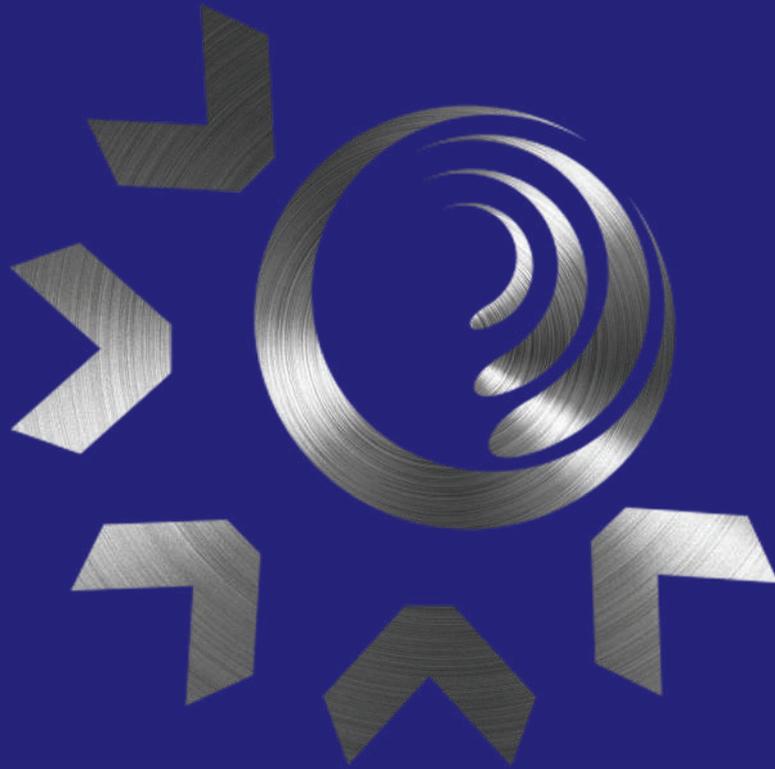


2021

METALCORP GROUP
ANNUAL REPORT





METALCORP GROUP
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METALCORP GROUP MANAGEMENT REPORT

- Who we are
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METALCORP GROUP

WHO WE ARE

Established in 2006, Metalcorp Group combines both production and processing units with trade and marketing operations to deliver cost-effective metals, minerals and finished products to international customers. Headquartered in Luxembourg, the Group operates in 15 countries and across 5 continents.

Metalcorp Group employs a sustainable business approach focused on diversification, cost control and risk avoidance. With strong market knowledge, our operations cover a variety of product categories enabling the Group to operate in both established and niche sectors. As both producer and marketer, we bring together the capabilities of the Group to provide value to our international customers and suppliers.

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

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

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

METALCORP GROUP AT A GLANCE

KEY FIGURES



BUSINESS UNITS

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

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

The Group's core business spans the sourcing, production, processing and marketing of metals and raw materials.

Metalcorp Group is organised across three divisions:
Aluminium, Metals & Concentrates and Bulk & Ferrous





ALUMINIUM

Our Aluminium Business Unit focuses 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, China, UAE, Spain, and Switzerland.

+60
years
in operation

8 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

METALCORP GROUP

KEY DATA

REVENUES

601 M€

GROSS PROFIT

78 M€

ADJUSTED
EBITDA

58 M€

EQUITY

219 M€



METALCORP GROUP

GLOBAL PRESENCE

Metalcorp Group manages a strategic portfolio of assets across the world.



TRADING DESKS & ASSETS

Australia
Austria
China
Germany
Greece
Republic of Guinea
Italia
Luxembourg, HQ
Monaco
Mozambique

South Africa
Spain
Switzerland
UAE - Dubai
UK

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COUNTRIES



METALCORP GROUP STRATEGY

Our strategy is based on five key success factors

01 Risk Averse

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

02 Diversification

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



Infrastructure 03

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

Partnerships 04

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

Know-how 05

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



METALCORP GROUP

SUSTAINABLE BUSINESS

Environmental, social and governance principles are at the heart of our business. We believe that we are responsible for delivering products, services and methods that respect the natural and social environment. We invest in the latest equipment, technology, and our processing and recycling plants ensure energy efficiency and reduced impact on the environment.

ENVIRONMENT

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

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





HEALTH & SAFETY

Metalcorp Group takes a proactive approach to Health and Safety.

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



SOCIAL

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

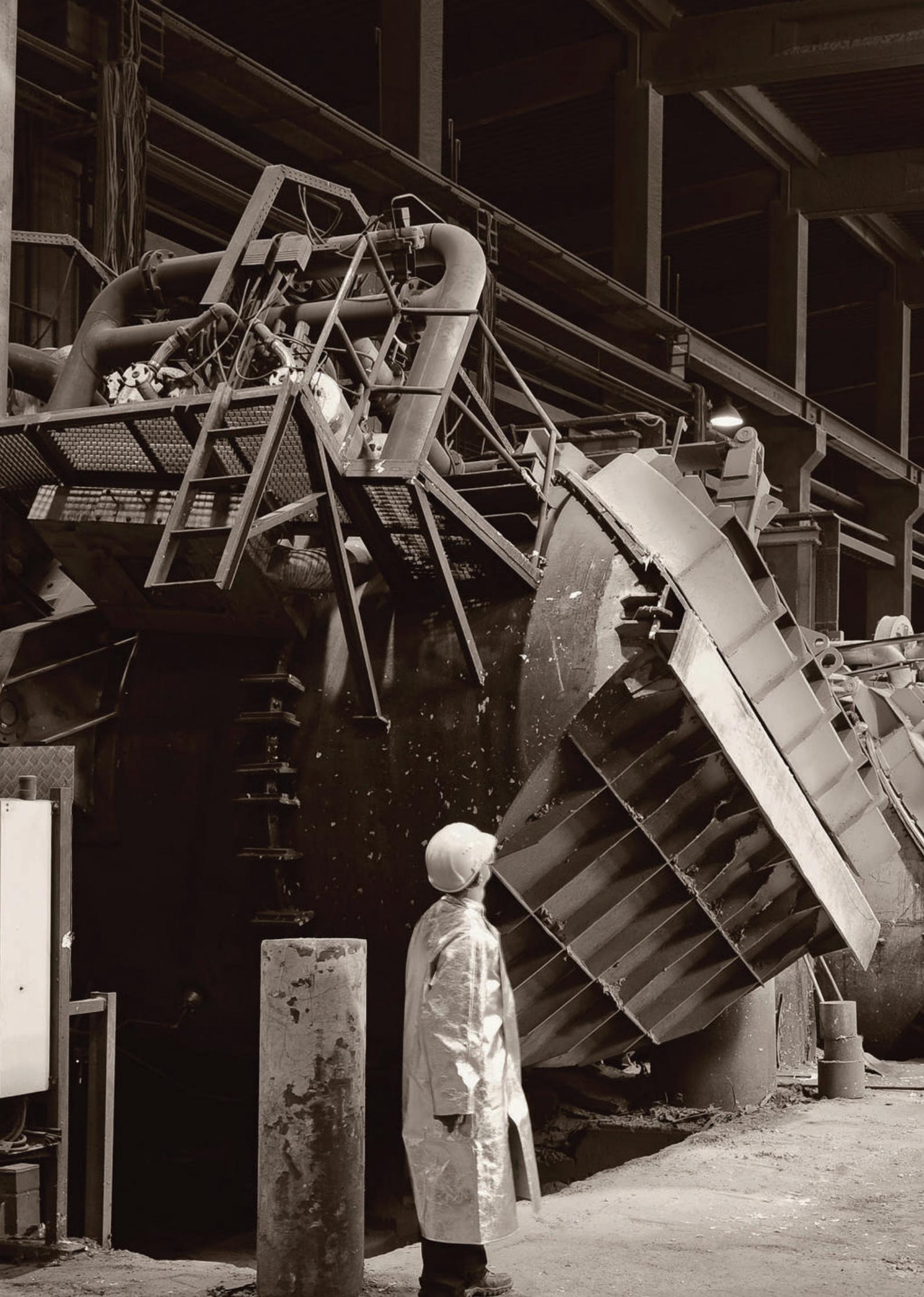
We invest significantly in supporting the communities near our operations in different areas including:

- Health
- Infrastructure
- Education & Training

01

METALCORP GROUP
MANAGEMENT REPORT

METALCORP GROUP
OUR OPERATIONS
ALUMINIUM



ALUMINIUM RECYCLING

BAGR BERLINER ALUMINIUMWERK "BAGR"

Producing since:

1981

Location:

Germany

Capacity: 90,000 mts

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

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



STOCKACH ALUMINIUM

Producing since:

1921

Location:

Germany

Capacity: 75,000 mts

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

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



BAUXITE AND ALUMINA MINING

SOCIÉTÉ DES BAUXITES DE GUINÉE "SBG"

Location:

Kindia Region - Republic of
Guinea

Mining Concession :

502 square km granted
for 25 years

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

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

SBG has its own port facilities with a capacity of exporting 5 million metric tonnes of bauxite per annum.

The mine is fully operational since 2021.



BAUXITE AND ALUMINA MINING

TARESSA MINING LOGISTIC "TML"

Location:

Boké Region - Republic of Guinea

As of 2020, Taressa Mining Logistic (TML) holds a licence for bauxite mining in the Republic of Guinea with a licence area that incorporates 200 million metric tonnes of high quality bauxite.

Production Capacity :

10 million metric tonnes per annum

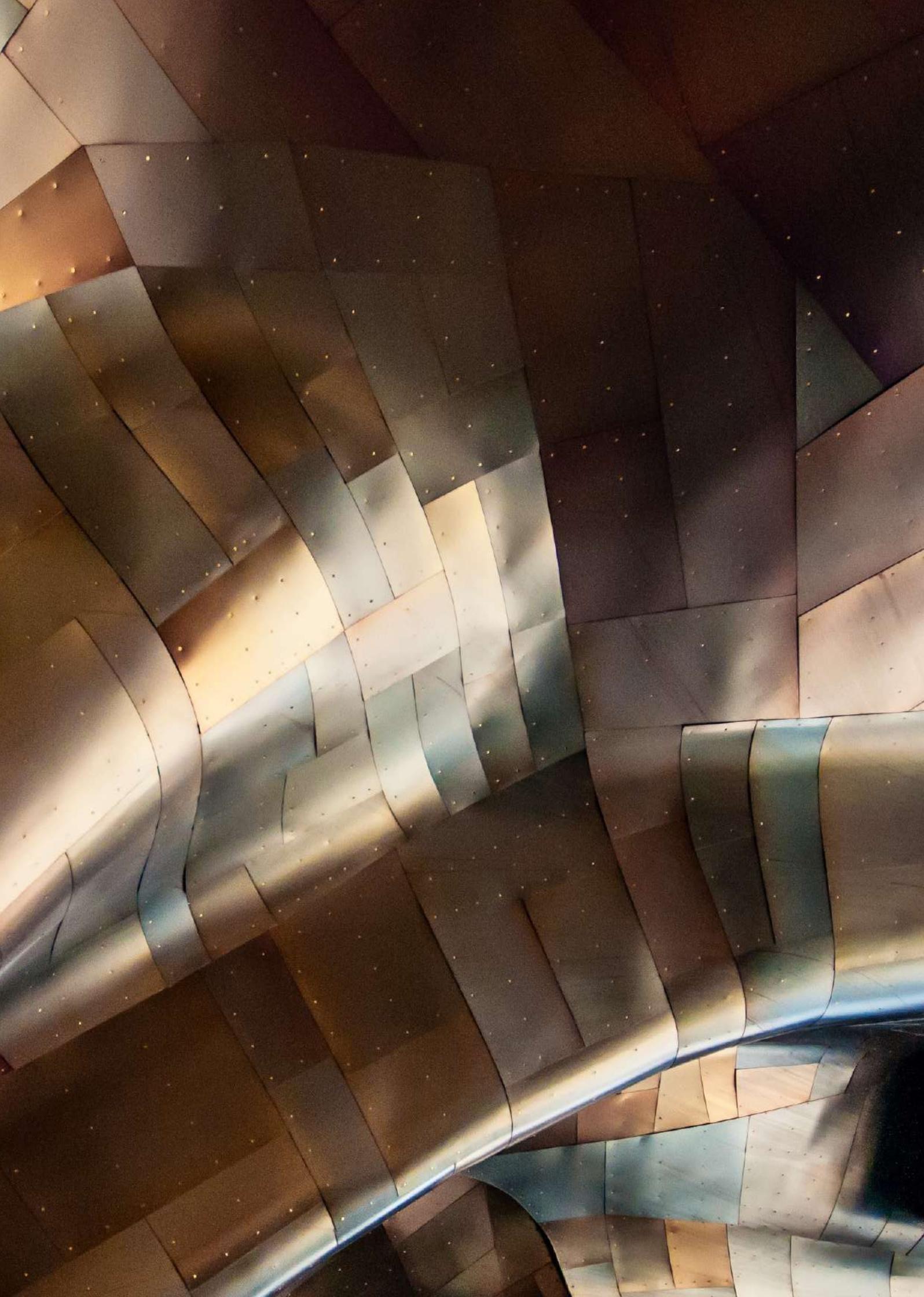
TML is currently in the process of developing mining infrastructure with a foreseen annual export capacity of 10 million metric tonnes per annum.



01

METALCORP GROUP
MANAGEMENT REPORT

METALCORP GROUP
OUR OPERATIONS
METALS & CONCENTRATES



COPPER PRODUCTION

CABLE RECYCLING INDUSTRIES "CRI"

Incorporated since:

2012

Location:

Spain

Capacity: 30,000 mts

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

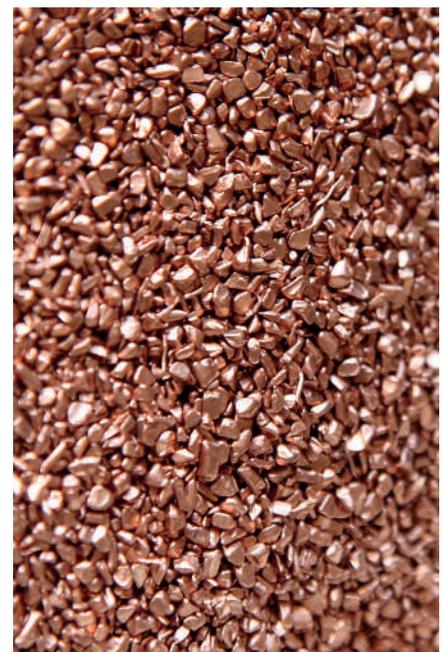
The plant is an energy efficient convertor, processing copper scrap into high quality copper granulates, with an emphasis on minimising waste.



CORE PRODUCTS

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

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



METALS & CONCENTRATES MARKETING

TENNANT METALS GROUP

Operating Since:

1955

Locations:

Monaco, Australia, South Africa, Luxembourg, China.

Tennant Metals Group trades and markets base metals, ores, concentrates and ferroalloys.

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

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

Tennant Metals Group also provides financial and logistics solutions.



CORE PRODUCTS

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

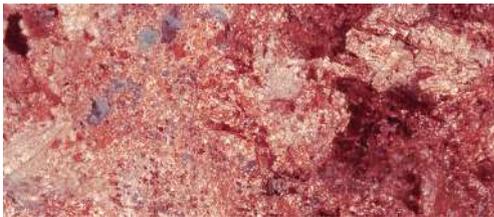
BASE METALS

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

We supply primary as well as secondary produced metals.



ORES & CONCENTRATES



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

We mainly supply smelters and refiners.

FERROALLOYS

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



PLATINUM GROUP METALS



Platinum Group Metals (platinum, palladium, rhodium, iridium, osmium, and gold) are used in a very diverse range of applications and are highly valued materials. There is significant demand for PGMs, principally the use of platinum, palladium and rhodium in auto catalysts which can convert over 90% of hydrocarbons, carbon monoxide and oxides of nitrogen from gasoline engines into less harmful carbon dioxide, nitrogen and water vapour. Also used in any number of industrial ways as well as new uses in hydrogen fuel cells along with jewellery.

01

METALCORP GROUP
MANAGEMENT REPORT

METALCORP GROUP
OUR OPERATIONS
BULK & FERROUS



COKE PRODUCTION

ITALIANA COKE

Founded in:

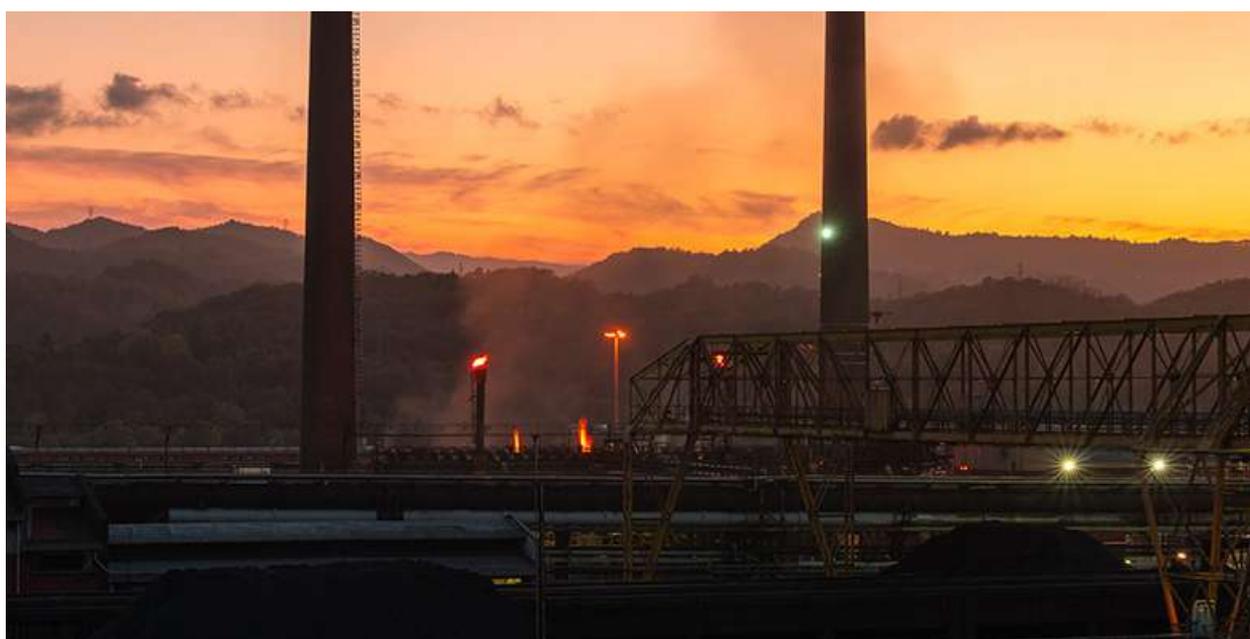
1897

Location:

Italia

Italiana Coke is a European leader in the production of coke for metallurgy, siderurgy, and insulation products. The on site cogeneration plant produces a total of 150,000,000 KWh/year. The plant produces electricity for the national distribution grid and supplies electricity and steam to the coke plant for internal use. Generating energy economically and efficiently is even more important when large amounts of energy, such as coke gas, are available as a by-product of a production process.

The company produces three different types of coke, which vary according to their final use: metallurgical coke, blast furnace coke, and foundry coke.



STEEL PRODUCTION

CAPITAL STAR STEEL

Founded in:

2007

Location:

Mozambique

Capital Star Steel SA, based in Mozambique, manufactures high frequency welded steel pipe and serves the international oil and gas industry and the mining industry across Africa, with sales and distributions centres located globally.



STEEL MARKETING

STEELCOM GROUP

Established since:

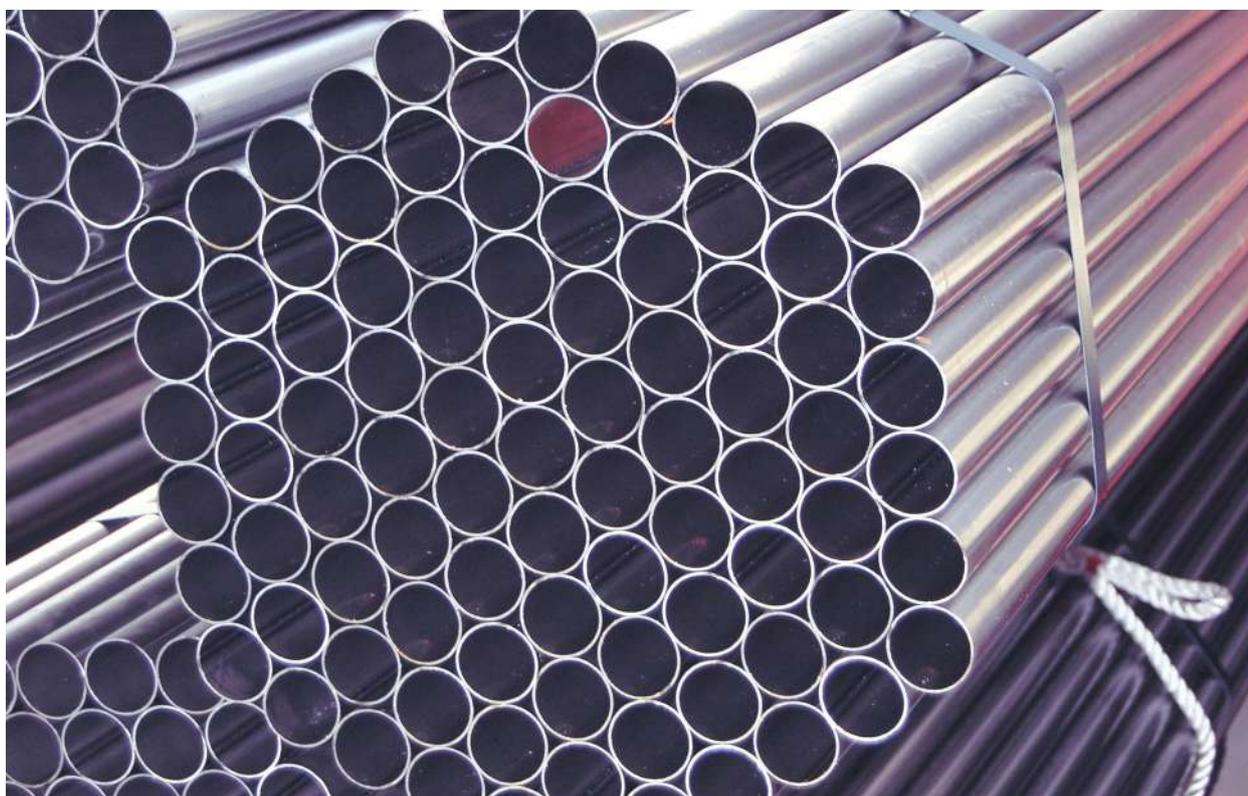
1958

Locations:

Luxembourg (Headquarters),
Monaco, Germany, Austria,
UAE, Spain and Switzerland.

Steelcom Group is a steel service provider benefitting from an established global presence, comprehensive product coverage as well as extensive logistics capabilities.

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



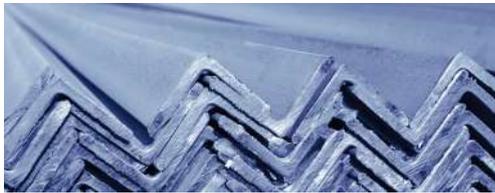
CORE PRODUCTS

SEMI-FINISHED PRODUCTS

- Slabs
- Billets



LONG PRODUCTS



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

FLAT PRODUCTS

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



OIL & GAS INDUSTRY PRODUCTS



- Pipes
- Tubes
- Hollow sections

AUTOMOTIVE PRODUCTS

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



RAW MATERIALS



- Iron ore
- Hot briquetted iron
- Coking coal

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.

In 2021, Metalcorp realized a revenue of EUR 601 million (up 49% versus 2020) and an operating profit of EUR 56 million (up 73% versus 2020). Metalcorp's liquidity position is strong, with a cash position of EUR 89,5 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 2021, 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 guidance and is operating at three-shift-capacity, while mining performed according to expectations and large export will be realised from Q2 2022 onwards.

Our marketing business has again performed well, with constructive market conditions allowing us to meet our 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 table below provides a segmented overview of the Revenue and Gross profit ("GM") of the Company:

EUR 1.000	Revenue		GM		Result before taxation	
	2021	2020	2021	2020	2021	2020
- Aluminium	148.990	108.141	24.826	14.206	9.279	1.682
- Metals & Concentrates	197.082	170.803	28.659	24.870	3.630	1.773
- Bulk & Ferrous	254.810	123.745	24.476	3.786	5.355	1.433
Total	600.882	402.689	77.961	42.862	18.264	4.888

In 2021, Metalcorp realized a revenue of EUR 601 million (EUR 403 million in 2020), an Operating Profit of EUR 56 million (EUR 32,47 million 2020) and an adjusted EBITDA of EUR 57,8 million (EUR 34,57 million 2020). The risk averse business model thus proved again to be the right strategy in challenging markets. Metalcorp's liquidity position is strong, with a cash position of EUR 89,5 million.

The business was impacted by the following:

- Strong performance from the Aluminium division + 20% increase in volume
- Bulk and Ferrous benefiting from the new physical and contractual assets secured in 2020 with tonnage of raw materials procured and volumes sold increasing more than 2.7x from 2020 to 2021
- Revenue increased 49%+ to 601M in 2021. Consistent EBITDA margin growth is 110bps higher than in 2020
- Sustainable growth, primarily driven by ramp up from new physical and contractual assets secured in 2020/2021, procurement and marketing activities as well as a new 5 years supply agreement secured for Platinum Group Metals

01

METALCORP GROUP OUTLOOK



OUTLOOK

GENERAL

Uncertain market conditions continue to prevail, but as has been demonstrated during the first half of financial year 2021, as well as during previous economic and market dislocations, Metalcorp 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 in 2022.

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.

Metalcorp 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 was 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 occupied by personnel with the required experience, background, entrepreneurial spirit and drive to contribute to growth and success. Additional personnel will only be employed when growth in activities justifies additional headcount.

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:

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.

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 Company's profitability in a certain geographic region or at certain operations. The military conflict in Ukraine since February 2022 is clearly leaving its mark on the global economy. The European Union and its partners have imposed numerous sanctions against Russia - further sanctions cannot be ruled out at present. Furthermore, risks are to be expected, especially in connection with supply chains, with a view to sales markets or against the background of existing risks from cyber attacks.

OTHER RISKS

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

Luxembourg, April 27th 2022

Pascale MITRY 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 31 December 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 standards generally practised in Luxembourg in the year ended 31 December 2021.

The Board focused particularly on the appropriateness of the Group's consolidated financial statements. The Board confirms that the 2021 Annual Report and consolidated financial statements are fair, balanced and understandable, and provide the information necessary for the sole shareholder to assess the Group's performance, business model and strategy. The significant issues that the Board considered in relation to the consolidated financial statements and how these issues were addressed are set out in this Report.

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

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

ROLE AND RESPONSIBILITIES

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

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

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

COMMITTEE MEMBERSHIP

As at 31 December 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 three times during the year ended 31 December 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 year ended 31 December 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 annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for the sole shareholder to assess the Group's position and performance, business model and strategy.

EXTERNAL AUDIT PROCESS

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

METALCORP GROUP S.A.


Pascale MITRI YOUNES
Director


Anouar BELLI
Director

02

METALCORP GROUP CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of income
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Please note that the use of rounded amounts and percentages may result in rounding differences of one unit (KEUR, %, etc.).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(before appropriation of result)

EUR 1.000	Note	2021	2020
Continuing Operations			
Revenue	2	600.882	402.689
Cost of sales		<u>-522.922</u>	<u>-359.827</u>
Gross profit	2	77.961	42.862
Operating income expenses			
Selling expenses	3	-12.328	-5.599
Administrative expenses	3	<u>-9.407</u>	<u>-4.681</u>
		-21.735	-10.280
Operating profit		56.225	32.583
Adjusted EBITDA		57.832	34.334
Depreciation and amortization	3	-10.964	-5.143
Non-operating expenses			
Other non operating income and expenses	4	-4.455	-5.022
Financial income and expenses	4	<u>-22.544</u>	<u>-17.530</u>
Net finance cost		-26.998	-22.552
Profit before tax		18.264	4.888
Income tax expense	5	-3.723	-2.117
Profit from continuing operations		14.541	2.771
Profit		14.541	2.771
Profit attributable to:			
Equity holders of Metalcorp Group S.A.		6.525	220
Non-controlling interests		<u>8.017</u>	<u>2.551</u>
		14.541	2.771

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR 1.000	Note	2021	2020
Profit		14.541	2.771
Other comprehensive income			
Items that can be recycled to the consolidated statement of profit and loss			
Translation differences foreign companies		-10.406	4.577
Amortisation Offtake contracts		-823	-1.006
Total comprehensive income		3.312	6.342
Total comprehensive income attributable to:			
Equity holders of Metalcorp Group S.A.		-777	3.791
Non-controlling interests		4.089	2.551
Total result		3.312	6.342

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(before appropriation of result)

EUR 1.000	Note	31/12/2021	31/12/2020
Assets			
Non-current assets			
Property, plant and equipment	6	435.868	285.605
Intangible fixed assets	7	37.953	37.619
Financial fixed assets	8	71.137	30.486
Total non-current assets		544.959	353.710
Current assets			
Inventories	9	96.830	39.730
Receivables, prepayments and accrued income	10	117.834	114.208
Securities	11	5.300	5.300
Cash and cash equivalents	12	89.563	22.474
Total current assets		309.528	181.712
Total assets		854.487	535.422
Equity and liabilities			
Equity			
Share capital		70.000	70.000
Reserves and retained earnings		51.527	38.401
Equity attributable to the owners of the company		121.527	108.401
Non-controlling interest		96.741	51.272
Total equity		218.268	159.673
Non-current liabilities			
Loans and borrowings	14	299.705	222.330
Provision	14	4.478	47
Deferred tax liabilities	5	29.610	4.069
Total non-current liabilities		333.793	226.446
Current liabilities			
Current liabilities and accruals	14	302.426	149.304
Total current liabilities		302.426	149.304
Total equity and liabilities		854.487	535.422

CONSOLIDATED STATEMENT OF CASH FLOWS

(before appropriation of result)

EUR 1.000	31/12/2021	31/12/2020
Operating profit	56.225	32.583
Working capital changes		
- Movements trade receivables	9.950	15.737
- Movements inventories	-57.099	-2.455
- Movements on other receivables and assets	-3.352	7.085
- Movements trade payables	97.895	-1.322
- Movements other payables and liabilities	4.310	12.569
- Movements trade finance and other financing	-24.808	-4.960
	26.895	26.652
Income tax paid	-3.723	-2.308
	-3.723	-2.308
Cash flow from operating activities	79.398	56.926
Investments in intangible fixed assets	-2.883	-
Investments in property plant and equipment	-72.933	-66.334
Disposals of property plant and equipment	174	-
Investments in financial assets	-7.000	-
Investments in other financial assets	-	1.970
Cash flow from investment activities	-82.642	-64.364
Proceeds from borrowings and leasing liabilities	261.111	11.162
Repayment of borrowings and leasing liabilities	-155.869	-9.536
Movements on loans receivable	-4.969	4.133
Other finance income & expense	-9.001	-5.022
Interest received/paid	-22.544	-17.122
Cash flow from financing activities	68.727	-16.385
Net cash flow	65.483	-23.823
Exchange rate and translation differences on movements in cash	1.606	-750
Movements in cash	67.089	-24.573
Cash and cash equivalents at 1 January	22.474	47.047
Cash and cash equivalents at 31 December	89.563	22.474

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
2020									
Opening Balance	70.000	9.628	13.195	1.462	21.929	9.709	125.921	29.641	155.564
Total comprehensive income and expense for the period									
Profit/(loss) for the period	-	-	-	-	-	220	220	2.551	2.771
Revaluation of fixed assets	-	-	-1.006	-	-	-	-1.006	-	-1.006
Foreign currency translation differences	-	-	-	4.577	-	-	4.577	-	4.577
Total comprehensive income and expense for the period	-	-	-1.006	4.577	-	220	3.791	2.551	6.342
Other movements in equity									
Allocation of prior year result	-	-	-	-	9.709	-9.709	-	-	-
Other movements in equity	-	-	-	-	-21.314	-	-21.314	19.080	-2.234
Acquisitions	-	-	-	-	-	-	-	-	-
Total other movements in equity	-	-	-	-	-11.605	-9.709	-21.314	19.080	-2.234
Total	70.000	9.628	12.189	6.039	10.324	220	108.400	51.272	159.673
2021									
Opening Balance	70.000	9.628	12.189	6.039	10.324	220	108.400	51.272	159.673
Total comprehensive income and expense for the period									
Profit/(loss) for the period	-	-	-	-	-	6.525	6.525	8.017	14.541
Foreign currency translation differences	-	-	-823	-6.470	-	-8	-7.301	-3.928	-11.229
Total comprehensive income and expense for the period	-	-	-823	-6.470	-	6.517	-777	4.089	3.312
Other movements in equity									
Allocation of prior year result	-	-	-	-	220	-220	-	-	-
Capital increase	-	5.000	-	3.928	4.975	-	13.903	-12.992	911
Acquisitions	-	-	-	-	-	-	-	54.372	54.372
Total other movements in equity	-	5.000	-	3.928	5.195	-220	13.903	41.380	55.283
Total	70.000	14.628	11.366	3.497	15.519	6.517	121.527	96.741	218.268

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

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

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

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

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

1.2 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and its interpretations adopted by the International Accounting Standards Board (IASB), and are in compliance with the provisions of the laws in Luxembourg. The above Standards and Interpretations are collectively referred to as "IFRS" in these financial statements.

The Company-only financial statements are prepared in accordance with accounting principles applicable in Luxembourg and are presented and published separately from the consolidated financial statements. This statutory company-only annual report of the

Company prevails over this annual report from a legal perspective. The objective of this report is to provide an overview of the activities of the Company and its subsidiaries.

The consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union.

1.3 Basis of preparation

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

- measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTE 1.

1.4 New and revised IFRSs

A number of amendments is effective for annual periods that begin on or after 1 January 2021 and have been adapted in preparing these consolidated financial statements. None of these amendments had a significant effect on the financial statements:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions (applicable for annual periods beginning on or after 1 June 2020)

Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 to 1 January 2023 (applicable for annual periods beginning on or after 1 January 2021)

The following new and revised IFRSs that are relevant for the Company have been issued but are not yet effective:

Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021) Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022) Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022) Amendments to IFRS 3 Business Combinations:

Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022) Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022)

IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023) Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods

beginning on or after 1 January 2023, but not yet endorsed in the EU)

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

The Directors have evaluated the impact that these new standards and interpretations and consider them as not material on the financial statements of the Company in the current version of IFRS.

1.5 Basis of consolidation

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

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

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

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in

NOTE 1.

the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

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

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

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

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

1.6 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which

is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

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

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

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

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

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement,

NOTE 1.

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

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

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

1.7 Goodwill

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

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

benefit from the synergies of the combination.

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

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

1.8 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a

NOTE 1.

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

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

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

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

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

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

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

1.9 Revenue recognition

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

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

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

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

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1.10 Leasing

For any new contracts entered into on or after 1 January 2021, the Group evaluates whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that contains the right to use an asset for a period of time in exchange for consideration to be paid.

To apply this definition the Group assesses whether the contract meets three key evaluations of IFRS 16:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset in the period of use, considering its rights within the defined scope of the contract the Group has the right to direct the use of the identified asset throughout the period of use.
- the Group assess whether it has the right to direct 'how and for what purpose' the asset is used in the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the following costs:

- the initial measurement of the lease liability,
- any initial direct costs incurred by the Group,
- an estimate of any costs to dismantle and remove the asset at the end of the lease, and
- any lease payments made in advance of the lease commencement date net of incentives.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the beginning of leasing date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease. The Group uses an incremental borrowing rate if the implicit rate is not available.

Lease payments included in the measurement of the lease liability are made up of the following:

- fixed payments
- variable payments based on an index or rate,
- amounts expected to be payable under a residual value guarantee and

- payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has decided to choose for the possibility of IFRS 16 to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in loans and borrowings or current liabilities and accruals.

1.11 Foreign currencies

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

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

- Exchange differences on foreign currency borrowings relating to assets under construction for future reductive use which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur

NOTE 1.

in the foreseeable future therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Euros using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

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

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

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

1.12 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when

employees have rendered service entitling them to the contributions.

1.13 Taxation

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

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

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

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

The carrying amount of deferred tax assets is reviewed

NOTE 1.

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

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

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

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

1.14 Property, plant and equipment and Intangible fixed assets

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

Intangible assets include goodwill and off-take contracts. The offtake contracts as per 31 December 2021 were valued at cost. For the accounting policies concerning mineral rights reference is made to note 1.15.

Property, plant and equipment (with the exception of land and buildings) are depreciated to their estimated residual value over the estimated useful life of the specific asset concerned. Identifiable intangible assets with a finite life are amortized on a straight-line basis and/or in accordance with the unit-of-production method ("UOP") over their expected useful life. Reference is made to note 1.23 for more details on

the application of the UOP method. Goodwill is not amortized. Land and buildings are valued at Fair Value in accordance with IFRS 13 and changes are accounted for in other comprehensive income.

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

Land:	Fair value model
Buildings:	0%
Plant and Equipment:	10% - 33%
Other operating assets:	up to 10%

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

1.15 Mineral rights

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

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

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

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

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

Capitalized exploration and evaluation expenditure is

NOTE 1.

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

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

In the assessment of fair values on acquisition, Mineral Rights for which values cannot be reasonably determined are not recognized. Exploitable Mineral Rights are amortized using the UOP over the commercially recoverable reserves and, in certain circumstances, other mineral resources. Mineral resources are included in amortization calculations where there is a high degree of confidence that they will be extracted in an economic manner.

1.16 Impairment

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

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

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount, does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.17 Inventories

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

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

1.18 Provisions

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

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

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

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

NOTE 1.

1.19 Financial instruments

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

Since 1 January 2020 the Group classifies its financial instruments as either financial assets at amortised cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL). The classification depends on the Group's business model for managing the financial assets and contractual terms of the cash flows.

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

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

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

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

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

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

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

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

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

1.20 Impairment of financial assets

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

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

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

NOTE 1.

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

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

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

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

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

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

the carrying amount of the allowance account are recognized in profit or loss.

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

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

1.21 De-recognition of financial assets and financial liabilities

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

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

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

On de-recognition of a financial asset other than its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group

NOTE 1.

allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

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

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

1.22 Derivatives and hedging activities

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

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

Those derivatives qualifying and designated as hedges are either

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

A change in the fair value of derivatives designated as a

Fair Value Hedge is reflected together with the change in the fair value of the hedged item in the statement of income.

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

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

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

1.23 Critical accounting policies, key judgments and estimates

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

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

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

Depreciation and amortization of property plant and equipment and mineral rights

Mineral rights and certain plant and equipment are depreciated / amortized using UOP rate of depreciation / amortization, and therefore the annual charge to operations, can fluctuate from initial estimates. This

NOTE 1.

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

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

Impairments

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

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

Estimates are reviewed regularly by management.

Valuation of derivative instruments

Derivative instruments are carried at fair value and the company evaluates the quality and reliability of the assumptions and data used to measure fair value in the three hierarchy levels, Level 1, 2 and 3, as prescribed by IFRS 7.

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

Provisions

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

Fair Value measurements

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

Extension options for leases

When the Group has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. The Group's Management considers all facts and circumstances including their past practice, experience and any cost that will be incurred in the future to change the lease asset if an option to extend is not taken. Based on these evaluation management decides and determine the lease term. No potential lease payments have been excluded in the lease liabilities as management is reasonably certain that all the extension options will be exercised.

NOTE 2. SEGMENT INFORMATION

2.1 General

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 34,400m² facility and 120,000m² storage yard in Mozambique.

2.2 Segment Revenues and Results

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

EUR 1.000	Revenue		GM		Result before taxation	
	2021	2020	2021	2020	2021	2020
- Aluminium	148.990	108.141	24.826	14.206	9.279	1.682
- Metals & Concentrates	197.082	170.803	28.659	24.870	3.630	1.773
- Bulk & Ferrous	254.810	123.745	24.476	3.786	5.355	1.433
Total	600.882	402.689	77.961	42.862	18.264	4.888

NOTE 2.

Segment revenue reported above represents revenue generated from external customers. The revenues from contract based assets derive from arrangements with performance obligations over time in accordance with IFRS 15. This relates to commissions that are guaranteed by an Offtake agreement and paid/agreed at the end of the Offtake period between parties, but these are earned on every fulfilled service (metal back-to-back trade). As this is a distinct part of the contract the group presents this as a contract based asset and recognizes the share of total commission revenue.

The amount of EUR 823 thousand reflects the difference of the contract based assets as per 31 December 2021 (EUR 10.749 thousand) and 31 December 2020 (EUR

11.475 thousand), see note 10. The Offtake contracts are written off in the same amount so that the impact on the income statement is balanced out, see note 7. As a result, the group shows the correlation between the Offtake contracts and the Contract based assets.

Apart from service fees charged between entities for services provided, there were no inter-segment sales in the current year.

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

2.3 Segment Assets and Liabilities

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

EUR 1.000	Assets		Liabilities	
	2021	2020	2021	2020
- Aluminium	323.352	301.891	63.558	56.022
- Metals & Concentrates	121.751	79.109	79.810	49.750
- Bulk & Ferrous	334.687	81.967	163.741	28.281
Holding Activities & other	74.697	72.455	329.110	241.697
Total	854.487	535.422	636.219	375.750

EUR 1.000	Depreciation and amortization		Additions to non-current assets	
	2021	2020	2021	2020
- Aluminium	8.400	4.593	12.164	61.044
- Metals & Concentrates	203	176	-	-
- Bulk & Ferrous	2.361	374	179.085	30.000
Total	10.964	5.143	191.249	91.044

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

NOTE 2.

2.4 Geographical Information

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

EUR 1.000	Revenue		GM		Non-Current assets	
	2021	2020	2021	2020	2021	2020
Region						
Europe	493.849	369.670	69.945	40.521	310.522	133.960
Middle East				-		-
Asia-Pacific	17.979	2.045	510	624	6.109	6.224
Americas				-		-
Africa	89.054	30.974	7.506	1.709	228.328	213.526
Total	600.882	402.689	77.961	42.854	544.959	353.710

The allocation of Revenue and GM is based on the country of incorporation of the sales counterparty. This may not necessarily be the country of the counterparty's ultimate parent and/or final destination of product.

Note that the Non-Current assets also contain the financial instruments as reported in Note 8 Financial Fixed Assets, as this is a significant position that is reported to management on a regular basis.

None of the customers contribute over 10% of revenue.

NOTE 3. EXPENSES

EUR 1.000	2021	2020
Selling expenses		
Personnel	12.103	5.574
Sales and marketing expenses	226	25
Total selling expenses	12.328	5.599
Administrative expenses		
Personnel	3.217	1.004
Professional services fees	1.751	1.284
Facilities and offices	2.866	1.529
Other operating expenses	1.573	863
Total administrative expenses	9.407	4.681
Operating income & expenses	21.735	10.280
Breakdown: depreciation and amortization		
Property Plant and Equipment	6.293	2.138
Intangible assets	1.822	1.238
Right-of-use asset	2.849	1.664
Impairment of stock	-	103
Total depreciation and amortization	10.964	5.143
Allocated to production costs		-
As included in administrative expenses	10.964	5.143

The average number of employees of the Group during the year, converted to full-time equivalents was 516 (2020: 296) of which 514 are employed outside of Luxembourg (2020: 296 outside of Luxembourg). In the personnel expenses an amount of EUR 2.444 thousand

related to social security premiums (2020: EUR 775 thousand) and an amount of EUR 149 thousand related to pension premiums are included (2020: EUR 125 thousand).

NOTE 4. FINANCIAL INCOME AND EXPENSES

EUR 1.000	2021	2020
Financial income and expenses		
Other interest income and similar income	1.411	732
Interest expenses and similar charges	-21.491	-17.854
Interest expense for leasing arrangements	-1.053	-408
Other non operating income and expense	-7.472	-6.773
Total financial income and expenses	-28.605	-24.303
Income from foreign exchange		
Forex gains	3.386	6.273
Forex losses	-1.779	-4.522
Total income from foreign exchange	1.606	1.751
Total financial income and expenses	-26.998	-22.552

In other non operating income and expense mEUR 1,9 of fees to MRG and kEUR 452 income to R-Logitech are included (reference is made to note 18).

NOTE 5. TAXATION

Income taxes consist of the following:

EUR 1.000	2021	2020
Current income tax expense	21.958	-2.308
Deferred income tax	-25.680	191
Total income tax expense	-3.723	-2.117

EUR 1.000		2021		2020
	%	EUR	%	EUR
Taxable result		18.219		4.888
Tax burden based on Luxembourg nominal rate	24,9%	4.537	24,9%	1.217
Application local, nominal rates				
Tax rate differences.	-4,5%	-814	18,4%	900
Taxation on result on ordinary activities	20,4%	3.723	43,3%	2.117

EUR 1.000	2021	2020
Deferred tax liabilities	25.541	4.069
Total Deferred tax liabilities	25.541	4.069

The increase in deferred tax liabilities relate to the acquisition of Italiana Coke reference is made to note 16.

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	Operating assets Construction & development	Mineral rights	Total
Gross carrying amount					
1 January 2020	14.701	46.771	76.088	94.894	232.454
Additions	15.693	13.646	8.775	25.962	64.076
Disposals	-	-	-	6.060	6.060
31 December 2020	30.394	60.417	84.863	126.916	302.590
Accumulated depreciation and impairments					
1 January 2020	609	9.007	3.567	-	13.183
Depreciation	224	3.109	469	-	3.802
31 December 2020	833	12.116	4.036	-	16.985
Net book value at 31 December 2020	29.561	48.301	80.827	126.916	285.605

EUR 1.000	Land and buildings	Plant and machinery	Operating assets Construction & development	Mineral rights	Total
Gross carrying amount					
1 January 2021	30.394	60.417	84.863	126.916	302.590
Additions	7.646	6.399	804	6.084	20.933
Acquisition	21.051	127.536	43	-	148.630
Internal Transfer	-	-7.000	-	-	-7.000
Exchange rate differences	-	-	-	-3.158	-3.158
31 December 2021	59.091	187.352	85.710	129.842	461.995
Accumulated depreciation and impairments					
1 January 2021	833	12.116	4.036	-	16.985
Depreciation	293	8.453	396	-	9.142
31 December 2021	1.126	20.569	4.432	-	26.127
Net book value at 31 December 2021	57.965	166.783	81.278	129.842	435.868

Land and buildings, plant and machinery, operating assets and construction and 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 facilities were capitalised and will be written of in line with the accounting principles as set out in Note 1.

Another major part results from IFRS 16 Right-of-use assets. A breakdown is given by table below and reference is made to Note 15.

Acquisitions relate to the acquisition of Italiana Coke, reference is made to note 16.

NOTE 6.**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 2021 its mining operation in Guinea hence the asset is operational.

The 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
Land and buildings	4.347
Plant & machinery	7.035
	11.382

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 2020	14.608	25.838	3.707	44.153
Disposals	-	-	-2.090	-2.090
Exchange rate differences	-23	-	-	-23
31 December 2020	14.585	25.838	1.617	42.040
Accumulated amortization and impairments				
1 January 2020	2.104	-	1.079	3.183
Amortization	1.006	-	232	1.238
31 December 2020	3.110	-	1.311	4.421
Net book value at 31 December 2020	11.475	25.838	306	37.620

EUR 1.000	Offtake contracts	Goodwill	Other intangible assets	Total
Gross carrying amount				
1 January 2021	14.585	25.838	1.617	42.040
Additions	-	16	2.867	2.883
Exchange rate differences	97	-	-	97
31 December 2021	14.682	25.854	4.484	45.020
Accumulated amortization and impairments				
1 January 2021	3.110	-	1.311	4.421
Amortization	823	-	1.822	2.645
31 December 2021	3.933	-	3.133	7.066
Net book value at 31 December 2021	10.749	25.854	1.351	37.953

NOTE 7.

7.1 Offtake contracts

The offtake contracts as per 31 December 2021 relate to contracts obtained through past acquisitions (referred to as contract based intangible assets before 2021).

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 contract-based 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. 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 (BAGR 2021: EUR 4.114 thousand; 2020: EUR 4.114 thousand, CRI 2021: EUR 4.572 thousand; 2020: EUR 4.572 thousand, Steelcorp 2021: EUR 12.133 thousand; 2020: EUR 12.133 thousand, AluStockach 2021: EUR 3.204 thousand; 2020: EUR 3.204 thousand) and the trading activities (Steelcom Group 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 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 5 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 of 5,5%. Moreover, the key assumption used by the management in the value in use calculations are a terminal growth rate of 1,8% and an average EBITDA growth rate of 5%.

Other Intangibles Assets Software and Software in progress. Deferred charges are depreciated over the duration of the relevant debt and software is depreciated in three years.

NOTE 8. FINANCIAL FIXED ASSETS

EUR 1.000	Deferred tax assets	Associated	Other receivables	Total
Book Value				
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
Balance at 31 December 2020	317	30.048	121	30.486
Book Value				
Balance at 1 January 2021	317	30.048	121	30.486
Additions	-	31.659	2.131	33.790
Sales, redemptions and other	-139	-	-	-139
Transfer from consolidating to non-consolidating	-	7.000	-	7.000
Balance at 31 December 2021	178	68,707	2.252	71.137

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. Additions reflect the participation of a 40% stake in a low carbon Ferrochrome Producer, with global sales activities, and 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	31/12/2021	31/12/2020
Raw materials and consumables	48.010	6.375
Finished products	48.820	33.356
Total inventories	96.830	39.730

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

The inventories resulting from marketing and procurement are already sold, but still held by the companies as they still retain the principal risks and rewards of the product.

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

NOTE 10. RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME

EUR 1.000	31/12/2021	31/12/2020
Trade receivables, prepayment and accrued income	54.645	64.595
Trade receivables (Factoring)	20.686	15.432
Contract based assets	14.928	14.928
Related parties	8.347	3.378
Other receivables	17.959	14.810
Taxation	1.269	1.066
Total receivables, prepayments and accrued income	117.834	114.208

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:

EUR 1.000	expected default rate	Carrying amount	Credit Loss allowance(included)
Current	0,34%	52.461	178
1-30 days past due	5,76%	787	45
31-60 days past due	6,92%	151	10
61-90 days past due	6,18%	150	9
more than 90 days past due	6,95%	1.096	76
		54.645	320

The provision for doubtful receivables as at 31 December 2021 amounts to a total of EUR 2.064 thousand (2020: 549) and contains other doubtful receivables with an amount of EUR 1.744 thousand. The difference between the Credit loss allowance as per 31 December 2020 and 31 December 2021 amounts to EUR 229 thousand and is recognized as other financial income.

Part of the trade receivables are pledged as collateral for trade financed loans. The credit risk of the Trade receivables is insured at renowned insurance firms and all related due trade receivables were collected in the first quarter of 2021.

Trade receivables (Factoring) are valued at fair value through profit and loss and show the value as per 31 December 2021. 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	-	-	-	-	-
Total	6.059	-	-	-759	5.300

EUR 1.000	01/01/2021	Acquisition	Disposal	Revaluation	31/12/2021
Unlisted securities	5.300	-	-	-	5.300
Listed securities	-	-	-	-	-
Total	5.300	-	-	-	5.300

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 19).

Management see no significant change in value.

NOTE 12. CASH AND CASH EQUIVALENTS

Less than EUR 5 million of the amount of EUR 89,56 million of the Cash and Cash Equivalents is restricted as this cash is mainly deposited at multiple renowned trade finance banks and serve as cash collateral for

trade finance transactions at 31 December 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 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). All of the shares are owned by Lunala Investments S.A. (Luxembourg).

Share Premium

The share premium was increased by EUR 5 million from EUR 9.628 million to EUR 14.628 million by capital contribution without issue of shares.

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
Long-term liabilities		
Bonds	246.169	193.706
IFRS 16 Leasing Liability	17.159	17.523
Provision	4.478	47
Other Long-term Liabilities	36.375	11.100
	304.182	222.376
Current liabilities and accruals		
Bank loans and other financing	59.373	84.181
Short term portion of bonds	76.277	-
Trade payables	122.549	24.654
Trade payables (Factoring)	20.686	15.432
Related parties payable	-	7.505
Taxes and social security charges	1.315	462
Other current liabilities	5.237	1.780
Accrued liabilities and deferred income	16.989	15.291
	302.427	149.305

	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
1 January 2020	210.434	143.020	10.236	363.690
Cash-flows				
-Repayment	-5.580	-4.960	-3.956	-14.497
-Proceeds	-	6.680	11.162	17.842
Non-cash				
-Foreign exchange movements	-	-	81	81
-Movement in accruals	-	4.566	-	4.566
31 December 2020	204.853	149.307	17.523	371.681
	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
1 January 2021	204.853	149.307	17.523	371.681
Cash-flows				
-Repayment	-	-32.313	-	-32.313
-Proceeds	154.015	107.459	-364	261.111
Non-cash				
-Reclass	-76.277	76.277	-	-
-Foreign exchange movements	-	-	-	-
-Movement in accruals	4.431	1.698	-	6.128
31 December 2021	287.022	302.428	17.158	606.609

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 242,5 million at 31 December 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").

With regards to long-term leasing, reference is made to note 15.

Other long-term liabilities represent local bank loans given to our production facility. The loans have terms of 5 years with interests of Euribor plus 2% - 3,5%.

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 2021	Amount 2020
Trade finance	33.272	68.427
Working capital facilities		
Euribor + markup	26.101	15.754
Total bank loans and other financing	59.373	84.181

The trade payables (Factoring) are valued at fair value through profit and loss and show the value as per 31 December 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 bal-ance 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 12 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 ex-tend 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	2	4-11 years	7,5 Years	2	0
Plant and machinery	68	3 - 6 years	4 years	62	62

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	2	7.664	221	3.317
	Plant and machinery	68	6.299	366	2.225

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	31/12/2021	31/12/2020
Non-current	17.159	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 31 December 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 31 December 2021 is as follows:

Minimum lease payment due 1.000				EUR
	Within 1 year	1-5 years	Over 5 years	Total
31.12.2020				
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
31.12.2021				
Lease payments	6.289	10.444	819	17.552
Finance charges	1.053	2.361	69	3.483
Net present value	6.187	10.338	635	17.160

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	80
Leases of low value assets	-

At 31 December 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

Total cash outflow in respect of leases in the year EUR 1.000	-5.006
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For interest expense in relation to leasing liabilities, refer to finance costs (Note 4)

NOTE 16. ACQUISITIONS OF SUBSIDIARIES

2021 Acquisitions

In 2021, the most significant transaction was that Metalcorp Group acquired a stake in Italiana Coke. Due to the general proximity of transactions to the reporting date, the fair values are provisional and expected to be finalised within 12 months of the acquisition. It is expected that adjustments could be made to the allocation of value between acquired current and non-current assets, deferred taxes and provisions. The bank loans (reference is made to note 14 other long term liabilities) of the entity are secured by property and stock of the company and dividends are limited.

The consideration of acquisition of subsidiaries and the provisional fair value of assets acquired and liabilities assumed on the acquisition date are detailed below:

EUR 1 million	Italiana Coke
Non-current assets	142
Current assets	105
Non-controlling interest	54
Non-current liabilities	33
Current liabilities	108
Total fair value of net assets acquired	52
Net consideration	52
Goodwill	0

Italiana Coke

Effective in July 2021, Metalcorp Group acquired a stake in Italiana Coke. The group is required to account for Italiana Coke using the full consolidation method in accordance with IFRS 10 and ifrs 3.B64 d), o) and q).

NOTE 17. 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.

2021 EUR 1.000	Note	Amortised cost	FVTPL	Total
Financial fixed assets (other receivables)	8	71.137	-	71.137
Trade receivables, prepayments and accrued income	10	69.573	-	69.573
Trade receivables (Factoring)	10	-	20.686	20.686
Other receivables	10	27.575	-	27.575
Securities	10	5.300	-	5.300
Cash and cash equivalents	11	89.563	-	89.563
Total financial assets		263.149	20.686	283.835
Borrowings (> 1 year)	14	304.182	-	304.182
Trade payables	14	122.549	-	122.549
Trade payables (Factoring)	14	-	20.686	20.686
Trade finance	14	33.272	-	33.272
Current liabilities and accruals	14	125.920	-	125.920
Total financial liabilities		585.923	20.686	606.609
2020 EUR 1.000	Note	Amortised cost	FVTPL	Total
Financial fixed assets (other receivables)	8	30.486	-	30.486
Trade receivables, prepayments and accrued income	10	79.523	-	79.523
Trade receivables (Factoring)	10	-	15.432	15.432
Other receivables	10	19.254	-	19.254
Securities	11	5.300	-	5.300
Cash and cash equivalents	12	22.474	-	22.474
Total financial assets		157.037	15.432	172.468
Borrowings (> 1 year)	14	222.376	-	222.376
Trade payables	14	24.654	-	24.654
Trade payables (Factoring)	14	-	15.432	15.432
Trade finance	14	68.427	-	68.427
Current liabilities and accruals	14	40.793	-	40.793
Total financial liabilities		356.250	15.432	371.681

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. The Company classifies the fair values of its financial instruments into 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

the Company 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 the Company to make market based assumptions.

No instruments are valued at fair value.

NOTE 17.

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

2021 EUR 1.000	Level 1	Level 2	Level 3	Total
Financial fixed assets (other receivables)	-	-	-	-
Trade receivables	-	-	-	-
Trade receivables (Factoring)	20.686	-	-	20.686
Receivables, prepayments and accrued income	-	-	-	-
Securities	-	-	5.300	5.300
Cash and cash equivalents	-	-	-	-
Total financial assets	20.686		5.300	25.986
Borrowings (> 1 year)	-	-	-	-
Trade payables	-	-	-	-
Trade payables (Factoring)	20.686	-	-	20.686
Trade finance	-	-	-	-
Current liabilities and accruals	-	-	-	-
Total financial liabilities	20.686			20.686
2020 EUR 1.000	Level 1	Level 2	Level 3	Total
Financial fixed assets (other receivables)	-	-	-	-
Trade receivables	-	-	-	-
Trade receivables (Factoring)	15.432	-	-	15.432
Receivables, prepayments and accrued income	-	-	-	-
Securities	-	-	5.300	5.300
Cash and cash equivalents	-	-	-	-
Total financial assets	15.432		5.300	20.732
Borrowings (> 1 year)	-	-	-	-
Trade payables	-	-	-	-
Trade payables (Factoring)	15.432	-	-	15.432
Trade finance	-	-	-	-
Current liabilities and accruals	-	-	-	-
Total financial liabilities	15.432			15.432

During the year no amounts were transferred between Level 1, Level 2 and Level 3 of the fair value hierarchy. As at 31 December 2021 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 17.

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 2021 and 2020 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 into 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 17.

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

At 31 December 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.

2021	EUR 1.000
Commodity related contracts	
Futures	272
Total Current liabilities FVTPL	272

The total loss in the consolidated statement of income amounts to EUR 2 thousand (2020: EUR 4 thousand). All derivatives mature within the first three months of

2021. The Company had instruments for a total of EUR 272 thousand at 31 December 2021 (2020: EUR 316 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 18. REMUNERATION OF KEY MANAGEMENT

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

EUR 1.000	2021	2020
Short-term employee benefits	360	360
Total	360	360

NOTE 19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

In 2021, the Company conducted various transactions with related parties.

EUR 1.000	Note	2021	2020
Shareholder <1yr	10	-	-
Related parties <1yr	10	8.347	3.378
Total Receivables		8.347	3.378
Shareholder >1yr	14	-	-
Related parties <1yr	14	-	7.505
Total Liabilities		-	7.505
Net receivable (-liability)		8.347	-4.127

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 4.

NOTE 20. 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 21. 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 22. GROUP AUDITOR FEES AND SERVICES AND TOTAL AUDIT FEES

PKF AUDIT & CONSEIL S.à r.l. acted as the Group Auditor for the fiscal year ended December 31, 2021. Set forth below is a breakdown of fees for services rendered in 2021.

EUR 1.000	2021		2020	
	Group Auditor	Component Auditors	Group Auditor	Component Auditors
Audit of the financial statements	140	228	120	232
Other audit engagements	-	-	-	-
Tax fees	-	-	-	-
Other fees	-	-	-	-
Total professional service fees	140	228	120	232

NOTE 23. LIST OF PRINCIPAL OPERATING, FINANCIAL AND INDUSTRIAL SUBSIDIARIES AND INVESTMENTS

Name	Country of incorporation	Ownership interest	
		2021	2020
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%
Italiana Coke	Italy	38,71%	0,00%
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 Iberica S.L.	Spain	100,00%	100,00%
Steelcom Steel and Commodities GmbH	Germany	100,00%	100,00%
Steelcom Australia (Pty) Ltd.	Australia	100,00%	100,00%
Steelcom South Africa (Pty) Ltd.	South Africa	100,00%	100,00%
Steelcom S.A.M.	Monaco	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%
MCOM Ltd.	United Kingdom	100,00%	100,00%
GB 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			
Amava Alloys (PTY) Ltd	South Africa	40,00%	0,00%
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%
TCC Coke Ltd.	United Kingdom	100,00%	100,00%
AMI Invest Proprietary Ltd.	South Africa	100,00%	0,00%
AM Mining Invest Ltd.	Cyprus	100,00%	0,00%
Steelcom USA LLC	USA	0,00%	100,00%
Metalcorp Group Asia PTE Ltd.	Singapore	100,00%	0,00%
Tennant Metals AG	Switzerland	100,00%	0,00%

SIGNING OF THE FINANCIAL STATEMENTS

Luxembourg, April 27th 2022



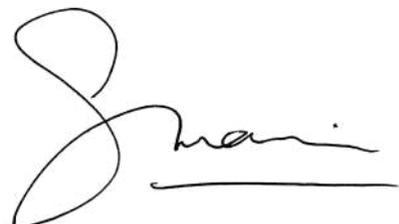
Pascale MITRI YOUNES
Director



Anouar BELLI
Director



Ioannis Zaimis
Chairman of the Supervisory Board



Sebastien Maurin
Member of the Supervisory Board



Christina Soteriou
Vice-Chairman of the Supervisory Board

03

METALCORP GROUP
**OTHER
INFORMATION**

OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

Reference is made to the independent auditor's report on page 87.

SUBSEQUENT EVENTS

Nothing to report.

APPROPRIATION OF RESULTS

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

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

APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2020

The Company statutory 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 Other Reserves.

PROPOSED APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2021

The Board of Directors proposes to transfer the result over the financial year 2021 to other reserves. The financial statements do not yet reflect this proposal.

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METALCORP GROUP
**INDEPENDENT AUDITOR'S
REPORT**



Independent Auditor's Report

To the Shareholders of
Metalcorp Group S.A.
8, rue Dicks

L-1417 Luxembourg

Report on the Audit of the Consolidated Financial Statements**Opinion**

We have audited the consolidated financial statements of Metalcorp Group S.A. and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "Réviseur d'Entreprises Agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter Description

The Group reported mineral rights of EUR 130 million shown under property plant and equipment. Furthermore, the group reported intangible assets of EUR 38 million including goodwill of EUR 26 million and offtake contracts of EUR 10,75 million. The valuation of these assets depends on management's estimates and assumptions regarding the evolution of commodity prices, volume of production as well as foreign exchange rates.

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How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation of mineral rights, goodwill and offtake contracts included the following, among others:

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

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report and the Governance Statement but does not include the financial statements and our report of the “*réviseur d'entreprises agréé*” thereon.

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

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

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (“ESEF Regulation”).

Responsibilities of the “*réviseur d'entreprises agréé*” for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

We assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on Other Legal and Regulatory Requirements

We have been reappointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 25 April 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 2 years.

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

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

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

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to the requirements that:

- The consolidated financial statements are prepared in a valid XHTML format;
- The XBRL mark-up of the consolidated financial statements uses the core taxonomy and the common rules on mark-ups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2021, identified as “Metalcorp Group S.A. 2021 Annual report”, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Luxembourg, 27 April 2022

PKF Audit & Conseil Sàrl
Cabinet de révision agréé



Jean Medernach



METALCORP GROUP

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