant Metals Group – a global commodity firm, specialising in the sourcing and physical supply of base metals in the form of scrap, refined metals, ores and concentrates.

The company's expert knowledge of the various components of the commodity supply chain guarantees low-risk and efficient results.

Established in 1966, Tennant Metals is continuously adapting to the global environment by adjusting its market approach to secure new sources of supply and providing world class service in various niche markets. The main metals traded by Tennant Metals are ferrochrome, aluminium, copper, lead, tin and zinc.

The production activities of the Metals & Concentrates business unit consists of running a copper scrap recycling business with a strong European customer base. Using an energy efficient process to convert copper scrap into high quality copper granulates, we place an emphasis on minimising waste and the re-use of existing resources.

The group is currently running two recycling and production sites in Bilbao, Spain and Thessaloniki, Greece.

The Marketing activities of Bulk and Ferrous are headed by Steelcom – an independent steel marketer with a history spanning over 60 years in the steel industry.

Our global network and expertise enable us to offer a complete and competitive value-added service by providing both producers and consumers with secure platforms in the field of trade finance, risk management, and logistics solutions.

Steelcom is a leading steel service provider.

The Production activities of the Bulk & Ferrous segment consists of Coke and steel pipe manufacturing respectively by Italiana Coke and Capital Star Steel.

Metalcorp Group has secured a shareholding in Italiana Coke based in Savona, Italy. As part of a group originally founded in 1895, Italiana Coke manufactures and markets reductants including metallurgical coke, foundry coke and blast furnace coke. The company emphasises eco-sustainability and multiple investments have been made to implement state-of-the-art infrastructure to control and reduce emissions and protect the plant's immediate environment.

Capital Star Steel is a leading manufacturer of high-quality, electric resistance steel pipe. These products are supplied to the fuel and energy, construction, mining and utility industries across Africa and globally. The company operates a 34,400m<sup>2</sup> facility and 120,000m<sup>2</sup> storage yard in Mozambique.



## NOTE 3. EXPENSES

EUR 1.000	HY 2021	HY 2020
<b>Selling expenses</b>		
Personnel	3.219	2.292
Sales and marketing expenses	23	11
<b>Total selling expenses</b>	<b>3.242</b>	<b>2.303</b>
<b>Administrative expenses</b>		
Personnel	733	367
Professional services fees	588	891
Facilities and offices	667	833
Other operating expenses	165	256
<b>Total administrative expenses</b>	<b>2.154</b>	<b>2.347</b>
<b>Operating expenses</b>	<b>5.396</b>	<b>4.650</b>
<b>Breakdown: depreciation and amortization</b>		
Property Plant and Equipment	963	159
Intangible assets	258	275
Right-of-use assets	1.221	641
<b>Total depreciation and amortization</b>	<b>2.442</b>	<b>1.075</b>

The average number of employees of the Group during the half-year, converted to full-time equivalents was 296 (HY 2020: 280) of which 294 are employed outside of Luxembourg (HY 2020: 277).

In the personnel expenses an amount of EUR 355 thousand related to social security premiums (HY 2020: EUR 457 thousand) and an amount of EUR 66 thousand related to pension premiums are included (HY 2020: EUR 67 thousand).

## NOTE 4. FINANCIAL INCOME AND EXPENSES

EUR 1.000	HY 2021	HY 2020
<b>Financial income and expense</b>		
Other interest income and similar income	1.205	1.067
Interest expenses and similar charges	-8.148	-9.844
Interest expense for leasing arrangements	-296	-214
Other non operating income and expenses	-4.067	-8
<b>Total financial income and expense</b>	<b>-11.306</b>	<b>-8.999</b>
<b>Income from foreign exchange</b>		
Forex gains	3.036	2.719
Forex losses	-822	-3.683
<b>Total income from foreign exchange</b>	<b>2.214</b>	<b>-964</b>
<b>Total financial income and expense</b>	<b>-9.092</b>	<b>-9.963</b>

## NOTE 5. TAXATION

Income taxes consist of the following:

EUR 1.000	HY 2021	HY 2020
Current income tax expense	-2.152	-627
Deferred income tax	63	3
<b>Total income tax expense</b>	<b>-2.089</b>	<b>-624</b>
EUR 1.000	HY 2021	HY 2020
	%	%
Taxable result	14.166	4.718
Tax burden based on Luxembourg nominal rate	24,9%	24,9%
Tax rate difference	-1.438	-551
<b>Taxation on result on ordinary activities</b>	<b>2.089</b>	<b>624</b>

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
<b>Gross carrying amount</b>					
1 January 2020	14.701	46.771	76.088	94.894	232.454
Additions	15.693	13.646	8.775	25.962	64.076
Exchange rate differences	-	-	-	6.060	6.060
<b>31 December 2020</b>	<b>30.394</b>	<b>60.417</b>	<b>84.863</b>	<b>126.916</b>	<b>302.590</b>

<b>Accumulated depreciation and impairments</b>					
1 January 2020	609	9.007	3.567	-	13.183
Depreciation	224	3.109	469	-	3.802
<b>31 December 2020</b>	<b>833</b>	<b>12.116</b>	<b>4.036</b>	<b>-</b>	<b>16.985</b>

<b>Net book value at 31 December 2020</b>	<b>29.561</b>	<b>48.301</b>	<b>80.827</b>	<b>126.916</b>	<b>285.605</b>
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EUR 1.000	Land and buildings	Plant and machinery	Other operating assets, Construction & Development	Mineral rights	Total
<b>Gross carrying amount</b>					
1 January 2021	30.394	60.417	84.863	126.916	302.590
Additions	2.843	-	1.686	2.662	7.191
Disposals	-	-5.884	-	-	-5.884
<b>30 June 2021</b>	<b>33.237</b>	<b>54.533</b>	<b>86.549</b>	<b>129.578</b>	<b>303.897</b>

<b>Accumulated depreciation and impairments</b>					
1 January 2021	833	12.116	4.036	-	16.985
Depreciation	114	1.885	185	-	2.184
<b>30 June 2021</b>	<b>947</b>	<b>14.001</b>	<b>4.221</b>	<b>-</b>	<b>19.169</b>

<b>Net book value at 30 June 2021</b>	<b>32.290</b>	<b>40.532</b>	<b>82.328</b>	<b>129.578</b>	<b>284.728</b>
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### Land and buildings, plant and machinery, operating assets and construction & development

The additions of 2021 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. SBG has started in 2020 its mining operation in Guinea hence the asset is operational. 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	4.765
Plant & machinery	13.560

## 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
<b>Gross carrying amount</b>				
1 January 2020	14.608	25.838	3.707	44.153
Disposals	-	-	-2.090	-2.090
Exchange rate differences	-23	-	-	-23
<b>31 December 2020</b>	<b>14.585</b>	<b>25.838</b>	<b>1.617</b>	<b>44.130</b>
<b>Accumulated amortization and impairments</b>				
1 January 2020	2.104	-	1.079	3.183
Acquisitions	-	-	-	-
Amortization	1.006	-	232	1.238
<b>31 December 2020</b>	<b>3.110</b>	<b>-</b>	<b>1.311</b>	<b>4.421</b>
<b>Net book value at 31 December 2020</b>	<b>11.475</b>	<b>25.838</b>	<b>306</b>	<b>37.620</b>
EUR 1.000	Off-take contracts	Goodwill	Other intangible assets	Total
<b>Gross carrying amount</b>				
1 January 2021	14.585	25.838	1.617	42.040
Acquisitions	-	-	-	-
Additions	-	-	2.246	2.246
Exchange rate differences	15	-	-	15
<b>30 June 2021</b>	<b>14.600</b>	<b>25.838</b>	<b>3.863</b>	<b>44.301</b>
<b>Accumulated amortization and impairments</b>				
1 January 2021	3.110	-	1.311	4.421
Amortization	258	-	-	258
<b>30 June 2021</b>	<b>3.368</b>	<b>-</b>	<b>1.311</b>	<b>4.679</b>
<b>Net book value at 30 June 2021</b>	<b>11.232</b>	<b>25.838</b>	<b>2.552</b>	<b>39.621</b>

### 7.1 Offtake contracts

The offtake contracts as per 30 June 2021 relate to contracts obtained through past acquisitions (referred to as contract based intangible assets before 2020). 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 (2021: EUR 24.024 thousand; 2020: EUR 24.024 thousand) and the trading activities (2021: EUR 1.814 thousand; 2020: 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	Deferred tax assets	Associated	Other receivables	Total
<b>Book Value</b>				
Balance at 1 January 2020	126	17	2.282	2.425
Additions	191	30.031	-	30.222
Sales, redemptions and other	-	-	-2.161	-2.161
<b>Balance at 31 December 2020</b>	<b>317</b>	<b>30.048</b>	<b>121</b>	<b>30.486</b>
<b>Book Value</b>				
Balance at 1 January 2021	317	30.048	121	30.486
Additions	63	-	-	63
Sales, redemptions and other	-	-	-3	-3
<b>Balance at 31 December 2021</b>	<b>380</b>	<b>30.048</b>	<b>118</b>	<b>30.547</b>

The "Associated companies" mainly reflects a participation of a 30% stake in a manufacturer of steel pipes, which serves the International Oil and Gas industry and the Mining Industry across Africa, with a globally based Sales and Distribution. Additionally shares and participations in deconsolidated subsidiaries are presented in this position.

The "Other receivables" are mainly related to deposits that have been provided to various companies.

## NOTE 9. INVENTORIES

EUR 1.000	30/06/2021	31/12/2020
<b>Total inventories</b>	<b>43.862</b>	<b>39.730</b>

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	30/06/2021	31/12/2020
Trade receivables, prepayments and accrued income	106.051	64.595
Trade receivables (Factoring)	14.951	15.432
Contract-based assets	15.186	14.928
Related parties	858	3.378
Other receivables	12.701	14.810
Taxation	1.067	1.066
<b>Total receivables, prepayments and accrued income</b>	<b>150.814</b>	<b>114.208</b>

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' provision matrix:

The provision for doubtful receivables as at 30 June 2021 amounts to a total of EUR 1.184 thousand (2020: 549) and contains other doubtful receivables with an amount of EUR 670 thousand. The difference between

the Credit loss allowance as per 31 December 2020 and 30 June 2021 amounts to EUR 35 thousand and is recognized as other financial income.

EUR 1.000	expected default rate	Carrying amount	Credit Loss allowance(included)
Current	0,27%	93.230	255
1-30 days past due	0,92%	4.103	38
31-60 days past due	1,57%	1.009	16
61-90 days past due	1,08%	220	2
more than 90 days past due	2,53%	8.002	203
<b>Total</b>		<b>106.564</b>	<b>514</b>

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 2020. 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	01/01/2020	Acquisition	Disposal	Revaluation	31/12/2020
Unlisted securities	6.059	-	-	-759	5.300
Listed securities	-	-	-	-	-
<b>Total</b>	<b>6.059</b>	<b>-</b>	<b>-</b>	<b>-759</b>	<b>5.300</b>

EUR 1.000	01/01/2021	Acquisition	Disposal	Revaluation	30/06/2021
Unlisted securities	5.300	-	-	-	5.300
Listed securities	-	-	-	-	-
<b>Total</b>	<b>5.300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.300</b>

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 2021. 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 (2020: EUR 70 million) divided into 70 million ordinary shares of EUR 1 per share. The total number of authorized shares is 110 million (2020: 110 million shares). The majority of the shares are owned by Lunala Investments S.A. (Luxembourg).

### Other Reserves

Within other reserves an amount of EUR 15 million is contributed as a capital reserve to the company and during the year the Company will transform the provided funds into share premium or share capital.

### 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	31/12/2021	31/12/2020
<b>Long-term liabilities</b>		
Bonds	247.987	193.706
IFRS 16 Leasing Liability	18.565	17.523
Provision	28	47
Other Long-term Liabilities	12.213	11.100
	<b>278.792</b>	<b>222.376</b>
<b>Current liabilities and accruals</b>		
Bank loans and other financing	51.178	84.181
Short term portions of Bonds	115.267	-
Trade payables	49.661	24.654
Trade payables (Factoring)	14.951	15.432
Related parties payable	418	7.505
Taxes and social security charges	2.725	462
Other current liabilities	1.967	1.780
Accrued liabilities and deferred income	12.053	15.291
	<b>248.220</b>	<b>149.305</b>

EUR 1.000	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
<b>1 January 2020</b>	<b>210.434</b>	<b>143.020</b>	<b>10.236</b>	<b>363.690</b>
<b>Cash-flows</b>				
-Proceeds	-5.580	-4.982	-3.956	-14.518
-Repayment	-	6.680	11.162	17.842
<b>Non-cash</b>				
-Foreign exchange movements	-	-	81	81
-Movement in accruals	-	4.566	-	4.586
<b>31 December 2020</b>	<b>204.853</b>	<b>149.305</b>	<b>17.523</b>	<b>371.681</b>

EUR 1.000	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
<b>1 January 2021</b>	<b>204.853</b>	<b>149.305</b>	<b>17.523</b>	<b>371.681</b>
<b>Cash-flows</b>				
-Repayment	-79.357	-33.484	-1.342	-114.183
-Proceeds	250.000	20.370	2.384	272.754
<b>Non-cash</b>				
-Foreign exchange movements	-	-	-	-
-Reclassification	-115.269	115.269	-	-
-Movement in accruals	-	-3.239	-	-3.239
<b>30 June 2021</b>	<b>260.227</b>	<b>248.220</b>	<b>18.565</b>	<b>527.012</b>

## 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 bonds that were launched in 2021 on the Frankfurt Exchange (EUR 250 million). The term of the bonds is 5 years with an interest of 8,50% per

annum. The Fair value of the bond amount to EUR 252,75 million at 30 June 2021. These placements have secured the repayment of the German bond that expires on 02 October 2022 and the Norwegian Bond that expires on 06 June 2022, which are reflected under current liabilities as "current portion of bonds" (hereinafter: the "2017-2022 Bonds").

### 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 2021	Amount 2020
<b>Trade finance</b>		
Uncommitted facilities - interest applied deal by deal based on framework agreements	43.054	68.427
<b>Working capital facilities</b>		
Euribor + markup	8.124	15.754
<b>Total bank loans (&lt; 1 year)</b>	<b>51.178</b>	<b>84.181</b>

The trade payables (Factoring) are valued at fair value through profit and loss and show the value as per 30 June 2021. 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	12 years	12 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	Carrying Amount	Additions	Depreciation	Disposal
Office Building	4.386	3.029	2.650	-
Plant and machinery	15.503	-	1.525	418

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	30/06/2021	31/12/2020
Non-current	18.565	17.523

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 2021 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 2021 is as follows:

Minimum lease payment due	EUR 1.000			
	Within 1 year	1-5 years	Over 5 years	Total
<b>30.06.2021</b>				
Lease payments	4.830	11.659	901	17.390
Finance charges	481	706	98	1.285
Net present value	6.606	11.197	762	18.565
<b>31.12.2020</b>				
Lease payments	5.006	8.694	1.174	14.874
Finance charges	427	610	99	1.136
Net present value	5.143	11.471	909	17.523

**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	12
Leases of low value assets	-

At 30 June 2021 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**

<b>Total cash outflow in respect of leases in the year EUR 1.000</b>	<b>-1.342</b>
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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.

2020 EUR 1.000	Note	Amortised cost	FVTPL	Total
Financial fixed assets (other receivables)		2.425	-	30.486
Trade receivables, prepayments and accrued income	10	124.285	-	79.523
Trade receivables (Factoring)	10	-	15.145	15.432
Other receivables	10	30.471	-	19.254
Securities	11	-	6.059	5.300
Cash and cash equivalents	12	47.047	-	22.474
<b>Total financial assets</b>		<b>204.228</b>	<b>21.204</b>	<b>172.468</b>
Borrowings (> 1 year)	14	220.670	-	220.670
Trade payables	14	25.976	-	25.967
Trade payables (Factoring)	14	-	15.145	15.145
Trade finance	14	89.428	-	89.428
Current liabilities and accruals	14	12.470	-	12.470
<b>Total financial liabilities</b>		<b>348.544</b>	<b>15.145</b>	<b>363.690</b>
HY 2021 EUR 1.000	Note	Amortised cost	FVTPL	Total
Financial fixed assets (other receivables)	8	30.547	-	30.547
Trade receivables, prepayments and accrued income	10	121.237	-	121.237
Thereof trade receivables (Factoring)	10	-	14.951	14.951
Other receivables	10	14.626	-	14.626
Securities	11	-	5.300	5.300
Cash and cash equivalents	12	159.712	-	159.712
<b>Total financial assets</b>		<b>326.122</b>	<b>20.251</b>	<b>346.373</b>
Borrowings (> 1 year)	14	278.792	-	278.792
Trade payables	14	49.661	-	49.661
Trade payables (Factoring)	14	-	14.951	14.951
Trade finance	14	43.054	-	43.054
Current liabilities and accruals	14	140.554	-	140.554
<b>Total financial liabilities</b>		<b>512.062</b>	<b>14.951</b>	<b>527.012</b>

### 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:

2020 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	-	-	-	-
<b>Total financial assets</b>	<b>15.145</b>		<b>6.059</b>	<b>21.204</b>
Borrowings (> 1 year)	-	-	-	-
Trade payables	-	-	-	-
Trade payables (Factoring)	15.145	-	-	15.145
Trade finance	-	-	-	-
Current liabilities and accruals	-	-	-	-
<b>Total financial liabilities</b>	<b>15.145</b>	<b>-</b>	<b>-</b>	<b>15.145</b>
HY 2021 EUR 1.000	Level 1	Level 2	Level 3	Total
Financial fixed assets (other receivables)	-	-	-	-
Trade receivables	-	-	-	-
Trade receivables (Factoring)	14.951	-	-	14.951
Receivables, prepayments and accrued income	-	-	-	-
Securities	-	-	5.300	5.300
Cash and cash equivalents	-	-	-	-
<b>Total financial assets</b>	<b>14.951</b>	<b>-</b>	<b>5.300</b>	<b>20.251</b>
Borrowings (> 1 year)	-	-	-	-
Trade payables	-	-	-	-
Trade payables (Factoring)	14.951	-	-	14.951
Trade finance	-	-	-	-
Current liabilities and accruals	-	-	-	-
<b>Total financial liabilities</b>	<b>14.951</b>	<b>-</b>	<b>-</b>	<b>14.951</b>

During the year no amounts were transferred between Level 1, Level 2 and Level 3 of the fair value hierarchy. As at 30 June 2021 no financial assets and liabilities were subject to offsetting.

The level 3 securities are mainly related to unlisted shares. In circumstances where Metalcop 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 2021, 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 2021	EUR 1.000
Commodity related contracts	305
<b>Total Current Assets FVTPL</b>	<b>305</b>

The total impact in the consolidated statement of income amounts to EUR 2 thousand (2020: EUR 30 thousand). All derivatives mature within the first three months.

**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 2021	HY 2020
short-term employee benefits	170	170
<b>Total</b>	<b>170</b>	<b>170</b>

## NOTE 18. TRANSACTIONS WITH RELATED PARTIES

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

EUR 1.000	Note	30/06/2021	31/12/2020
Shareholder <1yr	10	-	-
Related parties <1yr	10	858	3.378
<b>Total Receivables</b>		<b>858</b>	<b>3.378</b>
Related parties <1yr	14	418	7.705
<b>Total Liabilities</b>		<b>418</b>	<b>7.705</b>
<b>Net receivable (-liability)</b>		<b>440</b>	<b>-4.127</b>

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 (2020: 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 2021	2020
Metalcorp Group S.A.			
Consolidated (direct)			
BAGR Non-Ferrous Group GmbH	Germany	100,00%	100,00%
C.S. Tetrano Limited	Cyprus	100,00%	100,00%
Tennant Metals Group S.a.r.l.	Luxembourg	100,00%	100,00%
Orlyplein Investment Sarl	Luxembourg	100,00%	100,00%
Steelcom Group S.a.r.l.	Luxembourg	100,00%	100,00%
Consolidated (indirect)			
Steelcorp Industries S.a.r.l.	Luxembourg	100,00%	100,00%
Norwich S.a.r.l.	Luxembourg	94,00%	94,00%
BAGR Berliner Aluminiumwerk GmbH	Germany	94,00%	94,00%
Stockach Aluminium GmbH	Germany	94,00%	94,00%
Cable Recycling Industries S.L.	Spain	94,00%	94,00%
IMP Invest S.A.	Luxembourg	100,00%	100,00%
NB Investments S.a.r.l.	Luxembourg	100,00%	100,00%
Nikolaidis Th. Bros. S.A.	Greece	78,32%	78,32%
Societe des Bauxites de Guinee S.A.R.L.	Republic of Guinea	91,98%	73,76%
Steelcom Austria GesmbH	Austria	100,00%	100,00%
Steelcom USA LLC	USA	100,00%	100,00%
Steelcom Iberica S.L.	Spain	100,00%	100,00%
Steelcom Steel and Commodities GmbH	Germany	100,00%	100,00%
Steel and Commodities S.A.M.	Monaco	100,00%	100,00%
Steelcom Australia (Pty) Ltd.	Australia	100,00%	100,00%
Steelcom South Africa (Pty) Ltd.	South Africa	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 S.A.	Luxembourg	94,00%	94,00%
TCC Coke Ltd.	United Kingdom	100,00%	100,00%
MCOM Ltd.	United Kingdom	100,00%	100,00%
GM Mining Sarlu	Republic of Guinea	100,00%	100,00%
Taressa Mining Logistic S.A.R.L.	Republic of Guinea	80,00%	80,00%
In Metals Recycling I.K.E.	Greece	100,00%	100,00%
Non-consolidated			
Capital Star Steel (PTY) Ltd.	Mozambique	30,00%	30,00%
EME Invest S.A.	Luxembourg	100,00%	100,00%
Metalcorp Services (Uk) Ltd.	United Kingdom	100,00%	100,00%



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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 2020

The Company-only annual report of 2020 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 2020 to the other reserves.

## DISCLAIMER

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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

## CONTACT

**HEADQUARTERS**  
METALCORP GROUP S.A.  
8, rue DICKS  
L-1417 Luxembourg-ville  
LUXEMBOURG  
[www.metalcorpgroup.com](http://www.metalcorpgroup.com)

+ 352 27 99 01 45 55  
[info@metalcorpgroup.com](mailto:info@metalcorpgroup.com)