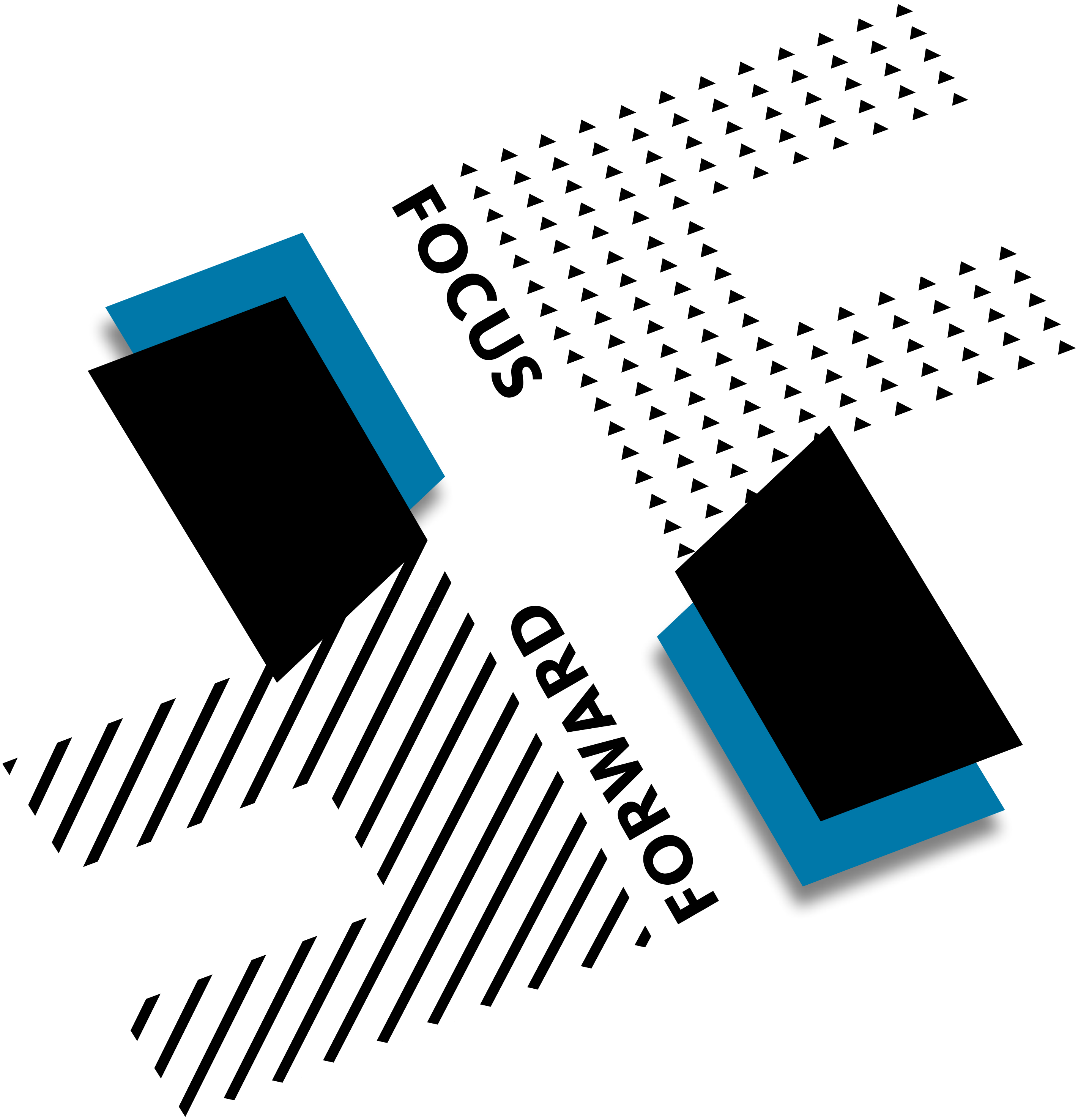
Annual Report 2019/20



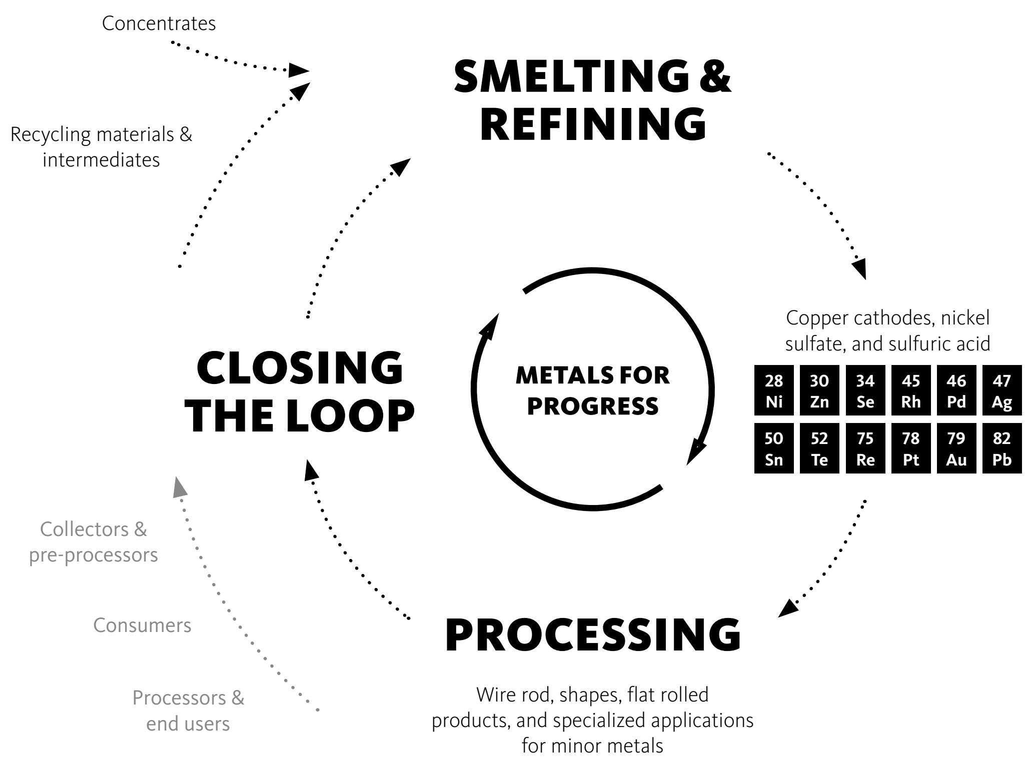
You can find our full Annual Report online at:
annualreport2019-20.aurubis.com

Aurubis
Metals for Progress

COMPANY PORTRAIT

We are a global provider of non-ferrous metals, renowned for our ability to process complex metal concentrates, scrap metals, organic and inorganic metal-bearing recycling materials, and industrial residues to produce metals of the highest quality. We produce more than 1 million t of copper cathodes annually and from them a variety of copper products such as wire rod, shapes, flat rolled products, strip, and specialized applications.

In addition to our main metal, copper, our metal portfolio also includes gold, silver, lead, nickel, tin, zinc, minor metals such as tellurium and selenium, and platinum group metals. Sulfuric acid, iron silicate, and synthetic minerals round off the product portfolio. Responsibly transforming raw materials into value – following this maxim, sustainable conduct and business activities are integral aspects of our corporate strategy.



ONLINE ANNUAL REPORT 2019/20

In our magazine accompanying the Annual Report, we provide deeper insights into the implementation of our strategic focuses on growth, efficiency, and responsibility, and present new paths to a successful future.

You can find our magazine and the full Annual Report online at:
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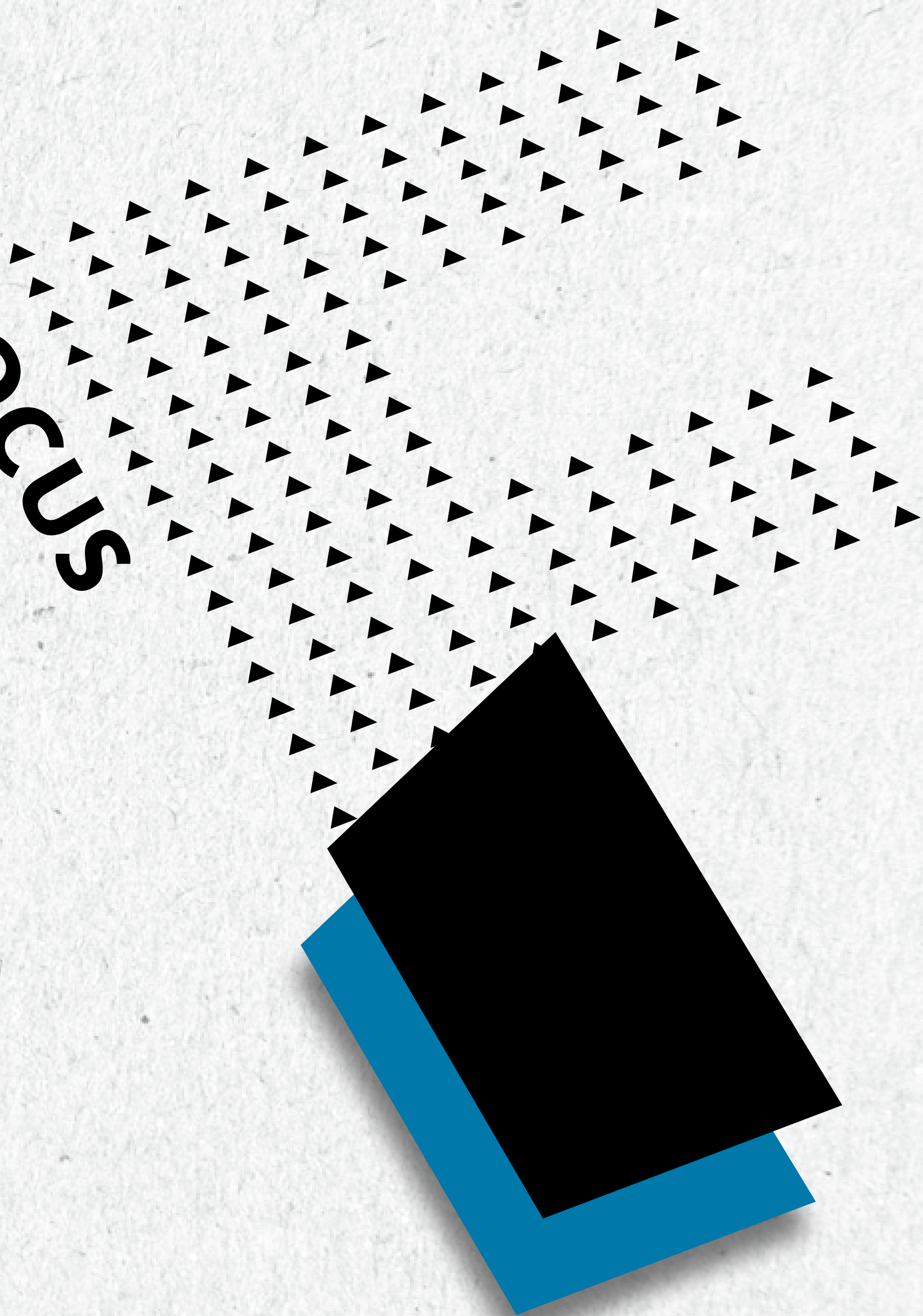
MAGAZINE
2019/20

FOCUS



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Aurubis
Metals for Progress

FOCUS

Dear reader,

The past fiscal year has demonstrated once again that Aurubis has a solid position. It's no coincidence that we've made our way through the pandemic well thus far. This is the result of all of our employees' efforts – at all levels of the company. For this, we would like to express our sincerest thanks.

However, it is the course set in the past that provides our business model with a stable foundation. Our **FOCUS** is still directed towards implementing our strategic pillars of growth, efficiency, and responsibility. We are seeing more and more potential in recycling. We took an important step forward with the acquisition and integration of Metallo, which now makes us one of the most important players in Europe for producing the metals of today and tomorrow.

This year's magazine accompanying our Annual Report is made up of two parts: this part focuses on our strengths and what makes Aurubis what it is. We demonstrate what we took on and implemented during the past year. And why we're prepared for the future.

I hope you enjoy reading it.

ROLAND HARINGS
Chief Executive Officer

IMPRINT

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• low emission printing
• primarily made from waste paper

BD3

This year's edition of the magazine has two parts that can be flipped. You can read it from the front and from the back. Both parts work on their own, but they're even better as a whole.
Enjoy reading the magazine – and don't forget to flip it!

THE WE FACTOR

Aurubis – that's more than 7,000 employees, over 53 nationalities, and a great deal of expertise, occupational variety, and innovative spirit. Aurubis stands for diversity in practice, for tradition and modernity, and for an unwavering principle: we are only successful together.

In times of crisis, a company's strength becomes especially clear. This is why we can now proudly say: Aurubis is stable. Not just because of its robust business model, but also thanks to over 7,000 employees spread across all of its sites. With a great deal of discipline and commitment, they have made sure that Aurubis has made its way through the coronavirus pandemic relatively unharmed thus far. "Aurubis is a good example of how diversity can work when everyone has shared values such as a sense of responsibility, discipline, and solidarity," says Chief Executive Officer Roland Harings.

Aurubis is a good example of how diversity can work when everyone has shared values such as a sense of responsibility, discipline, and solidarity.

ROLAND HARINGS
Chief Executive Officer

GROWING TOGETHER

This "We" feeling should continue to grow, for example through Mystery Lunches: digital lunches involving two employees who meet for lunch via Microsoft Teams, independently of site and level in the hierarchy. The goal is to promote employee networking and boost internal information and knowledge sharing. The Mystery Lunches are part of the Meet-Up concept, a format for strengthening Group-wide communication about relevant topics such as the Performance Improvement Program (PIP), the Metallo integration, and collaboration in the company.

Working with each other means learning from each other. With the Aurubis Essentials, Aurubis has transferred this idea to learning formats: employees share their knowledge with colleagues, covering topics ranging from the story of copper to the business model to recycling, and in the process gain new contacts in different departments.

Protecting employees' health isn't the only top priority during the coronavirus pandemic. With its Vision Zero, Aurubis is pursuing the goal of zero work-related accidents in the company. One step on this path is the first uniform, Group-wide campaign on the 10 Golden Rules of occupational safety – with training sessions and extensive informational material. The 10forZero also lend a hand: ten characters, each of whom represents one rule and one Aurubis metal, ensure safe conduct as they call on employees to watch out for each other.

THE CRISIS REVEALS OUR STRONG SOLIDARITY

Like all other companies, we at Aurubis have worked under unprecedented conditions for more than half of the past fiscal year. The coronavirus pandemic created new challenges for everyone and influenced a number of decisions and actions. The long-term economic and social consequences of the pandemic remain to be seen. The Aurubis Executive Board explains how Aurubis is dealing with this situation and what is especially important to them in these exceptional times.

Chief Operations Officer Dr. Heiko Arnold sums it up as follows: "As uncertain as the coronavirus pandemic has made, and continues to make, a number of aspects, one thing is certain: the health and safety of all Aurubis employees have the highest priority for the Executive Board and its management team." Chief Executive Officer Roland Harings adds, "We are very aware of this significant responsibility toward our employees. The Executive Board, Works Council, and a number of company divisions jointly initiated the necessary measures to quickly minimize the infection risk at our sites. We are still doing this consistently: every day, we assess the situation in our Group-wide crisis team and inform employees promptly about the decisions we have made through all internal communication channels."

We immediately took far-reaching steps to protect our employees. For example, this included halting all business trips and public business at the sites. Employees were asked at a very early stage to avoid taking private trips to risk areas if possible. Every employee regularly receives mask sets, and there are concrete rules about the situations and areas in which a mask has to be worn.

> **THE HEALTH AND SAFETY OF ALL EMPLOYEES ALWAYS HAVE THE HIGHEST PRIORITY.**
>
> DR. HEIKO ARNOLD,
> Chief Operations Officer

We were also quick to take advantage of the options for digital work to a greater extent than previously planned. “Luckily, we rolled out new tools independently of the pandemic, so we were able to facilitate remote work from the start, especially for administrative employees, without any problems. And we continue to do so today,” explains Chief Financial Officer Rainer Verhoeven.

At the same time, Aurubis is a company where work is carried out around the clock, 365 days a year. “Without a doubt, we have to maintain operations in our facilities and uphold the high level of quality in production. We have to make sure that we’re always in a position to receive and process raw materials, to produce our metals, and to deliver them,” says the Chief Executive Officer, summing up the situation. Despite temporary mine closures in South America due to the pandemic, Aurubis was well supplied with concentrates at all times. “We had to be flexible. But thanks to our long-term mine partners, we were able to maintain production at the smelter sites without any problems for the most part. Furthermore, the robust nature of our business model has proven itself during the pandemic, a fact that is reflected in our strong results.” The purchase of recycling materials such as copper scrap and other metal-bearing materials also eased in mid-2020 following a brief shortage resulting from COVID-19-related lockdowns in many parts of the world.

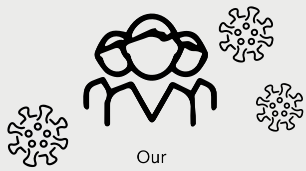
Aurubis is and remains a production company first and foremost, with many employees who can only do their work on site – whether at the furnaces or in the many other production facilities. We offered working parents of young children the option to adjust their working time models, to make their working hours more flexible, and to reschedule or trade shifts. We released our employees from their duties, without any red tape, for the time they needed to coordinate childcare. State-of-the-art coronavirus quick tests are available in the medical departments of the Aurubis plants. The agile crisis team continually reviews the hygiene concepts and adjusts them as necessary. ›

FACTS & FIGURES

All
EMPLOYEES
receive mask sets as needed.

5,500

RAPID TESTS
were distributed to the sites in November.



Our
CRISIS TEAM
assesses the situation every day.

24/7

AROUND THE CLOCK,
365 days a year, employees are working at Aurubis.

Despite the pandemic, Aurubis in Germany was even able to welcome more new apprentices than in previous years. Nevertheless, the apprentice welcome event in Hamburg in September was a little different than usual: apprentices were divided into two groups and the ceremony took place in two rounds with the applicable hygiene and distancing rules. Apprentice training is continuing its usual course even during the pandemic, taking the mask and distancing requirements into consideration.

“Luckily, thanks to the quick measures that have been taken, the impacts of the virus on Aurubis have been limited,” Roland Harings summarizes. “We will of course do everything to ensure that it stays that way. For example, we continue to review our recommendations and instructions daily during this time.”

The pandemic isn’t over yet. The global infection rates will continue to rise rapidly during the winter months. “It’s now crucial again to continue putting our strong solidarity into practice,” says Chief Technology Officer Dr. Thomas Bünger emphatically. “Aurubis isn’t just a place where we do our work. Aurubis is all of our colleagues who work together to ensure that things continue even in these difficult times.”

Roland Harings is confident: “Together with my Executive Board colleagues, I trust that we Aurubians will overcome current and future challenges together in the coming year as well.”

LUCKILY, THANKS TO THE QUICK MEASURES THAT HAVE BEEN TAKEN, THE IMPACTS OF THE VIRUS ON AURUBIS HAVE BEEN LIMITED.

ROLAND HARINGS,
Chief Executive Officer

TRAINING
FOR THE FUTURE

Despite the ongoing coronavirus pandemic, Aurubis AG increased the number of apprenticeships this year. The plants in Hamburg and Lünen are therefore among the biggest industrial training providers in these cities.

Aurubis has been investing in its own young employees for years – and this year was no different. A total of 98 young people started their apprenticeships at the company: 18 in Lünen and 80 in Hamburg. This is an increase of 13 % compared to the previous year. With the occupational training we provide, we want to keep an eye on the unavoidable demographic developments, and give young people opportunities with an economically stable company.

At both sites, Aurubis offers state-of-the-art training in new, modern training centers. And with a retention rate of 85 % on average, the apprentices' job prospects are very good as well. Furthermore, cooperative training is carried out with other local companies in both Hamburg and Lünen. A good start to a promising future.

+13 %

APPRENTICES
compared to the previous year

"Aurubis offers me opportunities for continuing education, and supports me in my professional development. During our training, we become a team – and we stay a team."

Atakan Kahveci
Apprentice Chemical Technician,
year 2 (Hamburg)

"Treating each other with respect has high priority, regardless of cultural background, religion, age, or position. You identify with Aurubis quickly."

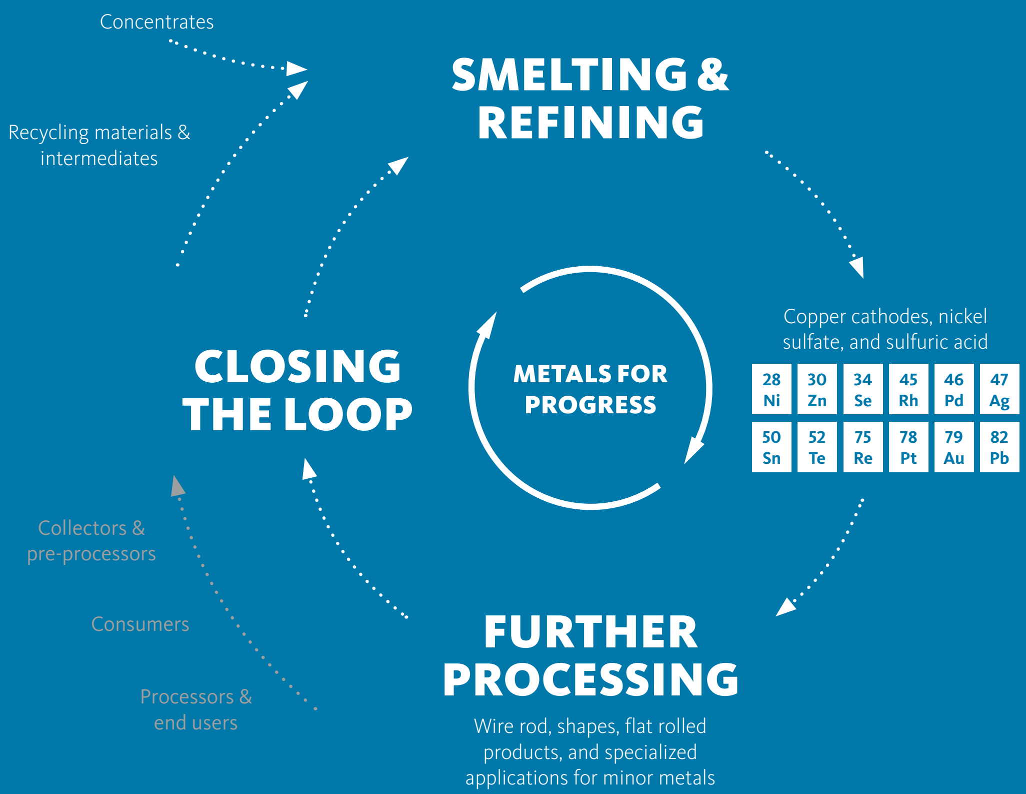
Jan Klauswald
Apprentice Industrial Mechanic,
year 1 (Lünen)

"My requests and ideas are heard. I never have the feeling that I've been left on my own. It's great training in a company with a strong reputation."

Tijana Trbara
Apprentice Industrial Management Assistant,
year 3 (Hamburg)

BUSINESS MODEL

ROBUST YET FLEXIBLE



In these challenging times, Aurubis is rock-solid – thanks in part to our business model and the course that has been set over the past several years. But what makes this business model what it is?

Being smart and connected doesn't work without metals. Whether renewable energies, electric vehicles, digitalization, or urbanization, the demand for metals will continue to rise. For more than 150 years, Aurubis has produced copper and other metals that are crucial for modernization and for the ongoing development of our lives over the next decades. This is how we create the foundation for technologies of the future.

Thanks to our metallurgical know-how, state-of-the-art facilities, and groundbreaking environmental standards within our industry, Aurubis is a leading global copper recycler and provider of non-ferrous metals. Our main area of expertise is the processing and optimal utilization of complex concentrates and recycling raw materials to produce metals of the highest purity.

In addition to our main metal, copper, these include precious metals like gold, silver, and platinum group metals, but also metals such as lead, nickel, tin, zinc, and selenium. Additional by-products including sulfuric acid, iron silicate, and synthetic minerals round off the product portfolio.

Our customers include the semifinished product industry, the electrical engineering, electronics, and chemical industries, as well as suppliers for the environmental technology, construction, and automotive sectors.

Sustainability plays an important role in all of our activities. "Aurubis responsibly transforms raw materials into value" – following this maxim, sustainable conduct and business activities are integral aspects of our corporate strategy.

Aurubis accomplished a great deal in fiscal year 2019/20. We have been able to handle the impacts of the coronavirus pandemic on both the production side and the earnings side thus far, and we fulfilled the forecast for the past fiscal year that we published in December 2019. In particular, the good operating performance of our plant facilities and higher precious metal prices supported earnings.

But Aurubis, too, felt the impacts of the pandemic-related lockdown in Europe and recorded substantially weaker demand for copper products. This is where our broad position and the flexibility of our business model served us well. Instead of manufacturing copper products such as wire rod from copper cathodes, we sold more copper cathodes to China, for example, and were therefore able to cushion the impacts of reduced product demand.

Despite the challenging environment in fiscal year 2019/20, Aurubis is very stable from a financial perspective and is successfully implementing its strategy. In May 2020, we announced the acquisition of the Metallo Group and successfully placed a Schuldschein loan with an ESG (environmental, social, and corporate governance) component Focus, page 14 – which is being used to finance the Metallo transaction, among other things. In July, we acquired the Berlin software developer azeti – a key building block of our new digital strategy. In early March 2020, Aurubis paid out the dividend for fiscal year 2018/19, and based on our strong balance sheet position and good liquidity situation, we started a share buyback program in March 2020.

DIFFERENT METALS ARE RECOVERED AT AURUBIS

MULTI METAL

Metallo can process a number of complex recycling materials with low metal contents.

Aurubis and Metallo – a growth story

The Belgian-Spanish recycling group Metallo has belonged to the Aurubis Group since late May 2020. Following an extensive review, the European competition authorities issued their unconditional approval of the Metallo acquisition on May 4, 2020. The purchase price was € 375 million and was financed through a Schuldschein loan with an ESG (environmental, social, and corporate governance) component. The interest rate conditions are dependent on the development of our EcoVadis sustainability rating. This underlines Aurubis' commitment to sustainability in the company.

ACHIEVING MORE TOGETHER

Together, we will surpass the threshold of 1 million t of recycling material input. And this new level is only the beginning. The global recycling volume will continue to rise, and we see good growth opportunities for our business model here.

Metallo specializes in processing recycling materials with low metal contents, with a focus on tin, lead, nickel, zinc, and copper – an exciting market with potential: due to global trends, both the quantity and the complexity of recycling materials will increase significantly, along with the competitive pressure for primary and secondary raw materials that are easy to process. Aurubis is already one of the leading recycling companies for complex recycling materials. With the Metallo acquisition, Aurubis is expanding its technological processing expertise and the related capacities in order to remain competitive in the long term and to grow sustainably.

This acquisition represents an important step in the implementation of our multimetal strategy. Our stated objective is to become one of the most efficient and sustainable smelter networks in the world.

ROLAND HARINGS,
Chief Executive Officer

Metallo Belgium, based in Beerse, was founded in 1919. Metallo Spain was founded in Berango (in the province of Biscay) in 1991.

Metallo's processing know-how and technical processes perfectly complement Aurubis' core expertise. The merger thus makes a considerable contribution to our multimetal strategy. Together, we will continue to expand our capabilities and capacities for recycling important industrial and precious metals, strengthening the European circular economy in a meaningful way.

Our goal is to always generate the greatest possible value from all input materials. One special feature is Metallo's zero waste approach, with the goal of converting all input materials into marketable products – in complete alignment with our Sustainability Strategy.

COMBINING STRENGTHS – FOR OPTIMAL PRODUCTION

The Metallo production sites are currently being integrated in the Aurubis Group network. One stated objective of the integration is to optimize the production network of our five large smelters and thus to offer our customers and suppliers additional solutions. We will substantially boost efficiency in the Group at the same time.

The integration of Metallo in the Aurubis Group was the right decision for the future development of Metallo and Aurubis. Within the company network, we will be able to leverage significant synergies.

DIRK VANDENBERGHE,
Metallo Group CEO

What this means concretely: we will increase the precious metal inputs in Metallo's raw material mix and recover these metals from the anodes we receive from Metallo at our plant in Olen, Belgium. Furthermore, we will recover more tin as well – thanks to the additional processing capacities for tin-lead alloys at our site in Beerse, Belgium. And our site in Lünen will certainly benefit from Metallo's copper-nickel expertise as well.

Like Aurubis, Metallo is a company with a long history, celebrating its 100th anniversary last year. We are also bound by aspects such as innovation, technical expertise, sustainability, and tradition, too.

More information and a video about Metallo and its products are available at: www.metallo.com

A forerunner in the sector

Successful placement of the first ESG-linked Schuldschein loan

In June 2020, Aurubis became the first company in the basic materials industry in Europe to place a Schuldschein loan with an ESG (environmental, social, and corporate governance) component. With the ESG-linked Schuldschein loan, investors have the opportunity to invest capital in accordance with clear sustainability aspects.

The order book volume of € 200 million was significantly oversubscribed due to high investor demand, so we were able to place a volume of € 400 million with terms of three, five, and seven years with both fixed and variable interest rates. Aurubis is using these funds for general company financing and for the acquisition of the Metallo Group.

Aurubis' sustainability achievements, which are reflected in the rating given by the recognized, independent sustainability agency EcoVadis, flow directly into the calculation of the interest costs for the loan. When Aurubis' sustainability rating improves, the company receives more favorable interest rate conditions; if the rating declines, the interest rate increases. Our responsibility for supply chains, people, and the environment is therefore directly linked to our financing costs.

€ 400 m

IS THE VOLUME OF THE ESG-LINKED SCHULDSCHEIN LOAN

New paths with azeti

A central element of the new digital strategy

With the July 2020 acquisition of software developer azeti – a Berlin start-up – Aurubis has secured an Internet of Things (IoT) platform to integrate and analyze production data in the long term. The software is able to bring together large volumes of data from highly diverse sources simply and quickly, allowing previously undiscovered optimization potential to be identified and utilized. The azeti platform will make production processes in metal production and recycling more flexible and efficient, though the acquired expertise and resources open up new digital possibilities in other areas as well.

azeti will continue supporting customers from other industries. This ensures that the platform is continuously adjusted to new market needs, and at the same time, we'll learn how other industries are implementing the topic of digitalization.

More information in a short film and at: www.azeti.net

Partnership with TSR

Joint venture for the circular economy

Aurubis AG and the recycling company TSR Recycling GmbH & Co. KG signed an agreement to establish a recycling joint venture. Aurubis will hold 40 % of the company, called Cablo GmbH, which will combine the cable dismantling activities of the Aurubis subsidiary Cablo and TSR (Lünen). Under the operational management of TSR, the new company's objective is to recover copper granules and to strengthen the trade in additional metals and recovered plastics.

"The separate recycling strengths of both partners will complement each other perfectly in the joint venture: TSR contributes a broad network of branches that collect the materials, as well as its existing logistics and its pre-processing expertise; Aurubis brings along extensive metallurgical processing knowledge for a wide variety of recycling raw materials to recover different metals," explains Aurubis Chief Executive Officer Roland Harings.

This joint venture is a further development of the recycling business within the scope of our "closing-the-loop" approach and creates a broader basis for securing input materials in the long term. This will further optimize the Aurubis Group's sustainable pre-processing and utilization of recycling materials.

Our joint venture makes a crucial contribution to the objectives of the European Commission's Green Deal, especially the shift from a linear to a circular economy – and it serves as a role model for other material flows as well.

More breathing room

Share buyback for future acquisitions and financing

Building on its strong balance sheet and good liquidity position, Aurubis passed a resolution in March 2020 to buy back its own shares: up to 10 % of the existing share capital with a maximum volume of € 200 million. On March 1, 2018, the shareholders at the Annual General Meeting authorized the management to take this step. The objective of the share buyback program is to use the treasury stock for purposes authorized by the shareholders at the Annual General Meeting on March 18, 2018, particularly possible acquisitions or future financing needs. The buyback program started on March 1, 2020 and will conclude on September 17, 2021 at the latest. During the first and second tranche until early November 2020, Aurubis bought back about 2.89 % of its share capital for a total price of approximately € 60 million. This does not affect our dividend policy.

INNOVATIVE SOLUTIONS ...

Not only our input materials are becoming increasingly complex, but so are logistics and processing methods.

Every day, we work on decoding this complexity and better understanding the composition of our input materials in order to develop ideas and technologies we can use to draw the very best from these materials and our production processes.

Tracking ships with artificial intelligence

“Track shipment” has become a common feature in online shopping, so why not for shipments of copper concentrates? This was the thought behind the IT project ETA. ETA stands for “estimated time of arrival.” Until now, this has been difficult to precisely predict for ships with copper concentrates on board, and it has required a great deal of effort. The goal of ETA was to improve this by collecting data from ship routes in a machine learning model, with routes starting in 2015 being gathered with the help of historical GPS data. Predictions can now be made, to the day, about when ships with copper concentrates will arrive at our primary smelter sites. This is a huge improvement for raw material, plant capacity, and production planning.

The arrival times of deliveries by ship can now be planned early on.

Manual pre-dismantling offers advantages for raw material recovery.

Recycling better

Aurubis is one of 22 partners participating in the European research project “FORCE – Cities Cooperating for Circular Economy.” Together with Stadtreinigung Hamburg (the city of Hamburg’s municipal waste management service), the company investigated the recycling advantages of manually pre-dismantling small electrical and electronic devices compared to non-dismantled devices – including with regard to the environmental impacts. The preliminary results confirm that manual pre-dismantling holds certain advantages related to the recovery of non-ferrous metals, iron, and especially plastics. There is a great deal of public interest in the project. For Aurubis, it’s a great opportunity to serve as a partner in environmental cooperation.

Research for impending trends

When recycling lithium-ion batteries, Aurubis wants to recover as much of their metal contents as possible – more than 90 %. For this purpose, the Group’s Research & Development department is working on a technology and a hydrometallurgical process to recycle the non-ferrous metal contents such as copper, nickel, and cobalt, as well as to open up access to manganese and lithium. Aurubis would like to use this process on an industrial scale in the future and return the recovered valuable metals to battery manufacturers.

This robot analyzes stamping samples fully automatically.

Taking samples completely automatically

Automation is steadily moving ahead at the Aurubis plants. Receiving the sample, turning the milling machine, setting aside the sample, recording the result – fully automatically. For three years, the Analytical Laboratory at the Hamburg plant has been using a robot to analyze stamping samples. The optical emission spectrometer helps automatically determine the chemical composition of copper samples. The digital helper conducts more than 450,000 analyses per year to quality control copper products such as shapes and rod.

… FOR COMPLEX DEMANDS!

MAGAZINE
2019/20

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Aurubis
Metals for Progress

FORWARD

Dear reader,

It has never been more appropriate to say that we are currently living in tumultuous times. In 2020, the pandemic challenged the world and its economy, bringing it to the very edge of the realm of possibility. Political conflicts like the one between the US and China remain unclear. With its Green Deal, the European Union has brought forth the world's most ambitious objectives for sustainable economic activity.

But even in these challenging times, we haven't lost sight of one thing: the future. Aurubis is facing the demands of today while also purposefully focusing its view on tomorrow. Because we see promising prospects and attractive opportunities in the markets in which we are active. In this context, we are treading new paths and moving **FORWARD** – for a successful future.

This year's magazine accompanying our Annual Report is made up of two parts: in this part, we're looking forward. How do we use the strengths of today to shape the successes of tomorrow? How do we leverage the potential inherent in our organization and in our markets? On the following pages, we highlight some of these prospects for Aurubis. We show you what we're occupied with now so that we remain successful in the future as well.

Enjoy reading about it.

ROLAND HARINGS
Chief Executive Officer

IMPRINT

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THE GREATER THE CLIMATE AMBITIONS, THE MORE METALS WILL BE NEEDED

Metals and minerals will be key for a clean energy transition. But what does that mean concretely? In 2020, the World Bank Group published a report entitled *Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition*, which intends to provide answers to that question.

The report is available as a free download at: http://pubdocs.worldbank.org

An interview with **DANIELE LA PORTA,** Senior Mining Specialist at the World Bank

Ms. La Porta, what will be the role of metals in the clean energy transition?

DANIELE LA PORTA The clean energy transition will require the significant input of a range of minerals and metals. Renewable energy technologies are key to reaching a net zero emission future, and they are more mineral-intensive than their fossil fuel counterparts. As a rule of thumb, we have found in our report that the greater our climate ambitions, the more minerals and metals will be needed.

In your report, you considered 17 different metals and minerals and their estimated demand until 2050. Which of them will be the "winners"?

DANIELE LA PORTA It is difficult to assess who the real "winners" will be because it will depend heavily on what the future clean energy pathway will look like. For example, on the one hand, the demand for graphite, lithium, and cobalt – so-called "battery minerals" – could increase by

DANIELE LA PORTA

DANIELE LA PORTA is a Senior Mining Specialist with the Energy and Extractives Global Practice of the World Bank, where she works on mineral sector governance and sustainable development in mineral-rich developing countries. She also leads the Bank's Climate-Smart Mining Initiative, which aims to support resource-rich developing countries in benefiting from the increasing demand for strategic minerals for the clean energy transition, while effectively decarbonizing and reducing the material footprint of their mining sector. Daniele is Brazilian with degrees in geology and environmental management.

"Without minerals, a low-carbon future will not be possible. And without a climate-smart metals sector, the clean-energy value chain will not be truly 'clean'."

DANIELE LA PORTA

nearly 500 % by 2050. But there are uncertainties surrounding the demand – not only which technology will predominate, but which sub-technology.

Can you describe the role of the metals produced by Aurubis, i.e., copper, lead, nickel, silver, and zinc, for future demand coming from energy technologies?

DANIELE LA PORTA We considered minerals like copper, nickel, and lead as cross-cutting minerals. These minerals are important to the clean energy transition because they are used across a wide variety of technologies and are not dependent on one specific technology. Silver and zinc feature in only a small range of energy technologies and the anticipated increases in demand are a small percentage of current production levels.

Let's be more concrete: How will the demand for copper increase, for instance?

DANIELE LA PORTA Based on the most ambitious scenario, which limits the rise of the global temperature to well below 2°C, copper demand from clean energy technologies alone may amount to up to 40–50 million t until 2050. Even in a mid-range scenario, demand will be about 30 million t. These projections don't even include the associated infrastructure like transmission lines or the physical parts like chassis of newly built electric vehicles.

To meet future demand, how important will recycling be? What are the challenges?

DANIELE LA PORTA While our report underscores the important role that the recycling and reuse of minerals will play in meeting demand, it also highlights that even if we scale up end-of-life recycling rates for certain minerals, like copper and aluminum, by 100 %, recycling and reuse would still not be enough to meet the demand from energy technologies. The challenge with meeting most of the demand from recycling is partly due to a lack of existing material to recycle and reuse, along with costs and technological barriers.

MAPPING MINERALS WITH RELEVANT LOW-CARBON TECHNOLOGIES

	Wind	Solar photo-voltaic	Concentrated solar power	Hydro	Geothermal	Energy storage	Coal	Gas	Carbon capture and storage
COPPER *Cu*	■	■	■	■	■	■	■	■	■
LEAD *Pb*	■	■		■		■			
NICKEL *Ni*	■	■		■	■	■	■	■	■
SILVER *Ag*		■	■						
ZINC *Zn*	■	■		■		■			

Cu

COPPER
Features: easily shaped and tough. An excellent conductor of heat and electricity.
Uses: in nearly all green technologies, particularly wind energy, photovoltaics, and electric vehicles.

Pb

LEAD
Features: strong formability before it breaks, resistant to certain acids.
Uses: in wind energy, photovoltaics, and geothermal energy, to name a few examples.

Ni

NICKEL
Features: medium-hard, malleable, can be polished easily. Very resistant to air, water, hydrochloric acid, and leaches at room temperature.
Uses: for nearly all CO_2-free energy sources.

Ag

SILVER
Features: soft, easily formable, with very high electrical conductivity.
Uses: especially in solar energy.

Zn

ZINC
Features: easily formable between 100 and 200°C, otherwise fairly brittle. Forms a weather-resistant protective layer of zinc oxide and zinc carbonate in air, so it is often used as corrosion protection.
Uses: in wind and solar energy, as well as hydropower.

Energy storage technologies, for example battery technologies, are becoming more important.

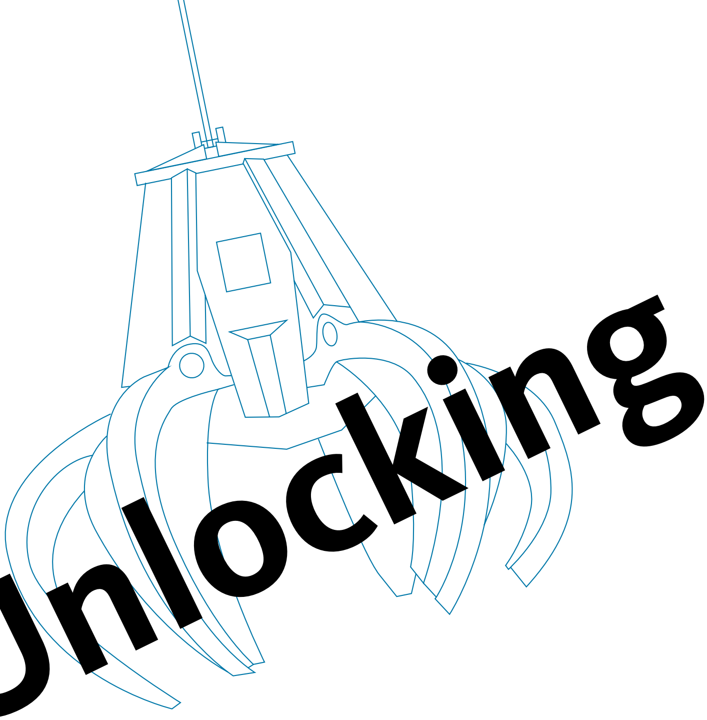
How should smelters like Aurubis behave when striving to meet future demand for minerals while contributing to the clean energy transition?

DANIELE LA PORTA In addition to providing the minerals that are needed for a low-carbon future, large smelters may rely on non-renewable energy sources to meet their large energy needs. Smelters around the world should make energy efficiency a key part of their decarbonization strategy, in addition to committing to sourcing energy from renewable sources. From a recycling perspective, smelters have a comparative advantage in scaling up recycling and should therefore pave the way in innovative practices to overcome some of the technical and economic barriers to recycling.

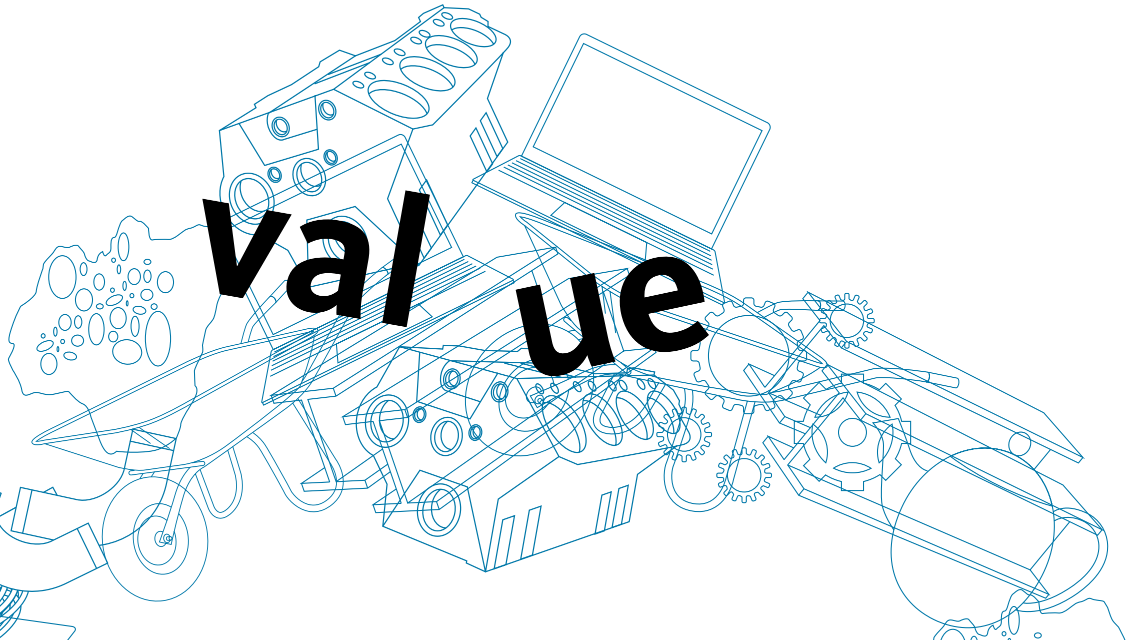
"Smelters around the world should make energy efficiency a key part of their decarbonization strategy."

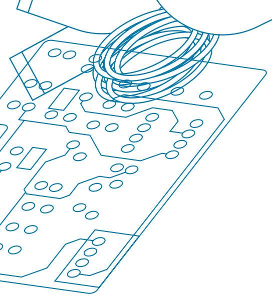
What challenges still need to be tackled by 2050?

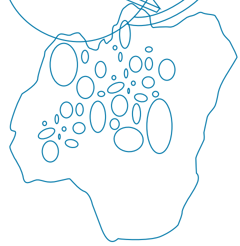
DANIELE LA PORTA A challenging task revolves around the sheer scale of the rising demand for strategic minerals and metals in such a short time frame. We will need to use a huge amount of energy, land, and water to meet the demand for low-carbon minerals. Another challenging task concerns the lack of capacity and knowledge about how to minimize the carbon and environmental footprint of the mining industry in developing countries. Mineral recycling will play an important role in meeting future demand and will need policy support to overcome the economic, technical, and environmental barriers. The energy sector will also need to play a role in designing low-carbon technologies that can be easily disassembled to enable minerals to be part of the circular economy.



Unlocking value







50 million t of electrical and electronic scrap accumulate worldwide every year – and the trend is increasing. These materials hold massive amounts of valuable metals such as copper and gold. We would do well to recover these metals and use them for production, not only in light of scarce primary raw materials. This is called urban mining.

The global annual volume of electrical and electronic scrap could rise to 120 million t[1] by 2050. Each year, 50 million t accumulate worldwide. This is equivalent to the weight of about 4,500 Eiffel Towers – and a value of over US$ 62.5 billion.

After Asia (18.2 million t per year), Europe is the second-largest "producer" of electrical and electronic scrap. The 12.3 million t of scrap that collect here annually contain 330,000 t of copper and 31 t of gold. If these quantities could be fully recovered, they would be sufficient to manufacture all of the electrical and electronic equipment that Europeans buy new every year.[2]

Many of the raw materials for our metals therefore aren't in natural deposits but in the items that people use – and throw away.

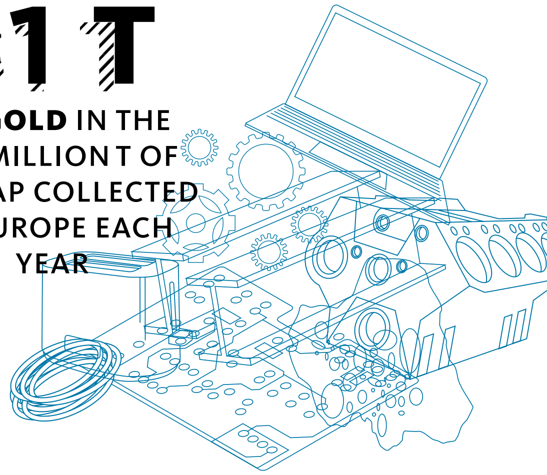
As a result, we have relied on urban mining for a long time at Aurubis. We use recycling materials as input for our production by recovering metals from electrical and electronic scrap with sustainable processes. This includes copper and copper alloy scrap as well as industrial residues that we purchase and process into high-quality products.

CLOSING THE LOOP

The high demands we place on ourselves with regard to responsibly processing electrical and electronic scrap are also documented in the different certifications and standards that we fulfill, such as the WEEE[3] End Processor Standard. And with the acquisition of the Metallo Group, our multimetal recycling expertise has expanded considerably again: sites in Beerse (Belgium) and Berango (Spain) joined our recycling center in Lünen. Our recycling returns end-of-life materials to the production cycle – fully in line with our "closing-the-loop" approach.

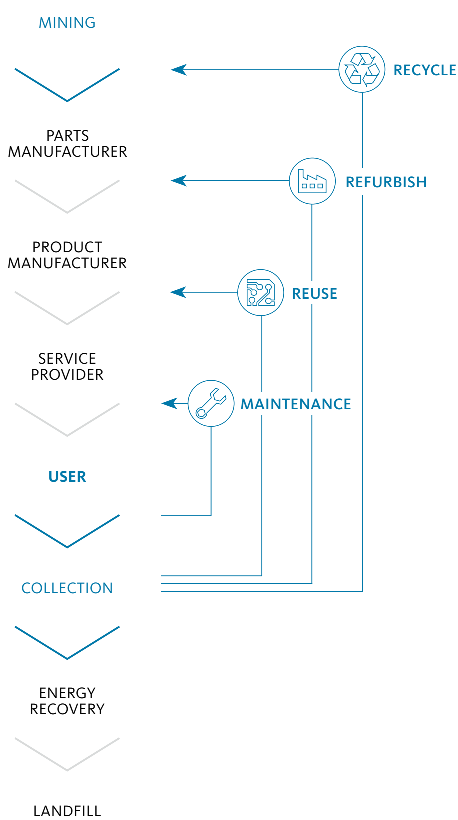
31 T

OF GOLD IN THE 12.3 MILLION T OF E-SCRAP COLLECTED IN EUROPE EACH YEAR



However, the circular economy also includes creating these loops within our own company. By combining the specializations of our sites in a way that makes sense, we create a recycling symbiosis that we use to achieve our "zero waste" goal: to process all input materials into valuable products.

CIRCULAR ECONOMY MODEL FROM THE ELLEN MACARTHUR FOUNDATION[4]



[1] The Platform for Accelerating the Circular Economy (PACE).
[2] How to mine precious metals in your home (BBC.com).
[3] WEEE = Waste Electrical and Electronic Equipment.
[4] Based on: www.ellenmacarthurfoundation.org/circular-economy/concept/infographic.

WE HAVE A CLEAR OBJECTIVE:

WE WANT TO BECOME THE MOST EFFICIENT AND SUSTAINABLE SMELTER NETWORK WORLDWIDE

Building on our strategy, the three pillars of **growth, efficiency, and responsibility**, we want to continue developing Aurubis from a copper producer to a mulitmetal group until 2025, and become the most efficient and sustainable smelter network in the world. Copper, our main carrier metal, will continue to play a key role in the future because no other metal is accompanied by such valuable additional elements.

We will process a higher quantity of complex copper concentrates while continuing to expand the proportion of recycling materials we use as input. Through internal growth and sensible acquisitions, we will further strengthen our smelter network and therefore our position. We will keep optimizing structures and processes to ensure Aurubis' cost efficiency and investment strength in the long term. And in all of our activities, our conduct is based on a sustainable economic approach in accordance with our mission of responsibly transforming raw materials into value – to provide metals for an innovative world.

WE HAVE GROWTH POTENTIAL.

An interview with **DR. THOMAS STURM,**
Senior Vice President Corporate Development

WE WANT TO TALK ABOUT GROWTH. WHAT IS AURUBIS CONCENTRATING ON AT THE MOMENT?

Growth is an important objective of our strategy – especially when it comes to mulitmetal. Concretely, this means that we're boosting our capacity and expertise in processing valuable metals that are contained in our raw materials.

The acquisition of Metallo was therefore the perfect strategic step. At the same time, however, we're also working on a variety of internal projects to grow in our central business, copper. Here, the focus is on enhancing efficiency and productivity.

THE ACQUISITION OF THE METALLO GROUP MEANS MORE METALS, MORE CAPACITIES, MORE RECYCLING ...

Metallo ideally complements the existing smelter network – especially due to their added skills in the separation of copper, nickel, tin, zinc, and lead. With the sites in Lünen, Olen (Belgium), and Beerse (Belgium), we have a "recycling triangle" in which we can process a broad range of recycling materials highly efficiently and recover the most important metals in a marketable form, including further processing in Hamburg.

WHAT OBJECTIVE IS AURUBIS PURSUING BY BUILDING UP ITS SMELTER NETWORK?

We're focused on the following goal: Aurubis processes raw materials with environmentally friendly, sustainable, and efficient methods, recovering valuable metals and making them available for further processing – and returning valuable recycling material back to the cycle at the end. This helps us conserve resources and provide important metals for future applications in our industrial sector and elsewhere.

AURUBIS STANDS FOR MULTIMETAL. WHICH PROJECTS CONTRIBUTE TO THIS PART OF THE STRATEGY?

One project in Hamburg, for example, has the purpose of improving and expanding the capacity for processing complex, multimetal materials from internal and external sources. However, we're also working on other projects to increase our nickel processing. Then there are projects and ideas arising from our collaboration with Metallo. Following the initial integration phase, we're now in the process of consolidating, prioritizing, and positioning the strategic projects of both companies for the long term.

COPPER REMAINS THE CENTRAL BUSINESS. WHAT LEVERAGE FOR GROWTH DOES THIS AREA OFFER?

As a reliable, high-performance partner, we are firmly established in the copper industry. We see significant potential in digitalization and automation. For instance, we will take advantage of the expertise offered by azeti Focus, page 14 to optimize our production processes in a targeted approach because increasing throughput means more efficiency and better cost-effectiveness.

LEANER, BETTER INTERCONNECTED, MORE DIGITAL

Aurubis' cost efficiency and investment strength have to be secured in the long term – even in an uncertain economic environment. This is why Aurubis established the Performance Improvement Program (PIP).

The fact is, Aurubis is in a challenging, internationally competitive environment. Treatment and refining charges in particular (an important driver of earnings for the company) have come under significant pressure and will stay that way for the foreseeable future. Moreover, the company's personnel and administrative costs have risen significantly in the last several years, causing earnings before taxes to decline. At the same time, Aurubis also has to be in a position to invest in the sites in the future. As a result, Aurubis is taking action now and has established the Performance Improvement Program (PIP), which is focused on reducing costs and increasing throughput to generate a contribution to earnings of at least € 100 million until fiscal year 2022/23.

In the course of a careful review, the company has identified, evaluated, and in some cases already implemented about 350 individual measures. "The PIP measures are appropriate and important," emphasizes CFO Rainer Verhoeven. "Global conditions have intensified considerably for Aurubis. And the coronavirus pandemic shows how quickly the economic environment can change – even if the program, with its special focus on cost reduction, started before the outbreak of the pandemic."

The measures will make Aurubis leaner, better interconnected, and more digital. With new, modern structures and processes, duties and jobs at Aurubis will change and in some cases be cut. Apprenticeships won't be impacted, however, and investments will continue to be made in vocational training. At the same time, Aurubis will cut about 210 jobs in the next two-and-a-half years. "We are aware that the reduction of personnel costs and the job cuts related to this impact people's lives," states CEO Roland Harings. "That's painful. We will try to do this in the most socially responsible manner possible." Aurubis will avoid redundancies wherever possible, forgo filling jobs that open up, and take advantage of voluntary resignations and job changes. The early retirement program has also been significantly overhauled.

"The PIP measures are appropriate and important. The global conditions have intensified considerably for Aurubis."

RAINER VERHOEVEN
Chief Financial Officer

RESPONSIBLY PLANNING THE FUTURE

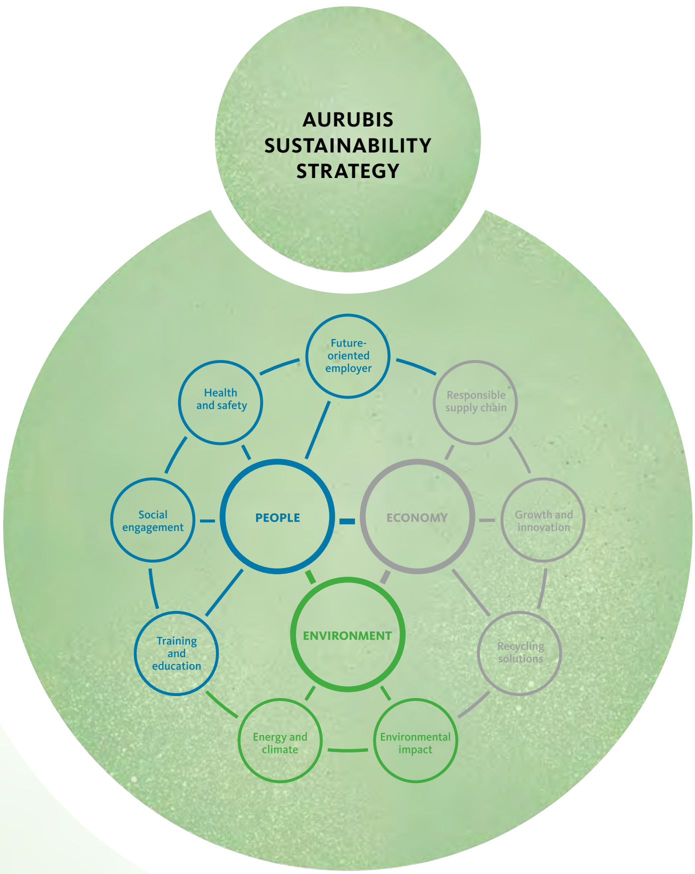
In turbulent times, it's important to direct our focus to the right things, the important things, and to transform momentum into opportunities. At Aurubis, many of the topics presented in this magazine preoccupied us and, in some cases, challenged us.

The health of our employees has been at the very top of our sustainability agenda, and not just since the start of the coronavirus. Nevertheless, since the pandemic began, we have been advocating much more for the continued health of our employees while monitoring social and overall economic developments. In contrast to the impacts of the pandemic, there has been a great deal of positive momentum for Aurubis' sustainability agenda with the Metallo acquisition, the new digitalization strategy, and the investments in our training centers and environmental protection measures.

Sustainability is a fundamental part of the Aurubis strategy. In this context, our objective is to align economic, environmental, and social aspects: for instance, improved environmental performance at our plants is accompanied by increased occupational health and more security for the company sites. Expanding our recycling activities contributes to the circular economy, protects resources, and safeguards raw materials.

We are observing a continuous rise in the sustainability expectations of customers, employees, the capital market, policymakers, and civil society, and we want to take advantage of this momentum for our sustainability vision. From a political perspective, we support fair competition and the ability of responsible companies to act with a sense of security, and we share our knowledge in public projects and initiatives. We rely on dialogue and cooperation because we can achieve the most when we work together.

Aurubis has been committed to the Ten Principles of the United Nations (UN) Global Compact since 2014 and has renewed its commitment during the UN's 75th anniversary year. We have done a great deal so far to fulfill these ten principles and our own Sustainability Strategy. We're currently adjusting this strategy, taking the European Green Deal into account: Aurubis will be carbon-neutral well before 2050, under the right political conditions, and is setting a science-based climate target. We have reached important milestones in responsible supply chain management with the Aurubis Human Rights Commitment and our participation in the Copper Mark Forward, page 14.



PEOPLE

MANAGERS OF TOMORROW

EXPLORE! is the name of the training and networking program for Aurubis' potential managers of tomorrow. This 18-month journey kicked off for eight high-potential employees in October 2019. The group also includes two trainees who are taking part in a full-time qualification program. The name EXPLORE! indicates the program's objective. In addition to specialized project work, it includes the development of soft skills in particular, and that can't happen without the participants exploring themselves as individuals, their colleagues, and the company. The program centers on expanding the participants' personal leadership qualities – with the constant support of experienced professionals.

18-
MONTH PROGRAM FOR POTENTIAL MANAGERS

SINCE
2015
THERE HAS BEEN A SUSTAINABILITY WEEK FOR OUR APPRENTICES

EVERYTHING UNDER ONE ROOF

Our employees are our most important success factor, so it's up to us to keep them ready for the future. We foster a learning culture based on personal responsibility, flexible arrangements, dialogue, and digital skills. With the Learning Academy, continuing education and digital, self-guided learning have become even more accessible since mid-2020: the new platform is a central location for all qualification and learning opportunities, and the options have been expanded. Digital and innovative learning formats in particular, such as teaching videos and Learning Nuggets – short learning sessions by colleagues for colleagues – promote enthusiasm for learning and open up new, easy approaches to continued development.

WE STICK TOGETHER

"Together we care." Solidarity is important – especially in challenging times! Rather than leave our partners alone during the coronavirus pandemic, we have opted to strengthen our social involvement, whether locally in the areas surrounding our plants or internationally in Peru and Chile. We help by providing laptops for homeschooling and disinfectant for families at our partner schools in South America. We support volunteers and organizations that are committed to assisting socially disadvantaged people and regions, educational programs for young people, nature conservation, and cultural institutions now and in the future. We view this as our contribution to a world worth living in – for future generations as well.

together we care

ECONOMY

CLOSING THE LOOP

Thanks to its integrated smelter network, Aurubis is able to process a broad range of materials, from industrial production waste to complex scrap from end-of-life products. Thanks to the acquisition of recycling specialist Metallo in 2020, we'll be able to do this even more efficiently in the future. In our relations with customers, we also consider the return of the accumulated recycling raw materials, developing targeted "closing-the-loop" partnerships. We have established over 50 partnerships of this kind in which our copper product customers also serve as suppliers of recycling materials.

OVER

50

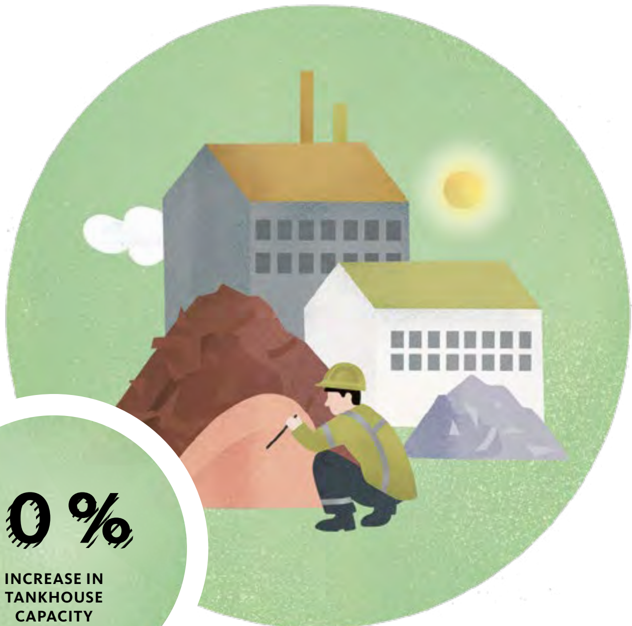
"CLOSING-THE-LOOP" PARTNERSHIPS IN WHICH COPPER PRODUCT CUSTOMERS ARE ALSO SUPPLIERS

INVESTMENT IN THE FUTURE OF THE LÜNEN SITE

Aurubis is investing a total of € 60 million in renovating the tankhouse at the Lünen recycling center. The extensive work is taking place in five phases over three years, so the tankhouse can be operated at up to 80 % capacity at all times during this period. After this is completed, it will be possible to use anodes with a higher weight, increasing the tankhouse capacity by 10 %. With this investment in the future, Aurubis is strengthening its Lünen site in the Group's smelter network and demonstrating once again its commitment to a sustainable circular economy.

STANDARDS FOR RESPONSIBLE METAL PRODUCTION

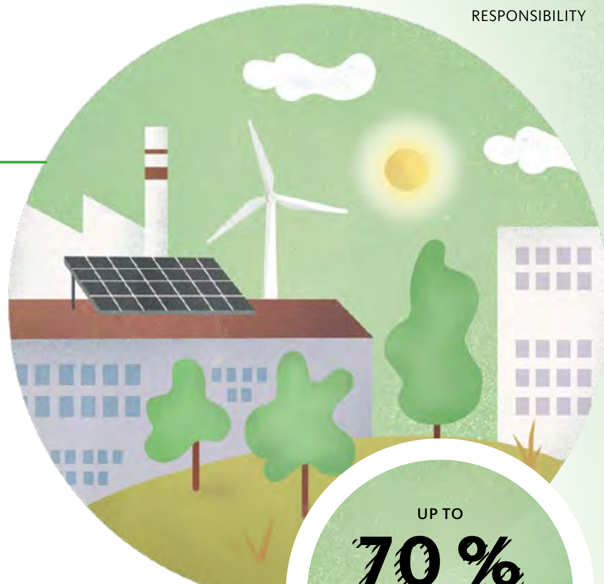
We see the biggest opportunities for sustainable metal production when every actor in the value chain takes responsibility and works on solutions together. This is why we support the Copper Mark industry initiative. The new quality seal promotes and verifies responsible copper production. Aurubis Bulgaria is the first Aurubis primary smelter to undergo the review process for the seal and has thus committed to fulfilling 32 sustainability criteria. The Copper Mark is putting forth promising efforts to develop a standard for responsible procurement that would cover other non-ferrous metals such as nickel, lead, and zinc as well. Several high-profile companies have already committed to the Copper Mark standards. coppermark.org



10 %

INCREASE IN TANKHOUSE CAPACITY

ENVIRONMENT



SOLAR ENERGY FOR COPPER PRODUCTION

Aurubis Bulgaria plans to construct a 10 MW photovoltaic installation on the plant premises – and thus to become the first industrial consumer in Bulgaria to invest in its own production of green energy on this scale. The contract with CEZ ESCO Bulgaria EOOD, a company of the CEZ Group, was signed in July 2020. Now the next steps will be implemented until the scheduled start of construction in spring 2021. “We want to generate 20 % of the electricity that we need from internal renewable sources by 2030,” says Aurubis Bulgaria CEO Tim Kurth, describing the plant’s vision.

UP TO

70 %

REDUCTION IN FUGITIVE EMISSIONS
(HAMBURG PLANT CONVERTER HALL)

10 MW

PHOTOVOLTAIC INSTALLATION PLANNED FOR THE PLANT PREMISES
(AURUBIS BULGARIA)

COMING CLEAN

With one of the largest environmental protection projects since the 1980s, Aurubis continues to develop its technological edge in environmental protection: until 2023, fugitive emissions of fine particulates in the primary smelter at the Hamburg plant, which previously couldn’t be collected, will be reduced by another 70 %. With the RDE project (for “Reduzierung diffuser Emissionen,” or “Reducing Fugitive Emissions”), which has an investment volume of over € 100 million, Aurubis proves once again that modern urban development and copper production just a few kilometers from downtown Hamburg can sustainably coexist. Our primary smelters in Germany and Bulgaria are among the cleanest copper production facilities worldwide.

RESEARCH FOR THE HYDROGEN TRANSFORMATION

CO_2 is generally formed during copper production. Natural gas is used to refine copper, drawing out excess oxygen bound in the copper. However, carbon dioxide (CO_2) arises in the process in addition to steam. Replacing the natural gas with hydrogen as a reducing agent would eliminate this CO_2, leaving only the steam. As soon as this metallurgical application of hydrogen proves to be cost-effective, Aurubis will be prepared for a possible switch in the future. Aurubis is currently researching a variety of possibilities for the use of hydrogen.

DEVELOPING

DIGITALIZATION:

COUNTLESS

OPPORTUNITIES

Digitalization is a buzzword at the moment – including at Aurubis. The company isn't only relying on traditional IT, automation, and modern software, but is bundling its approach in its own digital strategy.

With the introduction of Microsoft 365 and its conferencing tool Teams, Aurubis did a lot of things right before the outbreak of the coronavirus pandemic. Colleagues across the Group were able to quickly shift to remote work; video conferences are more common now and a number of processes, even audits, have been digitalized. A boost for digitalization – but it's not quite enough. To stay ahead of the competition, Aurubis has to make its production processes more efficient and provide its customers with digital added value, according to Vice President IT Marcus Sassenrath. As a result, a digital strategy has been developed resting on three pillars: digitalization of administrative processes, digitalization of production, and digitalization of business models. "Together, they form a strong network – but each area nevertheless has enough space to independently work on innovative ideas," says Sassenrath. "When it comes to traditional IT, we've been in a good position for a long time. But production and customer relationships can benefit from digitalization, too. We have a lot of potential in this area."

> "When it comes to traditional IT, we've been in a good position for a long time. But production and customer relationships can benefit from digitalization, too."

MARCUS SASSENRATH
Vice President IT

Watch a short presentation by Marcus Sassenrath here.

THREE PILLARS OF THE DIGITAL STRATEGY >>>

BUSINESS MODELS

Aurubis wants to collaborate more with its customers digitally and to offer them digital added value. With these objectives in mind, the Aurubis Digital Innovation Lab, called the InnoLab for short, was established in early September. The InnoLab develops digital solutions that focus on customers and offer them digital added value, for instance in issues like price fixation or reviewing contracts. The goal: to draw customers and suppliers closer to Aurubis and to tap additional revenue potential.

PRODUCTION

To use the possibilities of digitalization for Aurubis' production as well, Aurubis acquired azeti GmbH in July 2020. The Berlin software company develops and markets an Internet of Things platform that integrates and evaluates production data. This helps in determining and using optimization potential – making production processes in metal production and recycling more flexible and efficient.

ADMINISTRATIVE PROCESSES

IT's main responsibility is still to make business processes more efficient through software and to create the necessary conditions, for example with the appropriate IT infrastructure. With a variety of different projects, IT has achieved a great deal in the past several years. A lot of energy continues to go into other projects – such as the current switch of our SAP system from R/3 to S/4.

NEW DIGITAL ORGANIZATION ESTABLISHED

Working on innovative topics requires a different approach and is best in small, independent teams, which is why Aurubis has set up a new digital organization independent from traditional IT where ideas can be developed with some distance from daily business.

The new organization includes azeti GmbH, with their software platform for integrating and evaluating production data. Aurubis acquired the Berlin software company in July 2020, a smart strategic step that ensures that the platform will be developed to align with the needs of Aurubis and the industry in general in the long term. This also supports the work in the Analytics Center of Excellence, where a team of Aurubis experts works on projects focused on data modeling and artificial intelligence. And, finally, the Digital Innovation Lab established on September 1, 2020 also belongs to the new digital organization. Here, ideas are developed – together with the relevant specialist departments – to provide customers and product suppliers with digital added value.

IS COVID-19 SHOWING US HOW WE'LL WORK IN THE FUTURE?

A discussion with Prof. Dr. Werner Eichhorst, team leader at the Institute of Labor Economics in Bonn, Germany, and professor of labor market policy at the University of Bremen.

WHAT'S BEHIND THE TERM "NEW WORK"?

The term describes companies' attempts to become more innovative and productive, together with an enhanced group autonomy and self-fulfillment among employees. In practice, this usually means agile work that's more flexible than the classic understanding of work when it comes to structures and hierarchies, work times and locations, but in some cases also forms of compensation and participation.

HAS THE COVID-19 PANDEMIC PUSHED THIS DEVELOPMENT?

There was of course a trend toward remote work and digitalization of communication. This was necessary to ensure continuity in employment in the first place.

Our surveys also show that both companies and employees handled this well for the most part. Nevertheless, it's still too early to make a sweeping statement about whether the pandemic will have a permanent effect on business models and forms of employment, or even cause a structural shift.

WILL THE CHANGES IN WORK CONDITIONS STICK AROUND?

The intensity of remote work will increase in the long term, but it won't lead to teams only being connected digitally. Companies and employees have given a clear signal that a considerable amount of work should happen in the same place, together, due in part to the informal, creative interactions this fosters. So in the future, there will be a frequent option for remote work, together with periods for meeting in a company environment.

WHAT IS REQUIRED TO ENSURE THAT THIS TYPE OF COLLABORATION WORKS?

The coronavirus crisis has intensified existing trends. This is why it's important for teams to know each other personally in the analog world if digital collaboration is supposed to work. It's especially difficult for new employees during this time. Furthermore, work should be clearly delineated at home, in terms of both time and space. That requires self-discipline. And in the long term, there needs to be a solution for childcare during working hours because this means additional stress for everyone involved, and in the end, both of these responsibilities suffer for it.

PROF. DR.
WERNER EICHHORST

PROF. DR. WERNER EICHHORST has worked at the Institute of Labor Economics (IZA) since July 2005, since January 2017 as Coordinator of Labor Market and Social Policy in Europe. Since November 2017, he has been an honorary professor for European and international labor market policy at the University of Bremen, affiliated with the Research Center on Inequality and Social Policy (SOCIUM). The main focuses of his work include the international comparative analysis of institutions and the development of labor markets, the comparison of labor market policy strategies and reform processes, the future of labor, and the transformation of the world of work.

WHAT DEMANDS WILL BE PLACED ON SUPERVISORS?

When it comes to managing employees, it's also important for relationships to exist at a personal level. In this unique situation, it's more important than usual for supervisors to take employees' individual, in some cases personal, circumstances into account and to communicate well and frequently – as well as bilaterally. This requires learning processes on both sides. A management style based purely on control reaches its limits in this particular model. A leap of faith is required instead, which can improve the relationship between employer and employee. Our surveys indicate that this is working well for many companies and that the employees feel well informed.

ARE THERE SPECIAL THINGS TO CONSIDER FOR COMPANIES WITH INTERNATIONAL LOCATIONS?

The number of live meetings involving business trips and conferences has of course dropped sharply recently, being replaced by digital dialogue. Digital communication has shifted to a higher level, which has made this dialogue easier and more intensive. Especially from an international standpoint, this can substantially improve relationships between colleagues if the communication accommodates the employees' individual circumstances.

Nevertheless, purely digital collaboration won't work – particularly across national and cultural borders. In some situations, personal meetings are indispensable, most notably for new employees or when employees have changed positions, because personal dialogue allows for an additional level of communication, for instance when spending breaks together.

IN A PRODUCTION COMPANY, NOT EVERYONE CAN WORK FROM HOME ...

Remote work is a feasible alternative for about one-fourth to one-third of employees. But the work situation for production workers is also changing. Their job profiles will change as automation advances, so the amount of routine work will decrease and be replaced by control, monitoring, and innovation tasks. In Germany especially, skilled workers have the qualifications to take on these more complex responsibilities. In the future, traditional blue collar workers will be "light blue" at the most.

Skilled workers therefore have to move into these employment sectors. In the same vein, companies have to be able to provide the corresponding training and transform their business models. Over the long haul, it won't be enough to handle this development by offering working models with reduced hours. This calls for creative solutions.

ANNUAL REPORT 2019/20

The past fiscal year has demonstrated once again that Aurubis has a solid position, thanks in part to the course set in the past that provides our business model with a stable foundation.

Our **FOCUS** is still directed towards implementing our strategic pillars of growth, efficiency, and responsibility. We are seeing more and more potential in recycling and took an important step **FORWARD** with the acquisition and integration of Metallo.

Even in challenging times, we haven't lost sight of one thing: the future. Based on our concentrated, continuous development, we can direct our focus forward. We will continue working towards a successful future.

FOCUS. FORWARD.

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THE EXECUTIVE BOARD

ROLAND HARINGS

Chief Executive Officer

After earning his mechanical engineering degree, Roland Harings began his career at Webasto AG. After different international assignments, he switched to Alcan in 1995, where he held different positions. He most recently oversaw automotive sales for Alcan in Europe. Starting in 2005, Mr. Harings managed the integrated aluminum rolling mill of Novelis in Switzerland. He was in charge of Novelis' global automotive business as of 2010. Prior to his appointment to the Aurubis AG Executive Board, he was CEO/Managing Director of MKM Mansfelder Kupfer und Messing GmbH starting from 2014.

DR. HEIKO ARNOLD

Chief Operations Officer

Dr. Arnold earned his doctorate in chemistry at the Technical University of Darmstadt. After completing his studies in 1995, he started his career as a research chemist at BASF in Ludwigshafen. He held management positions at international sites there, most recently as Vice President Operations, Technology and Investment Intermediates for the East Asia Headquarters of BASF in Hong Kong. In this function, he was responsible for 11 production plants and five Asian joint venture partners. Prior to being appointed to the Aurubis AG Executive Board, he served as Chief Technology Officer at the Austrian company Lenzing AG and oversaw the technical functions and functional management of the company's production sites. Dr. Arnold was appointed Chief Operations Officer of Aurubis AG effective August 15, 2020.

DR. THOMAS BÜNGER

Chief Technology Officer

Dr. Bünger studied non-ferrous metallurgy. He initially worked as a research fellow at the TU Bergakademie Freiberg and, starting in 1996, as an R&D engineer at Freiberger Compound Materials GmbH. In 2005, Dr. Bünger switched to Norddeutsche Affinerie (Aurubis since 2009), where he started out as a production engineer in the secondary smelter and has held various positions since then, most recently, Senior Vice President Operations. He is also chairman of the Board of Directors at the Bulgarian site.

RAINER VERHOEVEN

Chief Financial Officer

After studying business management, Mr. Verhoeven started his career with what is now thyssenkrupp AG. He initially worked in finance and accounting at company headquarters. Starting in 2005, he held various managerial positions for thyssenkrupp outside of Germany. Before joining Aurubis, Rainer Verhoeven was Chief Financial Officer of thyssenkrupp Electrical Steel GmbH.

LETTER FROM THE EXECUTIVE BOARD

Dear shareholders and friends of the company,

It's never been so appropriate to say: 2019/20 was an exceptional year. The global pandemic required a great deal from us and served as a stress test for our company. At the same time, it provided us with the opportunity to develop new solutions and try out new things.

The good news first: we made it through the crisis robust during the past fiscal year. In light of the dynamics of the global economy, this can't be taken for granted. We would like to touch on some of the reasons for our solid operating performance.

The Aurubis employees are at the top of the list. We want to give them our sincerest thanks for both their level-headedness and their extraordinary commitment.

We established extensive conduct and hygiene standards early on, which we regularly adjust to the ever-changing situation. After several difficult months, we can luckily say that our crisis management has proven to be effective. There have been no production limitations in our plants thus far. We produce 24 hours a day, seven days a week, so it's clear that most of our employees have to be on site to keep the smelters up and running. At the same time, a number of employees had to adjust to working from home, practically overnight.

> ***"Our crisis management has proven to be effective. There have been no production limitations in our plants thus far."***
>
> ROLAND HARINGS, Chief Executive Officer

The fact that we've made our way through the crisis well thus far is also thanks to our business model and our global network. Stating it very simply, our business model rests on three main pillars that are influenced by different market cycles: the processing of raw materials from the mining industry, the processing of recycling materials Glossary, page 208, and product business. This broad position gives us stability and ensures sustainable results. This was evident again during the peak of the pandemic in Europe. Furthermore, we used the opportunity to sell more copper cathodes Glossary, page 207 to China when European customers were temporarily unable to buy them.

A key growth step in 2020 was the acquisition of the Metallo Group. Following the approval from the merger control authorities in the summer, our focus during the reporting year was on integration. The synergy potential has been clearly defined and its implementation is going according to schedule. The merger makes a direct contribution to our multimetal and recycling strategy. With Metallo, we're growing in metals of the future such as nickel, zinc, and tin. Together, we will process even more complex input materials into valuable metals in the future and continue investing in our processing capabilities.

As far as the circular economy is concerned, we're therefore playing a key part in sustainably handling raw materials in Europe. We expressly support the European Raw Materials Alliance, an EU initiative, and see great potential for continued economic growth in this exciting, forward-looking area. Because our goal is to become one of the most efficient and sustainable smelter networks in the world.

In July 2020, we completed yet another acquisition with the takeover of azeti GmbH. The company develops an internet-of-things platform that integrates and evaluates production data. The software is able to bring together large volumes of data from highly diverse sources simply and quickly, allowing previously undiscovered optimization potential to be identified and utilized. We will be able to make our processes in metal production and recycling more flexible and efficient with the azeti platform.

"Our goal is to become one of the most efficient and sustainable smelter networks in the world."

DR. HEIKO ARNOLD, Chief Operations Officer

We need this and more to achieve long-term success among the international competition. Because there are global exchange prices for our main product, copper, Aurubis can't pass on higher energy costs that might be specific to the region to its customers through the product price. If our production costs in Germany and Europe increase disproportionately due to artificially established levies related to the energy transition, this weakens our competitive position compared to the rest of the world. We have to deal with this – together with Berlin and Brussels. At the same time, we're testing new processes to enable the use of hydrogen in production, pushing forward with innovations for the use of industrial waste heat, and investing in renewable energies. With these developments, we demonstrate how industry can be part of the solution in the energy transition.

"We're testing new processes to enable the use of hydrogen in production, pushing forward with innovations for the use of industrial waste heat, and investing in renewable energies."

DR. THOMAS BÜNGER, Chief Technology Officer

Another factor for staying competitive in the long term is a lean cost base. In fiscal year 2019/20, we developed an efficiency improvement program with a focus on cost reduction for the Hamburg plant and the Corporate Functions. Our goal is to achieve an improvement of at least € 100 million in earnings through the program by fiscal year 2022/23. A number of the program's measures will make the company leaner, better interconnected, and more digital.

However, Aurubis' cost reduction program does entail some personnel measures. Rest assured that we, the Executive Board, didn't make this decision lightly, but it is appropriate and necessary. Because Aurubis should be able to take action from a position of strength and invest in its smelter network in the future as well.

We still intend to sell part of our business – Segment Flat Rolled Products. Although the overall economic conditions provide very little tailwind during the pandemic, we're still working on strategic options for a future sale of this area of the company.

"We want to achieve an improvement of at least € 100 million in earnings through the cost reduction program by 2022/23."

RAINER VERHOEVEN, Chief Financial Officer

“We're starting the new fiscal year with a sense of cautious optimism, with a slightly higher forecast range.”

ROLAND HARINGS, Chief Executive Officer

Let’s take a closer look at our earnings development.

In fiscal year 2019/20, our operating earnings before taxes (EBT Glossary, page 209) amounted to € 221 million, 15 % higher than in fiscal year 2018/19 and within our forecast, which remained constant throughout the fiscal year. Operating ROCE Glossary, page 209 reached 9.3 % and was therefore above the prior-year level of 8.6 %.

Throughput at our Hamburg and Pirdop sites came to a total of 2.4 million t of copper concentrate Glossary, page 207 during the reporting year. We invested about € 50 million in the Hamburg plant facilities in the first quarter as part of a planned maintenance shutdown, which led to a € 34 million impact on the operating result. Nevertheless, the facilities’ good performance compensated for this effect over the course of the year for the most part. At 1.031 million t, refined copper output was only slightly below the level of the previous year.

The copper scrap supply fluctuated during the year, due in part to the lockdowns in Europe. Paired with intermittent declines in the copper price, this dampened refining charges for copper scrap. Looking at the entire fiscal year 2019/20, however, refining charges for copper scrap had a positive effect on the operating result, as did the very good metal gain Glossary, page 208 in Q4 of the fiscal year. Furthermore, several of the metals in our portfolio achieved record high prices in the fiscal year. We took advantage of this situation by boosting our metal sales.

The full Annual Report and a video interview with Roland Harings and Rainer Verhoeven are available online at:
annualreport2019-20.aurubis.com

How will things continue in fiscal year 2020/21?

From an overall economic perspective, a great deal depends on the development of a COVID-19 vaccine, but the pandemic will continue to demand flexibility from our business in fiscal year 2020/21. Our employees' health will continue to have the highest priority. In terms of the geopolitical situation, the trade conflicts between the US and China are expected to continue – with further uncertainty for Europe and the copper industry.

Aurubis will continue to pursue its strategy and adjust it as needed. We will continue to refine the focus of our multimetal strategy and the targeted expansion of the international recycling business. In 2020, we demonstrated that Aurubis has not only the financial resources but also the capabilities to successfully tread this path together with its employees.

We soundly overcame the challenges of the pandemic in fiscal year 2019/20. As a result, we're starting the new fiscal year with a sense of cautious optimism, with a slightly higher forecast range for operating EBT and a stable forecast range for ROCE compared to the previous year.

Following a challenging year, we would like to thank all of our employees, shareholders, customers, and suppliers for their continued trust in our company. Let's continue to work on the future of Aurubis together.

Sincerely,

Roland Harings Dr. Heiko Arnold Dr. Thomas Bünger Rainer Verhoeven

Executive Board

Roland Harings, Hamburg
Born: June 28, 1963, German citizen
Executive Board Chairman and Director of Industrial Relations
Appointed from May 20, 2019 to June 30, 2022

Dr. Heiko Arnold, Salzburg (since August 15, 2020)
Born: May 7, 1966, German citizen
Chief Operations Officer
Appointed from August 15, 2020 to August 14, 2023

Dr. Thomas Bünger, Lüneburg
Born: July 2, 1968, German citizen
Chief Operations Officer until August 14, 2020
Chief Technology Officer since August 15, 2020
Appointed from October 1, 2018 until September 30, 2021

- Aurubis Belgium NV/SA, Brussels, Belgium
  Director
- Aurubis Bulgaria AD, Pirdop, Bulgaria
  Board of Directors
- Aurubis Italia Srl, Avellino, Italy
  Chairman of the Board of Directors
- Metallo Group Holding, Beerse, Belgium
  Chairman of the Board of Directors
- Metallo Belgium NV, Beerse, Belgium
  Chairman of the Board of Directors
- Metallo Spain S.L.U., Berango, Spain
  Chairman of the Board of Directors

Rainer Verhoeven, Hamburg
Born: December 2, 1968, German citizen
Chief Financial Officer
Appointed from January 1, 2018 to December 31, 2025

- Aurubis Belgium NV/SA, Brussels, Belgium
  Chairman of the Board of Directors

Report of the Supervisory Board

PROF. DR. FRITZ VAHRENHOLT
Aurubis AG
Supervisory Board
Chairman

Dear Shareholders,

The Aurubis Group generated operating earnings before taxes (operating EBT Glossary, page 209) of € 221 million in fiscal year 2019/20. During the turbulent times of the coronavirus pandemic, the accomplishments of the Executive Board, the management, and our employees across all departments deserve our special acknowledgement.

Aurubis can attribute the good operating earnings of € 221 million to its stable business model. Despite significant revenue dips in the product sector, Aurubis was able to sell the surplus of cathodes in China during the lockdown. Furthermore, high metal prices, good availability of the primary and secondary smelters, and the initial effects of the Performance Improvement Program positively impacted the result.

COLLABORATION BETWEEN THE SUPERVISORY BOARD AND EXECUTIVE BOARD

The joint target of the Executive Board and Supervisory Board is to increase the enterprise value of Aurubis AG and its Group companies over the long term.

With respect to company management, the Supervisory Board and its committees also closely supervised, carefully monitored, and advised the Executive Board in 2019/20, and performed the functions incumbent upon it by law, the Articles of Association, and rules of procedure. The Supervisory Board is confident that the company was managed lawfully and appropriately. The Supervisory Board was included in all decisions of fundamental importance for the company, as explained in more detail below.

The chairman of the Supervisory Board was also in contact with the Executive Board, notably the Executive Board chairman, outside of the meetings and communicated with them about current developments.

The Supervisory Board was continuously informed in detail about the Group's earnings and employment developments, the individual segments, and the company's financial position. The Executive Board provided comprehensive explanations for any deviations from planned business performance and discussed the corresponding measures with the Supervisory Board.

In a written monthly report, the Executive Board informed the Supervisory Board about the corporate strategy, the planning process, important business transactions in the company and the Group, the associated opportunities and risks, and issues of compliance Glossary, page 207.

The Supervisory Board discussed all the transactions that were of importance for the Group in detail on the basis of the Executive Board's reports.

The Supervisory Board passed the Executive Board's proposed resolutions after thorough review and consultation.

CONSULTATIONS IN THE SUPERVISORY BOARD

There were four scheduled Supervisory Board meetings and one extraordinary meeting in fiscal year 2019/20. Three resolutions were adopted by written consent in lieu of a meeting. The participation rate for the Supervisory Board members in Supervisory Board meetings was 98.3 %. The Executive Board was not present for part of all five Supervisory Board meetings. Because of the contact restrictions due to the coronavirus pandemic, some meetings of the Supervisory Board or its committees took place virtually as video conferences.

Prof. Dr.-Ing. Heinz Jörg Fuhrmann had an excused absence from one scheduled Supervisory Board meeting due to his participation in a meeting of the National Hydrogen Council in Essen. The following tables show the members' participation rate for Supervisory Board meetings and for the respective committee meetings.

Individual disclosure for meeting participation

	Number of meetings attended	Percentage of meetings attended
Supervisory Board members	4 scheduled meetings and 1 extraordinary meeting	
Prof. Dr. Fritz Vahrenholt (Chairman)	5/5	100 %
Stefan Schmidt (Deputy Chairman)	5/5	100 %
Deniz Filiz Acar	5/5	100 %
Andrea Bauer	5/5	100 %
Christian Ehrentraut	5/5	100 %
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	4/5	80 %
Prof. Dr. Karl Friedrich Jakob	5/5	100 %
Jan Koltze	5/5	100 %
Dr. Stephan Krümmer	5/5	100 %
Dr. Elke Lossin	5/5	100 %
Dr. Sandra Reich	5/5	100 %
Melf Singer	5/5	100 %
Personnel Committee	3 meetings	
Prof. Dr. Fritz Vahrenholt (Chairman)	3/3	100 %
Deniz Filiz Acar	3/3	100 %
Andrea Bauer	3/3	100 %
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	3/3	100 %
Jan Koltze	3/3	100 %
Stefan Schmidt	3/3	100 %

	Number of meetings attended	Percentage of meetings attended
Audit Committee	4 meetings	
Dr. Stephan Krümmer (Chairman)	4/4	100 %
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	4/4	100 %
Jan Koltze	4/4	100 %
Dr. Elke Lossin	4/4	100 %
Dr. Sandra Reich	4/4	100 %
Melf Singer	4/4	100 %
Nomination Committee	Did not meet during the fiscal year	
Technology Committee	4 meetings	
Prof. Dr. Karl Friedrich Jakob (Chairman)	4/4	100 %
Christian Ehrentraut	4/4	100 %
Dr. Stephan Krümmer	4/4	100 %
Stefan Schmidt	4/4	100 %
Conciliation Committee	Did not meet during the fiscal year	

The topics regularly covered in Supervisory Board meetings included the business performance, human resources in the Group, as well as the development of the results, the raw material markets, and the foreign exchange markets. The Supervisory Board also dealt with the financial situation and the status of capital expenditure. In particular, the Supervisory Board monitored the impact of the coronavirus pandemic on current business, the integration of the Metallo Group, and the Performance Improvement Program. During the meetings, the chairmen of the Personnel, Audit, and Technology Committees reported on their work, the suggestions made, and the results achieved.

In the meeting on December 10, 2019, the Supervisory Board determined the compensation for the Executive Board members for fiscal year 2018/19 contingent on the established objectives. In the same meeting, consultations focused on the approval of the consolidated financial statements and the separate financial statements for Aurubis AG for 2018/19, including the Corporate

Governance Report, and the preparations for the 2020 Annual General Meeting. The Supervisory Board addressed the status of the merger control proceedings and the European Commission's concerns regarding the acquisition of the Metallo Group.

In the meeting on February 26, 2020, the Executive Board reported on the current business and the Performance Improvement Program. Moreover, the Supervisory Board dealt with site-specific topics. The Supervisory Board approved the project to reduce emissions in the area of the primary smelter (RWO) at the Hamburg plant, as well as the second part of the investment in the maintenance shutdown at the Pirdop site in 2021.

In the meeting on June 10, 2020, the Executive Board reported the status of the share buyback program to the Supervisory Board. The Supervisory Board appointed Mr. Rainer Verhoeven to the Executive Board for another five years starting January 1, 2021.

In the extraordinary meeting on July 29, 2020, the Supervisory Board appointed Dr. Heiko Arnold to the Executive Board and approved the change to the distribution of responsibilities in the Executive Board. Likewise, the adjusted Executive Board compensation system was passed, effective October 1, 2020. The new system is presented on page 38 and onward of the Annual Report and will be presented at the Annual General Meeting for approval.

In the meeting on September 24, 2020, the Executive Board reported on the integration of the Metallo Group and on the Performance Improvement Program. The Supervisory Board approved the budget and investment plans for 2020/21, as well as the modernization of the tankhouse Glossary, page 209 in Lünen. The Executive Board presented a slightly adjusted plan for the distribution of their responsibilities, which the Supervisory Board approved. The Supervisory Board established the individual targets for the Executive Board for fiscal year 2020/21 and the target values for the performance cash plan. Moreover, a concept regarding the composition of the Supervisory Board was passed. This is outlined in the declaration on corporate governance and is available online at www.aurubis.com/en/about-aurubis/distribution-page-corporate-governance.

In a circulation procedure, the Supervisory Board approved the declaration of conformity, the hiring of a high-level manager, and the restructuring of Aurubis Stolberg GmbH & Co. KG.

COMMITTEES

The Supervisory Board has formed a total of five committees to fulfill its duties and effectively support the Supervisory Board's work in the meetings. The committees prepared the Supervisory Board's resolutions and topics to be considered in the meetings. Neither the Conciliation Committee formed in accordance with Section 27 (3) of the German Codetermination Act (MitbestG) nor the Nomination Committee met during the reporting year.

Statements on the composition and working procedures of the Supervisory Board and its committees can also be found in this year's declaration on corporate governance.

WORK WITHIN THE PERSONNEL COMMITTEE

The Personnel Committee met three times during the reporting period. In addition to developing a recommendation for establishing the individual Executive Board compensation criteria, the committee also handled the search for a chief operating officer (COO). In the meeting on July 10, 2020, the Personnel Committee passed a resolution to recommend the appointment of Dr. Heiko Arnold to the Supervisory Board, as well as to present an adjusted compensation system.

WORK ON THE TECHNOLOGY COMMITTEE

The Technology Committee met four times during the reporting period. Apart from overseeing various optimization and development projects, such as increasing plant availability, the committee was involved in the project to modernize the tankhouse at the Lünen site, and in the preparations for planning the shutdowns at the Pirdop site in 2021 and the Hamburg site in 2022. Furthermore, the Executive Board reported on the status of the project to reduce emissions in the area of the primary smelter (RWO) at the Hamburg plant.

WORK ON THE AUDIT COMMITTEE

The Audit Committee met four times during the reporting period. In all of its meetings, the Audit Committee reviewed the quarterly reports, the separate financial statements, and the consolidated financial statements for the past fiscal year and discussed them with the Executive Board. The Audit Committee also addressed the accounting audit, the monitoring of the accounting process, and the effectiveness of the internal control system, risk management system, and internal auditing system. Furthermore, topics related to sustainability and compliance in the Group were also addressed.

The discussion also focused on supporting the Performance Improvement Program.

The Audit Committee recommended the auditing firm Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, to the Supervisory Board as auditor for fiscal year 2019/20.

The Audit Committee chairman, Dr. Stephan Krümmer, has special expertise and experience in the application of accounting principles and internal control procedures. He is independent and not a former member of the company's Executive Board.

Apart from the appointment of the auditors and the agreement of the fee with the auditors, the committee established focal areas of the annual 2019/20 audit, specifically:

- Reviewing the balance sheet presentation of the discontinued operations of Segment Flat Rolled Products
- Accounting for inventories
- Implementing the hedging and fixation SimpliPHy sprints

Furthermore, the Supervisory Board obtained a declaration from the auditing firm on its independence prior to submitting the nomination.

The auditors' representatives attended two Audit Committee meetings and reported on the audit of the consolidated and separate annual financial statements.

CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

A regular self-assessment was performed by the Supervisory Board at its meeting on September 24, 2020. Following a detailed discussion among members within the context of an official meeting and in open discourse, the Supervisory Board declared its efficiency.

The Executive Board and the Supervisory Board reported on corporate governance at Aurubis AG in accordance with Principle 22 of the December 16, 2019 version of the German Corporate Governance Code, in the declaration and report on corporate governance, which are both part of the Management Report.

On November 3, 2020, the Executive Board and Supervisory Board of Aurubis AG issued the updated Declaration of Conformity to the German Corporate Governance Code (DCGK) in accordance with Section 161 of the German Stock Corporation Act (AktG) and made it permanently accessible to the public at www.aurubis.com. Aurubis AG complies with the Code recommendations with two exceptions. Additional information can be found in the Declaration of Conformity.

When taking office, the members of the Supervisory Board are trained by the Legal department and informed by the Executive Board about the special features of the company's business model, among other topics. Plant tours are planned as well. As needed, for example due to new regulatory requirements, the Supervisory Board members will be informed in more detail.

CONFLICTS OF INTEREST

There were no conflicts of interest among Executive Board or Supervisory Board members that should have been disclosed to the Supervisory Board or announced at the Annual General Meeting. There were no significant transactions with an Executive Board member or parties related to an Executive Board member.

AUDIT OF THE SEPARATE FINANCIAL STATEMENTS OF AURUBIS AG AND THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The company's financial statements prepared by the Executive Board in accordance with the German Commercial Code (HGB), the consolidated financial statements prepared in accordance with IFRS (International Financial Reporting Standards) for the fiscal year from October 1, 2019 to September 30, 2020, and the Combined Management Report for the company and the Group have been audited in accordance with the resolution passed at the company's Annual General Meeting on February 27, 2020 and the subsequent appointment of Deloitte GmbH Wirtschaftsprüfungsgesellschaft as auditors by the Supervisory Board. Auditor Ms. Annika Deutsch oversaw the audit of the Group and the company. The auditors have issued an unqualified auditors' report. Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, has been the appointed auditor since fiscal year 2018/19 and audited Aurubis for the second time.

The meeting of the Supervisory Board to approve the financial statements was held on December 8, 2020. All members of the Supervisory Board received copies of the financial statements, the audit reports, and the Executive Board's recommendation on the appropriation of the net earnings and all other documents in good time before this meeting. These documents were discussed in detail at the Supervisory Board meeting to approve the financial statements. The auditors participated in this meeting, reported in detail on how the audit had been performed and what their main audit findings were, and were available to provide the Supervisory Board with further information, discuss the documents, and make additional comments.

The Supervisory Board concurred with the results of the audit. This agreement was reached following a detailed discussion on the auditors' findings, and thorough consideration of the auditors' report and of the Executive Board's recommendation regarding the appropriation of the net income. It was also based on the Supervisory Board's own review of the separate financial statements of Aurubis AG, the consolidated financial statements, and the Combined Management Report for the company and the Group. The Supervisory Board concluded that no objections needed to be raised and, in accordance with the recommendations of the Audit Committee, approved the separate financial statements of Aurubis AG, which were thus adopted, as well as the consolidated financial statements and the Combined Management Report at the meeting on the financial statements. The Supervisory Board concurred with the Executive Board's recommendation on the utilization of the unappropriated earnings.

AUDIT OF THE SEPARATE NON-FINANCIAL REPORT

On the basis of their audit, the auditors did not raise any objections to the reporting and the satisfaction of the relevant statutory requirements, and provided an unqualified audit opinion with limited assurance that the separate Non-Financial Report is in accordance with Sections 315b and 315c in connection with Sections 289b to 289e of the German Commercial Code (HGB).

On behalf of the Supervisory Board, KPMG AG conducted a substantive audit of the separate Non-Financial Report for Aurubis AG.

CHANGES IN THE SUPERVISORY BOARD AND EXECUTIVE BOARD

Dr. Heiko Arnold was appointed to the Executive Board effective August 15, 2020. As COO, he is responsible for production. Former COO Dr. Thomas Bünger has been chief technology officer (CTO) since August 15, 2020 and is responsible for the ongoing development of innovative metallurgical processes and important, forward-looking projects to expand the multi-metal business.

Hamburg, December 2020

The Supervisory Board

Prof. Dr. Fritz Vahrenholt
Chairman

Supervisory Board

Prof. Dr. Fritz Vahrenholt, Hamburg
Chairman of the Supervisory Board
Chairman of the Deutsche Wildtier Stiftung, Hamburg, until December 19, 2019
Currently no professional occupation
- Encavis AG, Hamburg[1]
  Member of the Supervisory Board

Stefan Schmidt, Lüdinghausen[2]
Deputy Chairman of the Supervisory Board
Head of Operations at the Aurubis AG Recycling Center, Lünen
- No further offices

Deniz Filiz Acar, Hamburg[2]
Instructor for Commercial Trainees
Deputy Head of Training in the HR Training department, Hamburg
- No further offices

Andrea Bauer, Dortmund
Currently no professional occupation
- technotrans SE, Sassenberg[1]
  Member of the Supervisory Board
- noventi SE, Munich
  Member of the Supervisory Board
- IFA Holding GmbH, Haldensleben
  Member of the Advisory Board

Christian Ehrentraut, Lünen[2]
Deputy Shift Leader in Smelting Operations, KRS/MZO
Works Council member in Lünen, relieved of duty
Chairman of the General Works Council
- No further offices

Prof. Dr.-Ing. Heinz Jörg Fuhrmann, Salzgitter
Chairman of the Executive Board of Salzgitter AG, Salzgitter[1]
- Hüttenwerke Krupp Mannesmann GmbH, Duisburg[3]
  Chairman of the Supervisory Board
- Ilsenburger Grobblech GmbH, Ilsenburg[3]
  Chairman of the Supervisory Board
- Ilsenburger Grobblech GmbH, Ilsenburg, and Salzgitter Mannesmann Grobblech GmbH, Mülheim/Ruhr[3]
  Chairman of the Joint Advisory Committee
- KHS GmbH, Dortmund[3]
  Chairman of the Supervisory Board
- Mannesmann Precision Tubes GmbH, Mülheim/Ruhr[3]
  Chairman of the Supervisory Board
- Peiner Träger GmbH, Peine[3]
  Chairman of the Supervisory Board
- Salzgitter Flachstahl GmbH, Salzgitter[3]
  Chairman of the Supervisory Board
- Salzgitter Mannesmann Grobblech GmbH, Mülheim/Ruhr[3]
  Chairman of the Supervisory Board
- Salzgitter Mannesmann Handel GmbH, Düsseldorf[3]
  Chairman of the Supervisory Board
- Öffentliche Lebensversicherung Braunschweig, Braunschweig
  Member of the Supervisory Board
- Öffentliche Sachversicherung Braunschweig, Braunschweig
  Member of the Supervisory Board
- TÜV Nord AG, Hanover
  Member of the Supervisory Board

Prof. Dr. Karl Friedrich Jakob, Dinslaken
Chairman of the Executive Board of RWTÜV e.V., Essen, until January 31, 2020
Currently no professional occupation
- Albert-Schweitzer-Einrichtungen für Behinderte gGmbH, Dinslaken
  Member of the Supervisory Board

[1] Stock exchange-listed company.
[2] Elected by the employees.
[3] Group companies of Salzgitter AG.

- RWTÜV GmbH, Essen
  Member of the Supervisory Board
- TÜV Nord AG, Hanover
  Chairman of the Supervisory Board
- Van Ameyde International BV, Rijswijk, Netherlands
  Member of the Board of Supervisory Directors
- Universitätsklinikum Essen, Essen
  Member of the Supervisory Board
- Knappschaft Kliniken GmbH, Bochum
  Chairman of the Supervisory Board until December 31, 2020

Jan Koltze, Hamburg [2]
District Manager of the Mining, Chemical, and Energy Industrial Union Hamburg/Harburg
- Beiersdorf AG, Hamburg[1]
  Member of the Supervisory Board
- ExxonMobil Central Europe Holding GmbH, Hamburg
  Member of the Supervisory Board
- Maxingvest AG, Hamburg
  Member of the Supervisory Board

Dr. Stephan Krümmer, Hamburg
Currently no professional occupation
- No further offices

Dr. Elke Lossin, Buchholz in der Nordheide [2]
Manager of the Analytical Laboratory at Aurubis AG, Hamburg
- No further offices

Dr. Sandra Reich, Gräfelfing
Independent business consultant
- Chancen eG, Berlin
  Member of the Supervisory Board

Melf Singer, Schwarzenbek [2]
Day Shift Foreman of the Acid Plant at Aurubis AG, Hamburg
- No further offices

Supervisory Board committees

Conciliation Committee in accordance with Section 27 (3) of the German Codetermination Act
Prof. Dr. Fritz Vahrenholt (Chairman)
Stefan Schmidt (Deputy Chairman)
Andrea Bauer
Christian Ehrentraut

Audit Committee
Dr. Stephan Krümmer (Chairman)
Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Jan Koltze
Dr. Elke Lossin
Dr. Sandra Reich
Melf Singer

Personnel Committee
Prof. Dr. Fritz Vahrenholt (Chairman)
Deniz Filiz Acar
Andrea Bauer
Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Jan Koltze
Stefan Schmidt

Nomination Committee
Prof. Dr. Fritz Vahrenholt (Chairman)
Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Prof. Dr. Karl Friedrich Jakob
Dr. Stephan Krümmer

Technology Committee
Prof. Dr. Karl Friedrich Jakob (Chairman)
Christian Ehrentraut
Dr. Stephan Krümmer
Stefan Schmidt

[1] Stock exchange-listed company.
[2] Elected by the employees.

Corporate Governance

Report and declaration on corporate governance

The principles of responsible and sustainable corporate governance determine the actions of the management and controlling bodies of Aurubis AG. In this declaration, the Executive Board reports – also for the Supervisory Board – on corporate governance pursuant to Principle 22 of the December 16, 2019 version of the German Corporate Governance Code, as well as Sections 289f and 315d of the German Commercial Code (HGB).

DECLARATION OF CONFORMITY AND REPORTING ON CORPORATE GOVERNANCE

In accordance with Section 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of a company listed in Germany must issue an annual declaration stating that the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (Bundesanzeiger) were/are being complied with, or list the recommendations that were/are not being applied and explain why.

The Executive Board and the Supervisory Board dealt with the topic of corporate governance on several occasions in fiscal year 2019/20 and, on November 3, 2020, jointly issued the annual Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act (AktG). The declaration is permanently accessible to the public at www.aurubis.com/en/about-aurubis/distribution-page-corporate-governance. The Declarations of Conformity from the past five years and the details regarding fulfillment of the Code's requirements are also permanently accessible there.

TEXT OF THE DECLARATION OF CONFORMITY

"Since the issue of the last Declaration of Conformity dated November 4, 2019, Aurubis AG has followed all of the recommendations of the German Corporate Governance Code in the version dated February 7, 2017 ("DCGK 2017"), which was published by the German Federal Ministry of Justice in the official section of the Federal Gazette on April 24, 2017, with the following exception:

» Section 5.4.1 (2) (term limit for Supervisory Board membership)
When proposing candidates at the Annual General Meeting, the Supervisory Board has focused and will continue to focus on the professional and personal qualifications of the candidates, taking the skills profile into consideration and within the framework of the applicable legal regulations, in particular with respect to the German Gender Equality Act. The company-specific situation and the company's international activities are also taken into account. In doing so, it is not necessary to establish a regulatory limit to Supervisory Board members' term of office.

On March 20, 2020, the new version of the German Corporate Governance Code dated December 16, 2019 was published by the German Federal Ministry of Justice in the official section of the Federal Gazette ("DCGK 2020").

At the Annual General Meeting in early 2021, the Supervisory Board will present an amendment of the Executive Board compensation to adjust it to the amended recommendations of the DCGK 2020. This will be presented in the context of the vote on the compensation system in accordance with Section 120a (1) sentence 1 of the German Stock Corporation Act (AktG).

The recommendations of the DCGK 2020 in the version dated December 16, 2019 will be followed in the future, with the following exception:

» G.10 (variable compensation predominantly related to share price)
Pursuant to recommendation G.10, Executive Board members' variable compensation shall be predominantly invested in company shares or shall be granted predominantly as share-based compensation. The new compensation system includes an annual bonus, deferred stock, and a performance cash plan as variable compensation components, with only the deferred stock being granted as share-based compensation in this regard. The target amount of the deferred stock is 20 % of the variable compensation, meaning that the variable compensation is not predominantly share price-based. The compensation system for the Executive Board is aligned with our company strategy and thus establishes the right incentives, especially by taking internal control parameters into consideration, to sustainably increase Aurubis AG's financial success in the medium and long

term. Furthermore, Aurubis AG has a relatively low free float due to its anchor shareholder. Because of these overall conditions, the Aurubis AG Supervisory Board does not view a predominant focus on Aurubis AG's share price development as an appropriate incentive mechanism for the Executive Board.

Moreover, Aurubis AG deviates from the recommendations of the DCGK 2020 in the following aspect:

» C.10 (independence of Supervisory Board members)
The Supervisory Board chair and the chair of the committee that addresses Executive Board compensation should be independent of the company and of the Executive Board. Prof. Vahrenholt has been on the Supervisory Board for longer than twelve years and thus is not considered independent according to C.7 DCGK 2020. When selecting its members, the Supervisory Board focuses on the professional and personal qualifications of the candidates. This also applies to the appointment of Prof. Vahrenholt.

Hamburg, November 3, 2020

For the Executive Board

Roland Harings
Chairman

Rainer Verhoeven
Member

For the Supervisory Board

Prof. Dr. Fritz Vahrenholt
Chairman"

DISCLOSURES ON RELEVANT CORPORATE GOVERNANCE PRACTICES

For Aurubis AG, the applicable legal regulations, especially stock market law, codetermination law, capital market law, the Articles of Association, the German Corporate Governance Code, and the rules of procedure of the Supervisory Board and the Executive Board provide the basis for the structure of management and controlling in the company. Above and beyond its legal obligations, Aurubis has defined values and derived a Code of Conduct from them that establishes a framework for behavior and decisions and provides orientation for corporate activities. The values and the Code of Conduct are published on the company's home page in the "Responsibility" section. Each employee is briefed on these Group-wide values and the Code of Conduct, as well as on the corporate guidelines stemming from them. Employees whose roles require them to deal more closely with certain legal regulations (e.g., antitrust law, anti-corruption, environmental protection, occupational safety) will be provided with corresponding mandatory training.

LEADERSHIP STRUCTURE

Aurubis AG is a company subject to German law, which is also the basis of the German Corporate Governance Code. A basic principle of German stock corporation law is the dual management system with the two bodies of the Executive Board and Supervisory Board, which are strictly separated as regards personnel between the Executive Board as the board of management and the Supervisory Board as the monitoring organ and each assigned independent responsibilities. The Executive Board and Supervisory Board of Aurubis AG work together closely and in a spirit of trust in the governance and supervision of the company for the benefit of the company.

WORKING PROCEDURES, COMPOSITION, AND OBJECTIVES OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

THE EXECUTIVE BOARD

WORKING PROCEDURES

The Executive Board is responsible for running the company without instructions from third parties in accordance with the law, the Articles of Association, and the Executive Board's rules of procedure, taking into account the resolutions passed at the Annual General Meeting. The Executive Board represents the company in dealings with third parties.

As the management body, the Executive Board runs the company's business on its own responsibility with the aim of achieving long-term value added in the company's interests while taking the needs of all stakeholders into account. The principle of overall responsibility applies, meaning that the members of the Executive Board together bear responsibility for the management of the entire company. They work together in a spirit of cooperation and inform one another continuously about important measures and occurrences in their areas of responsibility. The overall responsibility of all Executive Board members notwithstanding, the individual members of the Executive Board oversee the areas of responsibility assigned to them in the Executive Board resolutions on their own responsibility. The principles of the cooperation between Aurubis AG's Executive Board members are stated in the rules of procedure for the Executive Board issued by the Supervisory Board. These regulate, above all, the allocation of responsibilities between the individual Executive Board members, matters reserved for the full Executive Board, the passing of resolutions, i.e., the required majority for resolutions, and the rights and obligations of the chief executive officer.

Certain Executive Board decisions of particular importance require the approval of the Supervisory Board. In addition to legal reservations (particularly Section 111b of the German Stock Corporation Act (AktG)), these are established in a catalogue enacted by the Supervisory Board. For example, the Supervisory Board makes decisions about investments in other companies if the measure is of great significance for the Group, as well as about substantial capital expenditure measures.

The Executive Board keeps the Supervisory Board informed promptly and comprehensively, in written and verbal reports, as well as in the scheduled meetings, about the strategy, planning, business development, important business transactions and the Group's risk situation, including risk management and compliance, i.e., the measures to comply with legal requirements and the internal corporate guidelines. The Executive Board discusses in detail and provides reasons for deviations in the business performance from previously prepared budgets and targets.

The initial appointment of Executive Board members is three years at the most.

COMPOSITION AND OBJECTIVES (DIVERSITY CONCEPT)

The Executive Board of Aurubis AG initially consisted of Chairman Mr. Roland Harings, Mr. Rainer Verhoeven, and Dr. Thomas Bünger in fiscal year 2019/20.

With a Supervisory Board resolution dated July 29, 2020, Dr. Heiko Arnold was appointed as new chief operating officer (COO), effective August 15, 2020. Former COO Dr. Thomas Bünger was appointed chief technology officer (CTO).

When it comes to selecting the members of the Executive Board, the Supervisory Board focuses first and foremost on the members' specialist knowledge and personal qualities. On the basis of their knowledge, skills, and professional experience, the Executive Board members must be able to fulfill their duties in a company operating within the copper/metal sector and to safeguard and promote the Aurubis Group's reputation in the public sphere.

Furthermore, the Supervisory Board adopted a diversity concept for the Executive Board on September 11, 2018. According to this concept, the Supervisory Board must, by taking into account aspects such as age, gender, education, and professional background, strive to put together an Executive Board that boasts a broad spectrum of skills, experience, and educational and professional backgrounds, as well as the requisite personal and specialist skills. As an additional criterion of the diversity concept, the Executive Board as a whole should exhibit a balanced age structure and thus include younger individuals who have experience with newer technical knowledge and leadership methods, as well as older individuals who have more professional, life, and management experience. With the same level of personal and professional suitability, both women and men should be represented in the Executive Board if possible. With this diversity concept for the composition of the Executive Board, the Supervisory Board pursues the objective of achieving the highest level of diversity with respect to age, gender, education, and professional background. In this way, a variety of perspectives should be included in the management of the company, in addition to the high individual suitability of each of the members.

Pursuant to Section 111 (5) of the German Stock Corporation Act (AktG), the Supervisory Board passed a minimum target quota of 25 % for the proportion of women in the Executive Board by June 30, 2022.

The age limit for Executive Board appointments shall be 65 years.

Together with the Executive Board, the Supervisory Board ensures long-term succession planning for filling Executive Board positions. The long-term succession planning is oriented to the company strategy and is based on systematic supervisor development with the following key elements:

- A shared understanding of leadership (Aurubis Leadership Behaviors) and leadership skills (Aurubis Skills Model)
- Early identification (potential management process) and systematic development support for suitable potential candidates (development programs)
- Transfer and successful takeover of management tasks with growing responsibility

The Supervisory Board decides on the personality that should fill each concrete Executive Board position in the interest of the company, taking all of the circumstances of the individual case into account.

STATUS OF TARGET IMPLEMENTATION

The Supervisory Board dealt intensively with the topic of diversity in the Executive Board in general and in the case of personnel changes in the Executive Board. The diversity concept was implemented to the extent possible in the process. The Executive Board members possess a broad spectrum of skills, experience, and educational and professional backgrounds, with some members holding business degrees and others, qualifications of a more technical nature.

However, it has not been possible so far to achieve the target for the proportion of female members in the Executive Board.

There were no female applicants for the position of COO. With Dr. Arnold's appointment, the candidate who in the Supervisory Board's opinion was best qualified for the position was ultimately chosen. The Supervisory Board's efforts to ensure that women are adequately represented in the Executive Board are ongoing.

In accordance with the legal stipulations of Section 76 (4) of the German Stock Corporation Act (AktG), there are also targets for the proportion of female employees in the first and second management levels under the Executive Board. With a resolution dated June 12, 2017, the Executive Board set a target of 20 % female employees for the first management level and a target of 25 % for the second management level. These targets should be achieved by June 30, 2022. Further increasing the number of women in management positions independently of legal regulations is an important goal for the Group.

As at the reporting date (September 30, 2020), the proportion of women was about 20 % (previous year: about 24 %) for the first management level below the Executive Board and 21 % (previous year: about 19 %) for the second management level below the Executive Board. The proportion of women in the first management level therefore decreased as at the reporting date, while the percentage in the second level increased.

The Executive Board continues to strive for a suitable consideration of women in the first and second management levels and maintains its targets.

The Executive Board did not form any committees in fiscal year 2019/20.

THE SUPERVISORY BOARD

WORKING PROCEDURES

The Supervisory Board advises and monitors the Executive Board in the management of the company. It appoints and rescinds the contracts of Executive Board members, decides on the compensation system for Executive Board members, and specifies their respective total compensation. It also defines the target pension level for Executive Board members. The Personnel Committee submits corresponding suggestions to the Supervisory Board.

The Supervisory Board is involved in strategy and planning work, and in all aspects of major significance for the company. The Supervisory Board has defined rights of veto in favor of the Supervisory Board for transactions of fundamental importance, particularly those that would significantly change the company's net assets, financial position, and results of operations. In the case of important events, an extraordinary Supervisory Board meeting is convened if deemed necessary. The chairman of the Supervisory Board coordinates the work within the Supervisory Board, chairs its meetings, and attends to the affairs of the

Supervisory Board externally. The Supervisory Board meets without the Executive Board as necessary.

The Supervisory Board has defined rules of procedure for its work, which are available on the home page www.aurubis.com/en/about-aurubis/company/supervisory-board. Shareholder and employee representatives generally meet separately to prepare for the meetings.

When taking office and participating in training and continuing education measures, the Supervisory Board members receive the appropriate support. For example, extensive briefings regarding the special features of the copper industry and the business model take place as a matter of course. Internal and external experts provide training when there are notable changes to the regulatory environment that impact the Supervisory Board or the company.

COMPOSITION AND OBJECTIVES (DIVERSITY CONCEPT AND SKILLS PROFILE)

The Supervisory Board of Aurubis AG, which exercises the codetermination principle, has twelve members in accordance with the Articles of Association. Six of these members are elected by the shareholders and six by the employees in accordance with the German Codetermination Act. The periods of office are identical. In accordance with the recommendations of the German Corporate Governance Code, the shareholders' representatives were elected individually to the Supervisory Board in the last election at the Annual General Meeting on March 1, 2018 and in the follow-up election on February 28, 2019. The Supervisory Board's term of office amounts to five years; the current term of office ends at the close of the Annual General Meeting during which the resolution regarding the approval of the Supervisory Board members is passed for fiscal year 2021/22.

With respect to the new edition of the German Corporate Governance Code, the Supervisory Board passed a resolution regarding a concept for the Supervisory Board composition on September 24, 2020, which takes the standards outlined in the new Code into consideration. The concept includes concrete targets for the Supervisory Board's composition, skills profile, and diversity concept. The concept has been made permanently accessible at www.aurubis.com/en/about-aurubis/company/supervisory-board.

Concept for the composition of the Supervisory Board

Composition of the Supervisory Board

The Supervisory Board strives for a composition that ensures qualified supervision and advice for the Executive Board.

Candidates who can fulfill the duties of a Supervisory Board member in an exchange-listed, international company in the copper/metal industry due to their **knowledge and experience, integrity, and personality** should be recommended for election to the Supervisory Board.

These objectives take into account the legal requirements for the composition of the Supervisory Board as well as the corresponding recommendations of the German Corporate Governance Code.

In addition to the individual requirements that apply to each member, there is a skills profile and a diversity concept for the entire Board.

The principal of managerial codetermination at Aurubis AG contributes to diversity with regards to professional experience and cultural background. However, the Supervisory Board does not have the possibility to select employee representatives.

The following requirements and targets shall apply to the composition of the Aurubis AG Supervisory Board.

Requirements for the individual Supervisory Board members

Professional suitability

Supervisory Board members shall have business/company experience and general knowledge of the copper/metal industry or related sectors. On the basis of their knowledge, skills, and professional experience, they shall be able to fulfill the duties of a Supervisory Board member in an international company and to safeguard the Aurubis Group's reputation in the public sphere.

In regard to nominations for elections at the Annual General Meeting, the candidate's personality, integrity, commitment, and professionalism shall be considered in particular.

Supervisory Board members shall, as a general rule, comply with the Supervisory Board mandate limit recommended by the German Corporate Governance Code.

Independence
A Supervisory Board member shall be considered independent within the meaning of the German Corporate Governance Code if he/she is independent of Aurubis AG and its Executive Board and independent of a controlling shareholder of Aurubis AG. When assessing independence, the Supervisory Board will be guided by the recommendations of the German Corporate Governance Code at the very least.

According to the rules of the German Corporate Governance Code, more than half of the shareholder representatives should be independent of Aurubis AG and the Executive Board.

As a matter of principle, the Supervisory Board does not question the independence of the employee representatives based on their representation of the employees or an employment relationship with a Group company.

Time availability
Every Supervisory Board member shall ensure that he/she is able to devote the necessary time for the proper execution of the Supervisory Board mandate. In doing so, it shall be taken into consideration that at least four ordinary meetings of the Supervisory Board will be held annually, each of which requires appropriate preparation; that enough time shall be provided to review the documentation for the annual financial statements and the consolidated financial statements; and that additional time demands arise with membership in one or more Supervisory Board committees. Furthermore, additional extraordinary meetings for the Supervisory Board or a committee may become necessary in order to deal with special issues.

In addition to the legal mandate limits, the recommended upper limits of the German Corporate Governance Code for Supervisory Board mandates shall be taken into account.

Age limit for Supervisory Board members
Those who have reached the age of 70 at the time of appointment may not be elected to the Supervisory Board.

Former members of the Aurubis AG Executive Board
For former members of the Aurubis AG Executive Board, the cooling-off period of two years prescribed in stock company law applies. No more than two members of the Executive Board may be members of the Supervisory Board.

Suggestions regarding the composition of the entire Supervisory Board
Skills profile for the entire Supervisory Board
The Supervisory Board shall have at its collective disposal the skills that are considered essential with respect to the Aurubis Group's activities. In particular, this includes in-depth knowledge and experience in the following skill areas:

Skill area	Skill description
Management	Experience and knowledge regarding the management of an industrial company
Technology	Knowledge of metallurgy and the procurement markets for a resource-intensive group of companies
International experience	Experience and knowledge in international business and related topics (e.g., sales/marketing)
Risk management	Knowledge and experience in risk management and compliance
Finance	Knowledge and experience in the application of accounting principles and internal control procedures
Environmental, social, and corporate governance (ESG)	Knowledge of ESG factors and their significance for Aurubis, particularly as an energy-intensive company
	Experience in the area of sustainability and corporate responsibility
	Knowledge of corporate governance of an exchange-listed company (German Corporate Governance Code, Market Abuse Regulation, etc.)
Strategy	Experience with strategy processes and with the implementation of M&A projects

Furthermore, in accordance with the requirements of Section 100 (5) of the German Stock Corporation Act (AktG), at least one member of the Supervisory Board must have expert knowledge in the area of accounting or auditing, and the Supervisory Board members as a whole must be familiar with the industry.

Diversity concept
With regard to diversity in its composition, the Supervisory Board strives for the consideration of varied professional and international experience and, in particular, appropriate representation of both genders.

- The Supervisory Board as a whole should exhibit a balanced age structure and thus include both younger individuals in the midst of their professional lives and older individuals with more professional and life experience.
- During Supervisory Board elections, it must be considered that in addition to their suitability based on personal and professional skills, the Supervisory Board must include both women and men and be composed of at least 30 % women and men, respectively, in accordance with the legal requirements.
- The Supervisory Board is composed of personalities that are suitable due to their personal and specialist skills, and that demonstrate different educational backgrounds if possible – including technical, business, legal, and humanities-related education – as well as different professional backgrounds – including members of technical, commercial, and humanities-related professions.

Current composition of the entire Supervisory Board
Aurubis' Supervisory Board is composed in accordance with its objective. It has an appropriate number of independent members with international experience. There is sufficient participation of women, with four female members (two shareholder representatives and two employee representatives) currently on the Supervisory Board.

Skills matrix
On the basis of the targets for its composition, the Supervisory Board of Aurubis AG has created an overview of its qualifications (skills matrix): this is available at www.aurubis.com/en/about-aurubis/company/supervisory-board.

The Supervisory Board strives to implement the concept for its composition by considering the aspects in the concept when making recommendations for the election of Supervisory Board members representing the shareholders. The Aurubis AG shareholders at the Annual General Meeting are responsible for the final decision on the composition of the Supervisory Board.

The current composition of the Supervisory Board and its committees are printed in the Annual Report and are available online at www.aurubis.com/en/about-aurubis/company/supervisory-board.

STATUS OF TARGET IMPLEMENTATION

The concept was implemented to the extent possible. In the Supervisory Board's view, the side representing the shareholders demonstrates a balanced age structure that includes younger and older individuals. The Supervisory Board is composed of at least 30 % women and men, respectively, in accordance with the legal requirements. The Supervisory Board members have different educational and professional backgrounds. Additional information regarding the Supervisory Board members' personal and specialist skills is available in their résumés, which are permanently accessible at www.aurubis.com/en/about-aurubis/company/supervisory-board.

In the Supervisory Board's estimate, Prof. Dr.-Ing. Heinz Jörg Fuhrmann, Prof. Dr. Karl Friedrich Jakob, Dr. Stephan Krümmer, Dr. Sandra Reich, and Ms. Andrea Bauer were seen as independent shareholder members during fiscal year 2019/20 pursuant to point C.1 of the December 16, 2019 version of the German Corporate Governance Code.

The Supervisory Board, with its five independent shareholder members, thus has a sufficient number of independent members.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has formed five committees for its members to prepare and complement its work: the Personnel Committee, the Audit Committee, the Nomination Committee, the Technology Committee, and the Conciliation Committee. Some of the committees' tasks, as well as their composition and work, are specified in the rules of procedure of the Supervisory Board. The committees' compositions are provided in this Annual Report. The mandates of the Supervisory Board members in other legally formed Supervisory Boards and comparable German and foreign controlling bodies are also specified in this Annual Report.

Personnel Committee
The six-member Personnel Committee has equal numbers of shareholder and employee representatives. It considers the structure and level of compensation paid to all members of the Executive Board, selects qualified candidates for Executive Board positions, and discusses their contracts when preparing the necessary Supervisory Board resolutions.

The chairman of the Personnel Committee is the chairman of the Supervisory Board, Prof. Dr. Fritz Vahrenholt. The other members of the committee are Ms. Deniz Filiz Acar, Ms. Andrea Bauer, Prof. Dr.-Ing. Heinz Jörg Fuhrmann, Mr. Jan Koltze, and Mr. Stefan Schmidt.

Audit Committee
The six-member Audit Committee with equal representation has the main tasks of reviewing the accounting and overseeing the accounting process, the effectiveness of the internal control system, the risk management system, the internal auditing system, the annual audit, and compliance. The accounting particularly comprises the consolidated financial statements and the Group management report (including CSR reporting), interim financial information, and the single-entity financial statements in accordance with the German Commercial Code (HGB).

The Audit Committee submits a preference and a justified recommendation for the choice of an auditor to the Supervisory Board. Where the auditing mandate is subject to an invitation to tender, at least two candidates are put forward. The Audit Committee monitors the independence of the auditors and furthermore concerns itself with the additional services performed by the auditors, the appointment of the auditors, the determination of the audit's focus areas, and the agreement of the fee. The Audit Committee regularly assesses the quality of the annual audit.

The Audit Committee chairman during the fiscal year, Dr. Stephan Krümmer, has special expertise and experience in the application of accounting principles and internal control procedures, which he has gathered over the course of his career. He is not a former member of the company's Executive Board.

In addition to Committee Chairman Dr. Stephan Krümmer, the Audit Committee includes Prof. Dr.-Ing. Heinz Jörg Fuhrmann, Mr. Jan Koltze, Dr. Elke Lossin, Dr. Sandra Reich, and Mr. Melf Singer.

Nomination Committee
The Nomination Committee has only shareholder representatives in accordance with the German Corporate Governance Code. The Nomination Committee has the duty of suggesting suitable candidates for the Supervisory Board to propose for election to the Supervisory Board at the Annual General Meeting.

Prof. Dr. Fritz Vahrenholt is the committee chairman. The other members of the committee are Prof. Dr.-Ing. Heinz Jörg Fuhrmann, Prof. Dr. Karl Friedrich Jakob, and Dr. Stephan Krümmer.

Conciliation Committee
The legally mandated Conciliation Committee submits suggestions for the appointment or dismissal of Executive Board members to the Supervisory Board if the required majority of two-thirds of the Supervisory Board's votes is not achieved in the first round of voting. The Conciliation Committee is made up of the Supervisory Board chairman, his deputy, one Supervisory Board member representing the shareholders, and one Supervisory Board member representing the employees.

Prof. Dr. Fritz Vahrenholt is the committee chairman. The other members of the committee are Mr. Stefan Schmidt (deputy chairman), Ms. Andrea Bauer, and Mr. Christian Ehrentraut. Stephan Krümmer.

Technology Committee
The four-member committee has equal numbers of shareholder and employee representatives. The Technology Committee's main duty is to strategically support and monitor the Executive Board in the implementation of significant capital expenditure projects.

Prof. Dr. Karl Friedrich Jakob is the committee chairman. The other members of the committee are Mr. Christian Ehrentraut, Dr. Stephan Krümmer, and Mr. Stefan Schmidt.

SUPERVISORY BOARD SELF-ASSESSMENT

A regular self-assessment was performed by the Supervisory Board at its meeting on September 24, 2020. Following a detailed discussion and an open dialogue, the Supervisory Board declared its efficiency.

SHAREHOLDERS AND THE ANNUAL GENERAL MEETING

The shareholders of Aurubis AG exercise their codetermination and supervisory rights at the Annual General Meeting, which occurs at least once a year. Resolutions are passed at the Annual General Meeting on all matters defined by law that are binding for all shareholders and the company. Each share grants the holder one vote in the Annual General Meeting voting processes. There are no different categories of shares.

The shareholders at the Annual General Meeting elect the members of the Supervisory Board, who are chosen by the shareholders without obligation to a particular nomination, and pass a resolution on the approval of the members of the Executive Board and Supervisory Board. They decide on the utilization of the unappropriated earnings, on capital measures, and on the approval of company agreements. Furthermore, they make decisions regarding the approval of the Executive Board compensation system presented by the Supervisory Board, and pass resolutions on Supervisory Board compensation at least every four years and – at the Annual General Meeting in early 2023 at the latest – on the approval of the compensation report in accordance with Section 162 of the German Stock Corporation Act (AktG). The shareholders at the Annual General Meeting also decide on amendments to the company's Articles of Association. In special cases, the German Stock Corporation Act (AktG) stipulates that an extraordinary General Meeting can be convened and/or the German Corporate Governance Code recommends that such a meeting be convened.

Each shareholder who has registered in good time and can duly provide proof of their entitlement to participate in the Annual General Meeting and exercise their voting rights is entitled to attend the (virtual) Annual General Meeting. Registered shareholders can submit their votes electronically or in writing without participating in the (virtual) Annual General Meeting. For the virtual 2021 Annual General Meeting, shareholders may also authorize a bank, a shareholders' association, the proxies designated by Aurubis AG (who are under obligation to follow the shareholders' instructions), or another person of their choice to exercise their voting rights. Aurubis AG will give further details in the invitation to the Annual General Meeting.

The invitation to the Annual General Meeting and the relevant reports and information for the resolutions are published in accordance with German stock corporation and capital market law and made available in English and German on the Aurubis AG website.

CONTROLLING/RISK MANAGEMENT AND COMPLIANCE

The company's responsible handling of risks is also part of good corporate governance. As part of our value-oriented Group management, adequate risk management ensures that risks are identified early on and risk positions are minimized. Risk management reports regularly to the Executive Board and the Supervisory Board's Audit Committee. Details of risk management at Aurubis AG are given in the risk report. This includes the report on the accounting-related internal control and risk management system required pursuant to Section 289 (4) and Section 315 (4) of the German Commercial Code (HGB).

The Executive Board ensures adherence to legal requirements and the internal company guidelines, and works toward compliance across all Group companies. The compliance management system was expanded during fiscal year 2019/20 to include the newly acquired Metallo Group so as to comply with the requirements resulting from the legal stipulations and the Code of Conduct.

Compliance is ensured in the company by means of prevention, controls, and sanctions. Preventive measures include internal regulations, guidance, and particularly the training of employees. In the event that violations of laws or internal regulations are detected, labor, civil, or criminal penalties are imposed.

The company's chief compliance officer is the central point of contact for all compliance-relevant issues. He reports regularly to the Executive Board and the Supervisory Board's Audit Committee. At the individual Group sites, local compliance officers are available as a point of contact for employees.

Employees are also given the opportunity to provide anonymous tips regarding legal violations in the company by means of a whistleblower hotline operated by an external service provider. This option can also be used by third parties.

DIRECTORS' DEALINGS

Pursuant to Article 19 of the Market Abuse Regulation (EU 596/2014), the members of Aurubis AG's Executive and Supervisory Boards, certain employees in management positions, and people closely associated with them are required to disclose acquisitions and sales of company shares and related financial instruments. This does not apply if the total transactions per person do not exceed € 20,000 per calendar year.

No directors' dealings subject to disclosure according to Article 19 of the Market Abuse Regulation were reported in fiscal year 2019/20.

FINANCIAL REPORTING AND ANNUAL AUDIT

Aurubis AG prepares its consolidated financial statements and Combined Management Report, as well as the consolidated interim reports, in accordance with International Financial Reporting Standards (IFRS) as they should be applied in the European Union. The financial statements of Aurubis AG are issued in compliance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The financial statements of Aurubis AG and the consolidated financial statements, as well as the Combined Management Report, are compiled by the Executive Board and examined by the auditors and the Supervisory Board. Aurubis AG released a Combined Management Report for Aurubis AG and the Aurubis Group for fiscal year 2019/20. The interim report and the quarterly reports are discussed by the Audit Committee and the Executive Board before publication.

The company's auditor was elected at the Annual General Meeting in compliance with the provisions of the German Stock Corporation Act (AktG). Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, was appointed auditor of the 2019/20 consolidated financial statements and the Combined Management Report, as well as the 2019/20 HGB financial statements of Aurubis AG. Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, has been the appointed auditor since fiscal year 2018/19. The fiscal year 2019/20 audit marked the second time it had audited Aurubis. Auditor Annika Deutsch oversaw the audit of the Group and the company for the second time.

Before submitting the proposal for the election of the auditors, the Supervisory Board obtained the declaration from Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, on their independence. The audits were performed in accordance with German auditing regulations, taking into account the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW); in addition, the International Standards on Auditing were also observed. The audits also covered risk management and compliance with reporting obligations on corporate governance in accordance with Section 161 of the German Stock Corporation Act (AktG).

Furthermore, it was also agreed with the auditors that they would inform the Supervisory Board without delay about any possible grounds for exclusion or lack of impartiality and about the main findings and incidents arising during the audit.

Hamburg, December 2020

For the Executive Board

Roland Harings	Rainer Verhoeven
Chairman	Member

Compensation Report for the Executive Board and the Supervisory Board of Aurubis AG

The following Compensation Report is part of the Combined Management Report. It outlines the structure and level of the Aurubis AG's Executive Board and Supervisory Board compensation.

COMPENSATION FOR THE EXECUTIVE BOARD

The Supervisory Board defines the total compensation of the individual Executive Board members on the basis of proposals from the Personnel Committee and decides on and reviews the compensation system for the Executive Board at regular intervals.

In 2017, the Supervisory Board updated the compensation system, working together with an independent external compensation expert. The participants of the Annual General Meeting approved the compensation system pursuant to Section 120 (4) of the German Stock Corporation Act (AktG) on March 1, 2018.

In light of the fundamental revision of the German Corporate Governance Code and the transposition of the second EU Shareholder Rights Directive (EU 2017/828, SRD II) in the German Stock Corporation Act (AktG), the Supervisory Board revised the Executive Board compensation system once again. The Supervisory Board will present the new compensation system at the 2021 Annual General Meeting for approval. Furthermore, the 2021 Annual General Meeting will pass a resolution, in accordance with Section 113 (3) of the German Stock Corporation Act (AktG), on the Supervisory Board compensation, which is outlined in the Articles of Association unchanged.

EXPLANATION OF THE PREVIOUS COMPENSATION SYSTEM FOR THE EXECUTIVE BOARD

The previous compensation system applied to the Executive Board compensation in fiscal year 2019/20. This system is as follows:

The compensation system consists of fixed and variable components. The compensation structure includes maximum limits, both overall and with regard to its variable compensation components. The compensation system applied to Executive Board Chairman Mr. Roland Harings, Chief Financial Officer Mr. Rainer Verhoeven, and Chief Technology Officer Dr. Thomas Bünger.

For new Chief Operating Officer Dr. Heiko Arnold, who was appointed effective August 15, 2020, an individual contractual arrangement based on the previous compensation system was agreed upon until the new compensation system went into effect on October 1, 2020.

Pursuant to his employment contract, Dr. Bünger's total compensation was adjusted to match the level of the regular Executive Board members as at April 1, 2020.

The details of the various compensation components are as follows:

Fixed components

The fixed compensation components consist of the fixed compensation, the pension plans, and the fringe benefits.

The annual fixed compensation amounted to € 600,000 for Mr. Harings, € 420,000 for Mr. Verhoeven and Dr. Arnold, and € 340,000 for Dr. Bünger in the past fiscal year until March 31, 2020, and € 420,000 starting April 1, 2020. These amounts are paid out monthly in equal installments.

All Executive Board members receive an entitlement for the company pension plan in the form of a pension commitment. Aurubis AG's contribution amounts to € 140,000 per year for the Executive Board chairman and € 100,000 per year for ordinary Executive Board members. The contributions are paid into liability insurances.

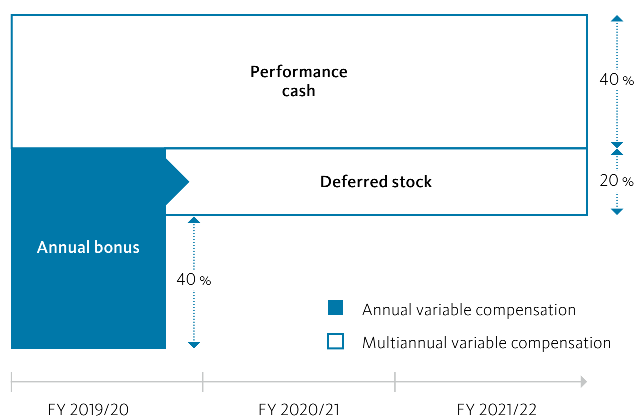
All members of the Executive Board also have a defined contribution company pension plan in the form of a capital commitment. Aurubis AG's contribution amounts to € 120,000 per year for the Executive Board chairman and € 80,000 per year for ordinary Executive Board members. The respective Executive Board member can use the accumulated capital after reaching the age of 62 at the earliest, however not before ceasing to be employed by the company.

Additionally, the Executive Board members receive fringe benefits in the form of benefits in kind, which primarily consist of insurance premiums and company car use and are assessed according to tax guidelines.

At its discretion, the Supervisory Board can grant special compensation for exceptional performance that is not covered by the regular compensation. This is stipulated in the employment contract. However, the total cap may not be exceeded. No special compensation was granted in fiscal year 2019/20.

Variable components
The system for variable compensation includes both annual variable compensation (annual bonus) and multiannual variable compensation, which is forward-looking. The multiannual, forward-looking variable compensation consists of both a performance cash plan over three fiscal years and stock deferred over two fiscal years (virtual stock). The ratio of multiannual to annual variable compensation is 60:40, so the former exceeds the latter.

Variable compensation



Annual bonus

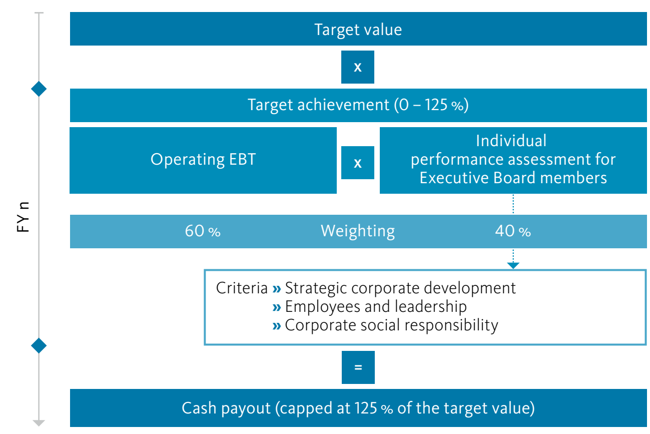
Two-thirds of the annual variable compensation (the annual bonus) is paid out after the end of the fiscal year and amounts to € 400,000 (max. € 500,000) for Mr. Harings in the case of 100 % target achievement, € 272,000 (max. € 340,000) for Mr. Verhoeven in the case of 100 % target achievement, and € 220,000 (max. € 275,000) for Dr. Bünger in the case of 100 % target achievement until March 31, 2020, and € 272,000 (max. € 340,000) in the case of 100 % target achievement starting April 1, 2020.

The remaining one-third of the annual bonus is transferred to a virtual two-year stock deferral plan.

Dr. Arnold receives a one-time payment of € 52,537.00 to compensate for the one-year variable compensation and the corresponding transfer to deferred stock from fiscal year 2019/20.

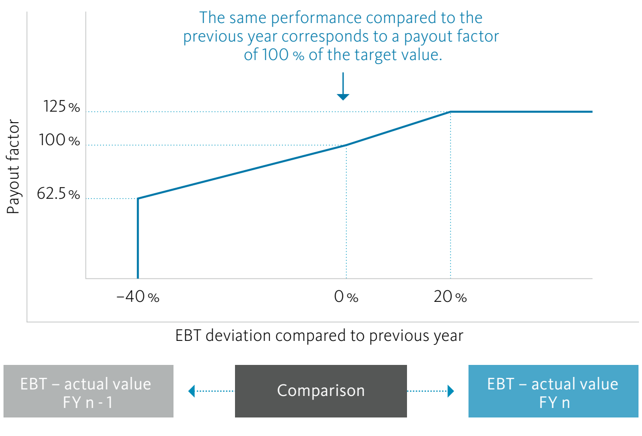
The annual bonus is calculated with a weighting of 60 % according to the target set for the fiscal year for the operating EBT components, and a weighting of 40 % according to the assessment of the Executive Board member's individual performance for the respective fiscal year, both multiplied by the target value defined in the Executive Board contract.

Annual bonus operating principle



The target achievement for the operating EBT is determined on the basis of an actual/actual comparison. The actual value of the operating EBT in the respective fiscal year is compared with the actual value of the operating EBT of the fiscal year preceding the current fiscal year (previous year). For an unchanged operating EBT compared to the previous year, the target achievement is 100 %. If the operating EBT is increased by 20 %, the maximum value of 125 % target achievement is reached. For an operating EBT of -40 % compared to the previous year, the minimum value of 62.5 % target achievement is reached. The target achievement between these points (62.5 %, 100 %, 125 %) is interpolated in a linear manner. If the maximum value is reached, further increases to the operating EBT do not lead to an additional increase in the target achievement. If the minimum value is not reached, the target attainment amounts to 0 %. If the operating EBT is negative for both the previous year and the respective fiscal year, the Supervisory Board is authorized to set the target attainment according to its discretion. If a positive operating EBT was achieved in the previous year and a negative EBT in the respective fiscal year, the target attainment amounts to 0 %. The annual bonus rewards operating consolidated earnings growth and thereby a strengthening of the company's profitability as compared with the previous year's EBT.

Calibrating the performance targets – EBT



Individual performance is evaluated by the Supervisory Board and is based on criteria previously defined in the employment contract or in corresponding follow-up agreements. Currently, strategic company development, employees and leadership, corporate social responsibility, and an improvement in results are designated as criteria for assessing individual performance. The Supervisory Board can set the degree of target attainment between 0 % and 125 %. Furthermore, the Supervisory Board can, at its discretion, reduce the annual bonus in the event of extraordinary, unforeseeable developments (Section 87 (1) sentence 3 (second half of the sentence) of the German Stock Corporation Act (AktG)).

The annual bonus stipulates a target value cap of 125 % for Executive Board members. The annual bonus can therefore amount to a maximum of € 750,000 for Mr. Harings, a maximum of € 510,000 for Mr. Verhoeven, and a maximum of € 412,500 until March 31, 2020 for Dr. Bünger (€ 510,000 starting April 1, 2020 for Dr. Bünger).

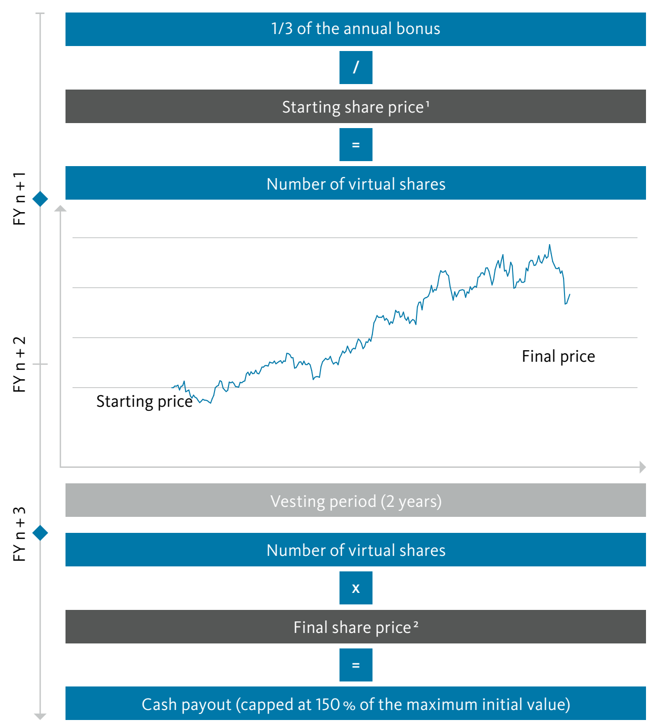
Two-thirds of the annual bonus is paid out directly after the end of the fiscal year. The last third is paid into the stock deferral, which is explained below. There is also a cap on the deferred stock payout.

Deferred stock

In order to guarantee a focus on stock for the variable compensation, one-third of the annual bonus flows into a virtual stock deferral plan. The stock deferral plan stipulates a two-year, forward-looking assessment basis and amounts to € 200,000 for Mr. Harings in the case of 100 % target achievement, € 136,000 for Mr. Verhoeven in the case of 100 % target achievement, and € 110,000 until March 31, 2020 for Dr. Bünger in the case of 100 % target achievement (€ 136,000 starting April 1, 2020 for Dr. Bünger in the case of 100 % target achievement).

The number of virtual shares at the beginning of the two-year vesting period is calculated by dividing one-third of the annual bonus by the starting share price. The starting share price is designated by the arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the beginning of the two-year deferral term.

Deferred stock operating principle



[1] Arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the beginning of the vesting period.
[2] Arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the end of the vesting period.

At the end of the two-year term, the number of virtual shares is multiplied by the closing share price. The closing share price also results from the arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days, this time before the end of the term. The resulting amount is paid out to the Executive Board members in cash at the end of the two-year term. However, the amount of the payout is limited to 150 % of the initial value (corresponding to one-third of the annual bonus). The payout from the stock deferral plan is limited to € 375,000 for Mr. Harings, to € 255,000 for Mr. Verhoeven, and to € 206,250 for Dr. Bünger until March 31, 2020 (€ 255,000 starting April 1, 2020).

Performance cash plan

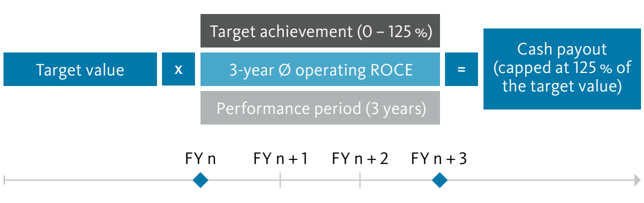
The performance cash plan stipulates a three-year, forward-looking assessment basis. The relevant performance target is the average operating return on capital employed (ROCE) over the three-year period, as identified in the Annual Report. The amount paid out is calculated by multiplying the target set at the end of the three-year period for the operating ROCE by the target value of the performance cash plan specified in the Executive Board contract. The target value currently amounts to € 400,000 for Mr. Harings, € 272,000 for Mr. Verhoeven, and a maximum of € 220,000 for Dr. Bünger until March 31, 2020, and € 272,000 starting April 1, 2020. The calculated amount to be paid out is limited to 125 % of the target and can therefore reach a maximum of € 500,000 for Mr. Harings, a maximum of € 340,000 for Mr. Verhoeven, and a maximum of € 275,000 until March 31, 2020 for Dr. Bünger (maximum of € 340,000 starting April 1, 2020 for Dr. Bünger). Furthermore, the Supervisory Board can, at its discretion, reduce the performance cash bonus in the event of extraordinary, unforeseeable developments (Section 87 (1) sentence 3 (second half of the sentence) of the German Stock Corporation Act (AktG)).

Dr. Arnold receives a one-time payment of € 35,025.00 to compensate for the multi-year variable compensation from fiscal year 2019/20.

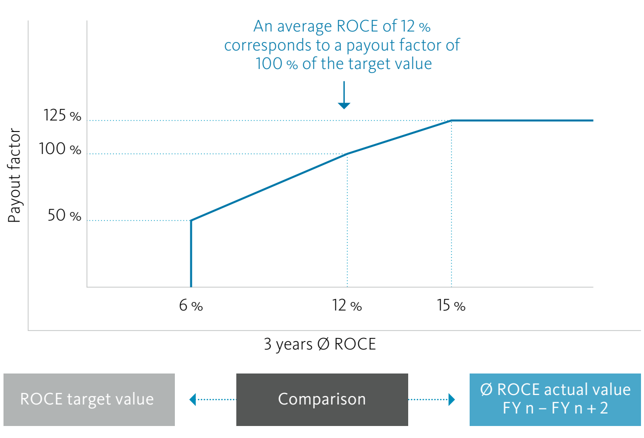
In order to determine the final target achievement for the performance cash plan, the average operating ROCE achieved during the period (calculated annually after the respective fiscal years) is calculated at the end of the three-year period. The Supervisory Board determines an amount for 100 % target achievement (“target value”) for the average operating ROCE as well as amounts for 50 % target achievement (“minimum value”) and 125 % target achievement (“maximum value”). The target value of the average operating ROCE for the three-year time periods for the fiscal years from 2017/18 up to and including 2019/20, 2018/19 up to and including 2020/21, and 2019/20 up to and including 2021/22 amounts to 12 % in each case, with the minimum value being 6 % and the maximum value 15 %.

The same target values also apply for the next three-year period from 2020/21 up to and including 2022/23. The target achievement between these points (50 %, 100 %, 125 %) is interpolated in a linear manner. If the minimum value is not reached, there is no payout from the performance cash plan. If the maximum value is reached, further increases to the average operating ROCE do not lead to an additional increase in the target achievement. The performance cash plan incentivizes the generation of a positive value contribution by means of an ambitious ROCE target range. The payout takes place at the end of the respective three-year period in cash.

Performance cash plan operating principle



Calibrating the performance targets – ROCE



Total cap

In total (fixed and variable components), compensation is limited to an amount of € 1,975,000 for Mr. Harings, to an amount of € 1,355,000 for Mr. Verhoeven, and to € 1,096,250 for Dr. Bünger until March 31, 2020 (€ 1,355,000 starting April 1, 2020). Fringe benefits and benefit contributions from pension commitments do not fall under the total cap.

Premature termination

In the event of a premature termination of an Executive Board position without good cause, a severance payment will be made within the scope of the compensation system. Such payment is limited to two years' total annual compensation and does not provide compensation for any period longer than the remaining term of the employment contract. The employment contracts for the Executive Board members do not contain Change of Control clauses.

AMOUNT OF COMPENSATION FOR THE EXECUTIVE BOARD IN FISCAL YEAR 2019/20

In total, compensation for active Executive Board members for activities in fiscal year 2019/20 amounted to € 3,272,414, including pension expenses (€ 730,301) and expenses for the virtual stock deferral plan (€ 660,397).

The company has set up pension provisions on the basis of IFRS for the Executive Board members. In the reporting year, allocations to pension provisions for the active Executive Board members amounted to € 730,301. This amount comprises contributions to an external pension fund.

Former members of the Executive Board and their surviving dependents received a total of € 2,566,683 in fiscal year 2019/20, while € 26,350,132 (in accordance with HGB) and € 31,068,407 (in accordance with IAS) has been provided for their pension entitlements.

Individual details can be found in the following tables:

Benefits granted

in €		Fixed compensation	Fringe benefits	**Total**
Roland Harings Deputy Executive Board Chairman from May 20, 2019 to June 30, 2019 Executive Board Chairman since July 1, 2019	2018/19	221,739	6,334	**228,073**
	2019/20	600,000	12,571	**612,571**
	Min.	600,000	12,571	**612,571**
	Max.	600,000	12,571	**612,571**
Dr. Heiko Arnold[1] Executive Board member since August 15, 2020	2018/19	0	0	**0**
	2019/20	53,333	4,035	**57,368**
	Min.	53,333	4,035	**57,368**
	Max.	53,333	4,035	**57,368**
Dr. Thomas Bünger Executive Board member since October 1, 2018	2018/19	340,000	30,439	**370,439**
	2019/20	380,000	30,086	**410,086**
	Min.	380,000	30,086	**410,086**
	Max.	380,000	30,086	**410,086**
Rainer Verhoeven Executive Board member since January 1, 2018	2018/19	420,000	15,935	**435,935**
	2019/20	420,000	16,097	**436,097**
	Min.	420,000	16,097	**436,097**
	Max.	420,000	16,097	**436,097**
Jürgen Schachler[2] Executive Board Chairman from July 1, 2016 to June 30, 2019	2018/19	450,000	17,922	**467,922**
	2019/20	0	0	**0**
	Min.	0	0	**0**
	Max.	0	0	**0**
Total	**2018/19**	**1,431,739**	**70,630**	**1,502,369**
	2019/20	**1,453,333**	**62,789**	**1,516,122**

Inflow

in €		Fixed compensation	Fringe benefits	**Total**
Roland Harings Deputy Executive Board Chairman from May 20, 2019 to June 30, 2019 Executive Board Chairman since July 1, 2019	2018/19	221,739	6,334	**228,073**
	2019/20	600,000	12,571	**612,571**
Dr. Heiko Arnold[1] Executive Board member since August 15, 2020	2018/19	0	0	**0**
	2019/20	53,333	4,035	**57,368**
Dr. Thomas Bünger Executive Board member since October 1, 2018	2018/19	340,000	30,439	**370,439**
	2019/20	380,000	30,086	**410,086**
Rainer Verhoeven Executive Board member since January 1, 2018	2018/19	420,000	15,935	**435,935**
	2019/20	420,000	16,097	**436,097**
Jürgen Schachler[2] Executive Board Chairman from July 1, 2016 to June 30, 2019	2018/19	450,000	17,922	**467,922**
	2019/20	0	0	**0**
Total	**2018/19**	**1,431,739**	**70,630**	**1,502,369**
	2019/20	**1,453,333**	**62,789**	**1,516,122**

[1] Refers to compensation for the time period from August 15, 2020 to September 30, 2020.
[2] Refers to compensation in the last fiscal year 2018/19 for the time period from October 1, 2018 to June 30, 2019.
[3] The fair value based on planning data amounts to € 660,397. The subscription right for deferred stock in 2019/20 applies to 3,269 virtual shares for Roland Harings, 2,223 virtual shares for Rainer Verhoeven, and 2,011 virtual shares for Dr. Thomas Bünger.

Variable compensation for one year	Variable compensation for several years	Variable compensation for several years: deferred stock	Variable compensation for several years: performance cash plan	**Total**	Pension expenses [1]	**Total compensation**
139,123		69,562	112,584	**549,342**	200,165	**749,507**
393,557		196,778	312,222	**1,515,129**	260,000	**1,775,129**
0		0	0	**612,571**	260,000	**872,571**
500,000		375,000	500,000	**1,987,571**	260,000	**2,247,571**
0	0	0	0	**0**	0	**0**
52,537		0	35,025	**144,930**	110,301	**255,231**
0		0	0	**57,368**	110,301	**167,669**
0		0	0	**57,368**	110,301	**167,669**
208,426		104,213	168,667	**851,744**	180,000	**1,031,744**
242,038		121,019	192,017	**965,159**	180,000	**1,145,159**
0		0	0	**410,086**	180,000	**590,086**
307,500		230,625	307,500	**1,255,711**	180,000	**1,435,711**
257,690		128,845	208,533	**1,031,003**	180,000	**1,211,003**
267,619		133,809	212,311	**1,049,836**	180,000	**1,229,836**
0		0	0	**436,097**	180,000	**616,097**
340,000		255,000	340,000	**1,371,097**	180,000	**1,551,097**
375,000	410,063			**1,252,985**	0	**1,252,985**
0	0			**0**	0	**0**
0	0			**0**	0	**0**
0	0			**0**	0	**0**
980,239	**410,063**	**302,619**	**489,784**	**3,685,075**	**560,165**	**4,245,240**
955,750	**0**	**451,607**	**751,575**	**3,675,054**	**730,301**	**4,405,355**

Variable compensation for one year	Variable compensation for several years	Variable compensation for several years: deferred stock [3]	Variable compensation for several years: performance cash plan	**Total**	Pension expenses	**Total compensation**
0				**228,073**	200,165	**428,238**
123,315		0	0	**735,886**	260,000	**995,886**
0	0			**0**	0	**0**
0	0			**57,368**	110,301	**167,669**
0				**370,439**	180,000	**550,439**
145,143		0	0	**555,229**	180,000	**735,229**
227,419				**663,354**	180,000	**843,354**
222,970		0	0	**659,067**	180,000	**839,067**
475,000	559,500			**1,502,422**	0	**1,502,422**
187,500	347,063			**534,563**	0	**534,563**
702,419	**559,500**	**0**	**0**	**2,764,288**	**560,165**	**3,324,453**
678,928	**347,063**	**0**	**0**	**2,542,113**	**730,301**	**3,272,414**

COMPENSATION FOR THE SUPERVISORY BOARD

Supervisory Board compensation for fiscal year 2019/20

in €

Name		Fixed compensation	Compensation for committee membership	Attendance fees	**Total**
Prof. Dr. Fritz Vahrenholt	2018/19	225,000	50,000	10,000	**285,000**
	2019/20	225,000	50,000	9,000	**284,000**
Renate Hold-Yilmaz	2018/19	82,603	20,651	9,000	**112,254**
	2019/20	0	0	0	**0**
Deniz Filiz Acar	2018/19	31,027	4,562	3,000	**38,589**
	2019/20	75,000	15,000	9,000	**99,000**
Andrea Bauer	2018/19	75,000	12,062	7,000	**94,062**
	2019/20	75,000	22,500	9,000	**106,500**
Christian Ehrentraut	2018/19	31,027	4,562	5,000	**40,589**
	2019/20	75,000	15,000	10,000	**100,000**
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	2018/19	75,000	25,000	14,000	**114,000**
	2019/20	75,000	25,000	12,000	**112,000**
Karl-Heinz Hamacher	2018/19	18,904	3,781	0	**22,685**
	2019/20	0	0	0	**0**
Prof. Dr. Karl Friedrich Jakob	2018/19	75,000	22,541	12,000	**109,541**
	2019/20	75,000	22,500	10,000	**107,500**
Jan Koltze	2018/19	75,000	19,562	12,000	**106,562**
	2019/20	75,000	25,000	13,000	**113,000**
Dr. Stephan Krümmer	2018/19	75,000	39,781	14,000	**128,781**
	2019/20	75,000	45,000	14,000	**134,000**
Dr. Elke Lossin	2018/19	75,000	15,000	12,000	**102,000**
	2019/20	75,000	15,000	10,000	**100,000**
Dr. Sandra Reich	2018/19	75,000	15,000	12,000	**102,000**
	2019/20	75,000	15,000	10,000	**100,000**
Stefan Schmidt	2018/19	97,808	19,562	12,000	**129,370**
	2019/20	150,000	25,000	13,000	**188,000**
Melf Singer	2018/19	75,000	9,801	9,000	**93,801**
	2019/20	75,000	15,000	10,000	**100,000**
Ralf Winterfeldt	2018/19	24,658	3,740	4,000	**32,398**
	2019/20	0	0	0	**0**
Total	**2018/19**	**1,111,027**	**265,603**	**135,000**	**1,511,630**
	2019/20	**1,125,000**	**290,000**	**129,000**	**1,544,000**

COMPENSATION FOR THE SUPERVISORY BOARD

SUPERVISORY BOARD COMPENSATION FOR FISCAL YEAR 2019/20

The compensation for the Supervisory Board was defined at the Annual General Meeting with effect from October 1, 2015 and is governed by Section 2 of Aurubis AG's Articles of Association. It is oriented towards the various demands of the Supervisory Board and its committees. The 2021 Annual General Meeting will pass a resolution, in accordance with Section 113 (3) of the German Stock Corporation Act (AktG), on the Supervisory Board compensation, which is outlined in the Articles of Association unchanged.

All Supervisory Board members receive fixed compensation of € 75,000/fiscal year each, in addition to the reimbursement of expenses incurred while performing their duties. The Supervisory Board chairman receives three times that amount, and the deputy receives twice that.

Supervisory Board members who serve on the Personnel and/or Audit Committee additionally receive fixed compensation of € 15,000 per fiscal year per committee. Supervisory Board members who serve on the other Supervisory Board committees additionally receive fixed compensation in the amount of € 7,500/fiscal year per committee. Supervisory Board members who chair a Supervisory Board committee receive twice that amount per fiscal year for each committee chairmanship.

The fixed compensation for committee activity is limited to € 25,000 per fiscal year for each Supervisory Board member, in accordance with Section 12 (2) of the Articles of Association. The limit for every committee chairmanship is € 50,000/fiscal year.

Supervisory Board members who do not belong to the Supervisory Board or one of its committees for a full fiscal year receive compensation commensurate with the duration of their service. Furthermore, Supervisory Board members receive an attendance fee in the amount of € 1,000 for each meeting of the Supervisory Board and of its committees attended.

On this basis, the Supervisory Board members received a total of € 1,544,000 Supervisory Board compensation for fiscal year 2019/20, page 36.

Hamburg, December 8, 2020

For the Executive Board

Roland Harings
Chairman

Rainer Verhoeven
Member

For the Supervisory Board

Prof. Dr. Fritz Vahrenholt
Chairman

Explanation of the compensation system for the Executive Board of Aurubis AG

In its meeting on July 29, 2020, the Supervisory Board of Aurubis AG passed a resolution on the compensation system for the Executive Board pursuant to Section 87a of the German Stock Corporation Act (AktG). This compensation system will be submitted to the shareholders for approval at the 2021 Annual General Meeting pursuant to Section 120 (1) of the German Stock Corporation Act (AktG).

PRINCIPLES OF THE COMPENSATION SYSTEM FOR EXECUTIVE BOARD MEMBERS

In accordance with our Vision 2025, we will consistently expand our current copper-focused business model to encompass a broader multimetal approach in the future. This means that, in addition to copper, other metals will be increasingly recovered from systematically purchased raw materials and intermediate products and then processed into value-added sales products. Our strategic orientation to the multimetal business is the basis for tomorrow's success: we want to strengthen our recycling activities with additional international acquisitions. We recover valuable metals while fulfilling our responsibility to society through our sustainable approach to resources.

The compensation system for the Executive Board takes the stipulations of the German Stock Corporation Act (AktG) and most of the recommendations and suggestions of the German Corporate Governance Code in the version dated December 16, 2019 into consideration. In its entirety, the compensation system makes a significant contribution to fostering and implementing the company strategy by linking the payout to relevant, ambitious performance criteria. A key target of the company strategy is financial growth at Group level. An important driver for financial growth is the set of performance criteria that are accounted for in Aurubis' company management. All Aurubis Group companies are managed at Group level according to segments, using operating EBT (operating earnings before taxes) and operating ROCE (ratio of earnings before taxes and the financial result, plus the operating result from investments measured using the equity method, to capital employed) as the financial performance indicators. In this respect, the two performance indicators EBT and ROCE represent the financial development of the Aurubis Group and are therefore key performance criteria for the variable compensation. Moreover, Aurubis has a stable and well-diversified shareholder structure.

To ensure that the interests of our shareholders are considered in the compensation system, part of the variable compensation is dependent on the development of the Aurubis share price. This incentivizes the Executive Board members to boost enterprise value for our shareholders and make the company more attractive on the capital market. To promote sustainable company development, the annual performance criteria account for ecological and social responsibility as well.

In establishing the total compensation of the individual Executive Board members, the Supervisory Board ensures that this is proportionate to the tasks and achievements of the Executive Board member, as well as to the company's position, and doesn't exceed the customary compensation without a special reason.

To assess if Executive Board compensation is customary, the companies of the MDAX and SDAX are used as a comparison group because these companies can be compared when it comes to size and complexity in particular. In the process, the Supervisory Board regularly considers how the Aurubis Group's economic situation has developed compared to the companies of the MDAX and SDAX.

To assess if the compensation is customary within the company, the Supervisory Board also takes the ratio of Executive Board compensation to the compensation of the upper management level and the total workforce into account, including the development of these aspects over time. According to the Supervisory Board's definition, the upper management level comprises the senior vice presidents of Aurubis AG. The workforce comprises all employees of Aurubis AG (both those who are covered by collective wage agreements and those who are not). The external and internal suitability of Executive Board compensation is reviewed at regular intervals.

PROCEDURE FOR ESTABLISHING, IMPLEMENTING, AND REVIEWING THE COMPENSATION SYSTEM

The Supervisory Board as a whole is responsible for the structure of the compensation system for the Executive Board members and for establishing the individual compensation. The Personnel Committee supports the Supervisory Board in this process, monitors the compensation system to ensure that it is appropriate, and prepares the Supervisory Board's resolutions on this matter. The Personnel Committee recommends that the Supervisory Board make changes as needed. In the case of significant changes to the compensation system, but at least every four years, the compensation system is presented to the shareholders at the Annual General Meeting for approval.

If the shareholders at the Annual General Meeting do not approve the presented compensation system, the Supervisory Board will thoroughly review the compensation system, taking into account the system's competitiveness and alignment with the market, as well as the regulatory framework and investors' requirements, and present a compensation system that has been revised accordingly at the next Annual General Meeting.

In this context, the amendments to the compensation system will be described in detail and, at the same time, the extent to which the shareholders' remarks were considered will be addressed.

The general rules for handling conflicts of interest apply to all decisions made by the Supervisory Board and its committees regarding the compensation system. According to these rules, the members of the Supervisory Board are obligated to promptly disclose conflicts of interest to the Supervisory Board chairman. The Supervisory Board provides information about any conflicts of interest that arise during the fiscal year, and how they are handled, in its report to the shareholders at the Annual General Meeting.

The Supervisory Board can involve external compensation consultants as needed, making sure that such consultants are independent and that the consultants confirm this independence regularly. The compensation system is implemented within the scope of the Executive Board employment contract.

AN OVERVIEW OF THE COMPENSATION COMPONENTS

The compensation system at Aurubis is made up of fixed compensation components (basic compensation, pension plans, and fringe benefits) and variable compensation components (annual bonus, deferred stock, and performance cash plan). Moreover, the compensation system also includes arrangements for additional compensation-related legal transactions (e.g., contract durations and commitments when an Executive Board member steps down). The compensation system applies to all current and future Executive Board members, and the Executive Board contracts of the current Executive Board members have been switched over to this system, effective starting fiscal year 2020/21 (with the exception of Dr. Thomas Bünger, to whom the previous system will continue to apply). Page 28

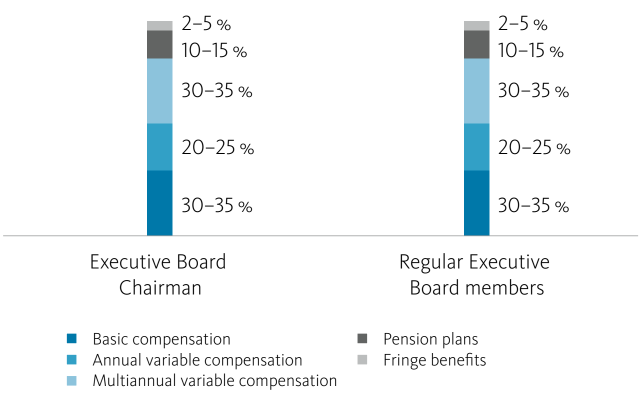
Fundamentals of the compensation system

<table>
<tr><td rowspan="3">Fixed compensation</td><td>Basic compensation</td><td>Fixed annual basic compensation that is paid out monthly in equal installments</td></tr>
<tr><td>Pension plans</td><td>» Entitlement to the company pension plan in the form of a pension commitment, financed through liability insurance policies
» Defined contribution company pension plan in the form of a capital commitment</td></tr>
<tr><td>Fringe benefits</td><td>Fringe benefits in the form of benefits in kind, which primarily consist of insurance premiums and company car use and are assessed according to tax guidelines</td></tr>
<tr><td rowspan="3">Variable compensation</td><td>Variable compensation for one year</td><td>» Type: annual bonus
» Performance criteria:
› Operating earnings before taxes (EBT) (60 %)
› Individual performance of the Executive Board member (40 %)
» Cap: 125 % of the target amount
» Payout:
› 2/3 in cash after the fiscal year has concluded
› 1/3 transferred to deferred stock
» A discretionary special bonus has not been agreed upon</td></tr>
<tr><td rowspan="2">Variable compensation for several years</td><td>» Type: deferred stock
» Vesting period: 3 years
» Cap: 150 % of the starting value
» Payout: in cash at the end of the 3-year vesting period</td></tr>
<tr><td>» Type: performance cash plan
» Performance period: 4 years
» Performance criterion: return on capital employed (ROCE) (100 %)
» Cap: 125 % of the target amount
» Payout: in cash at the end of the 4-year performance period</td></tr>
<tr><td colspan="2">Malus and clawback</td><td>Possibility of a partial or full reduction (malus) or reclamation (clawback) of the variable compensation (variable compensation for one year and several years) in the case of a compliance offense or errors in the consolidated financial statements</td></tr>
<tr><td colspan="2">Premature termination of Executive Board contract</td><td>In the event of a premature termination of an Executive Board contract without good cause, a severance payment will be made within the scope of the compensation system. Such payment is limited to two years' total annual compensation and does not provide compensation for any period longer than the remaining term of the employment contract</td></tr>
</table>

TOTAL AND MAXIMUM COMPENSATION

Total compensation is made up of basic compensation, pension plans, fringe benefits, and variable compensation (annual bonus, deferred stock, performance cash plan). In addition, the Supervisory Board has the possibility, in individual cases, to grant new Executive Board members one-time payments when they take office, for example to compensate for losses from forfeited variable compensation from the former employer that arise due to the Executive Board member's switch to Aurubis. The compensation components mentioned here cover the entire compensation of the Aurubis Executive Board members. No separate discretionary bonuses for extraordinary performance are granted. The relative makeup of the compensation components in the compensation system (under the assumption of 100 % target achievement for the variable compensation) is as follows:

Target compensation structure



For the sum of the compensation components mentioned above, maximum compensation was defined pursuant to Section 87a of the German Stock Corporation Act (AktG). This amounts to € 2,600,000 for the Executive Board chairman and € 1,800,000 for each regular Executive Board member. If total payments in a fiscal year exceed this established maximum compensation, the compensation component scheduled to be paid last (usually deferred stock or the performance cash plan) is reduced.

FIXED COMPENSATION

The fixed compensation consists of basic compensation, pension plans, and fringe benefits.

The basic compensation is paid out monthly in twelve equal installments.

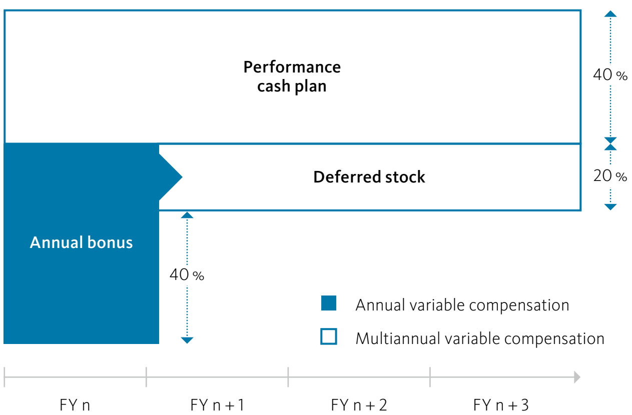
All Executive Board members receive an entitlement for the company pension plan in the form of a pension commitment. Furthermore, all members of the Executive Board also have a defined contribution company pension plan in the form of a capital commitment. The contributions are paid into liability insurance policies. The respective Executive Board member can use the accumulated capital after reaching the age of 62 at the earliest, however not before ceasing to be employed by the company.

Additionally, the Executive Board members receive fringe benefits in the form of benefits in kind, which primarily consist of insurance premiums and company car use and are assessed according to tax guidelines.

VARIABLE COMPENSATION

The system for variable compensation includes annual variable compensation (annual bonus) and multiannual variable compensation, which is forward-looking. The multiannual, forward-looking variable compensation consists of both a performance cash plan over four fiscal years and stock deferred over three fiscal years (virtual stock). The ratio of multiannual to annual variable compensation is 60:40. The compensation structure is therefore oriented to Aurubis' sustainable, long-term development.

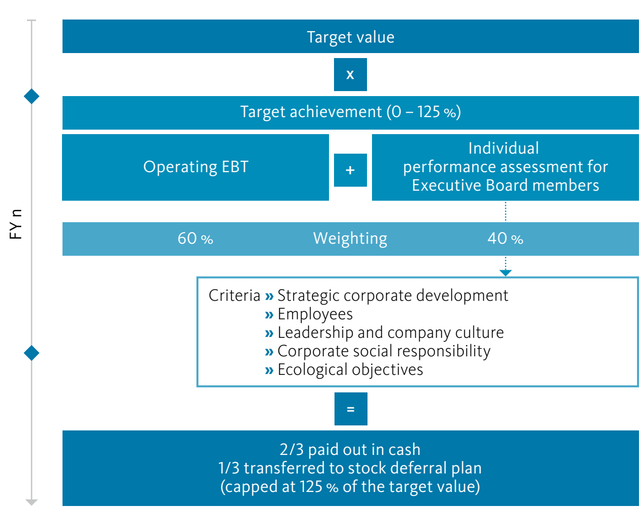
Variable compensation



ANNUAL BONUS

Two-thirds of the annual variable compensation (the annual bonus) is paid out after the end of the fiscal year. The remaining one-third of the annual bonus is transferred to a virtual stock deferral plan with a three-year vesting period.

Annual bonus operating principle



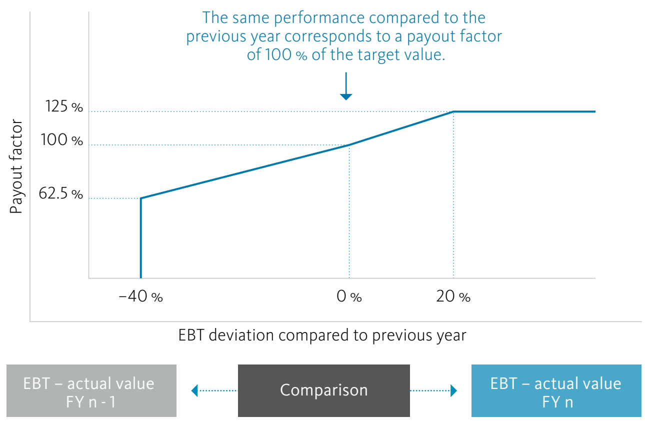
The annual bonus is calculated with a weighting of 60 % according to the target set for the fiscal year for the operating EBT components, and a weighting of 40 % according to the assessment of each Executive Board member's individual performance for the respective fiscal year. The weighted target achievement for both components is then multiplied by the target amount established in the Executive Board contract. This reflects both the financial and the non-financial company development during the fiscal year. The annual bonus stipulates a cap of 125 % on the target amount for Executive Board members.

OPERATING EBT COMPONENT

Operating EBT is an essential KPI Glossary, page 208 to measure the success of the business strategy and the long-term, successful development of the company. It shows a company's profitability and thus reflects Aurubis' operating success. Moreover, a positive EBT trend contributes to Aurubis' important goal of enhancing enterprise value, which is why the achievement of a stable, positive EBT or an improved EBT compared to the previous year was selected as the main performance criterion for the annual bonus.

The target achievement for the operating EBT is determined on the basis of an actual/actual comparison. The actual value of the operating EBT in the respective fiscal year is compared with the actual value of the operating EBT of the fiscal year preceding the current fiscal year (previous year). For an unchanged operating EBT compared to the previous year, the target achievement is 100 %. If the operating EBT is increased by 20 %, the maximum value of 125 % target achievement is reached. For an operating EBT of -40 % compared to the previous year, the minimum value of 62.5 % target achievement is reached. Target achievements between the established target achievement points (62.5 %, 100 %, 125 %) are interpolated in a linear manner. If the maximum value is reached, further increases to the operating EBT do not lead to an increase in the target achievement. If the minimum value is not reached, the target attainment is 0 %. If the operating EBT is negative for both the previous year and the respective fiscal year, the Supervisory Board is authorized to appropriately set the target attainment at its own discretion. If a positive operating EBT was achieved in the previous year and a negative EBT in the fiscal year at hand, the target attainment amounts to 0 %.

Calibrating the performance targets – EBT



The target achievement within the scope of the operating EBT component is transparently explained in the Compensation Report. The concrete target achievement will be presented for the first time in the 2020/21 Compensation Report.

INDIVIDUAL PERFORMANCE OF THE EXECUTIVE BOARD MEMBER

Apart from this, non-financial criteria also have a substantial influence on the success of the business strategy and the company's long-term development, which is why the Supervisory Board annually establishes additional concrete performance criteria for determining the annual bonus.

The targets to assess individual performance are stipulated by the Supervisory Board prior to the start of each fiscal year and are published after the fact in the Compensation Report for the fiscal year. When specifying the targets for the Executive Board members' individual performance, the Supervisory Board is guided by the following criteria, among others:

- Strategic company development, employees
- Leadership and company culture
- Corporate social responsibility
- Ecological objectives

It is at the Supervisory Board's discretion to stipulate additional criteria apart from the aspects listed here. The Supervisory Board determines the significance of individual targets of the Executive Board members separately versus targets for all Executive Board members collectively. The Executive Board member's performance is assessed by the Supervisory Board based on criteria established beforehand: in addition to the targets being weighted, target values are established that indicate a 100 % target achievement. The Supervisory Board can set the degree of target attainment between 0 % and a maximum of 125 % in a linear or graduated manner.

The performance targets and the target achievement within the scope of Executive Board members' individual performance assessment are transparently explained in the Compensation Report. The performance targets and target achievement specifically taken into consideration will be presented for the first time in the 2020/21 Compensation Report.

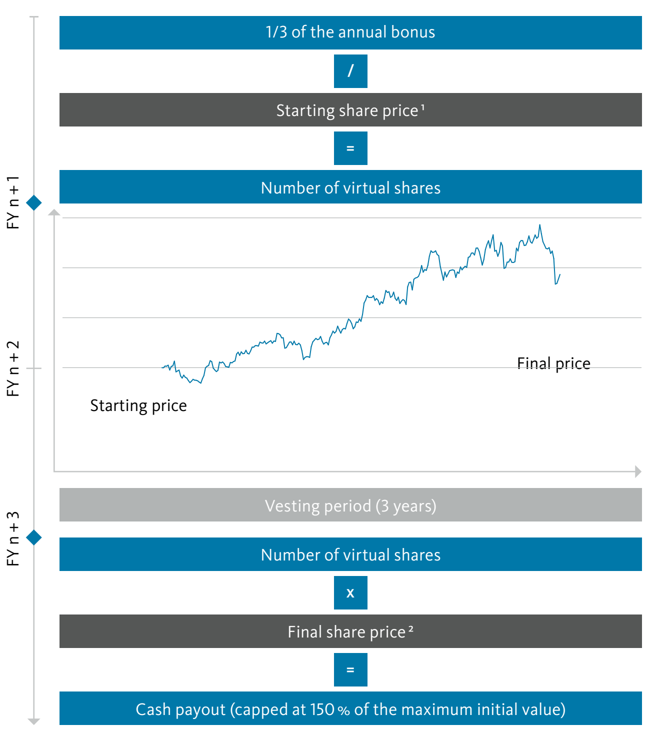
DEFERRED STOCK

In order to guarantee a focus on stock for the variable compensation, one-third of the annual bonus flows into a virtual stock deferral plan. The stock deferral plan stipulates a three-year, forward-looking vesting period.

The transfer of part of the variable compensation to deferred stock supports the business strategy and long-term development of the company by incentivizing Executive Board members to increase the enterprise value, by directly aligning the interests of the Executive Board and the shareholders, and by boosting the company's attractiveness on the capital market.

The number of virtual shares at the beginning of the three-year vesting period is calculated by dividing one-third of the annual bonus by the starting share price. The starting share price is designated by the arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the beginning of the three-year vesting period of the deferral.

Deferred stock operating principle



[1] Arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the beginning of the vesting period.
[2] Arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the end of the vesting period.

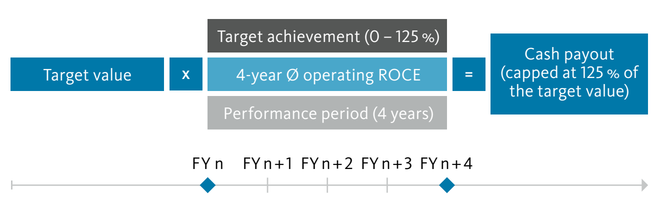
At the end of the three-year vesting period, the number of virtual shares is multiplied by the closing share price. The closing share price also results from the arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days, this time before the end of the vesting period.

The resulting amount is paid out to the Executive Board members in cash at the end of the three-year vesting period. However, the amount of the payout is limited to 150 % of the initial value.

PERFORMANCE CASH PLAN

The performance cash plan stipulates a four-year, forward-looking performance pursuant to the recommendations of the German Corporate Governance Code. The relevant performance target is Aurubis AG's average operating return on capital employed (ROCE) during the four-year performance period. With the ROCE as a performance criterion and the ambitious target range for the variable compensation, the multi-year variable compensation is directly tied to the company's operating performance and aligned with the company's financial target of generating a significant premium on the capital costs. This target reflects the communicated goal of generating an annual ROCE that considerably exceeds the cost of capital.

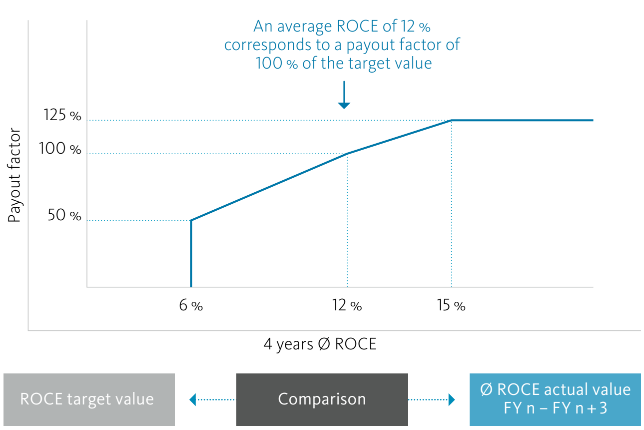
Performance cash plan operating principle



In order to determine the final target achievement for the performance cash plan, the average operating ROCE achieved after the end of the respective fiscal years during the four-year performance period is calculated at the end of the performance period. For the granting of each tranche, the Supervisory Board determines an amount for 100 % target achievement ("target value") for the average operating ROCE as well as amounts for 50 % target achievement ("minimum value") and 125 % target achievement ("maximum value"). The target value of the average operating ROCE for the first four-year tranche 2020/21 – 2023/24 amounts to 12 %, with the minimum value being 6 % and the maximum value 15 %. Target achievements between the established target achievement points (50 %, 100 %, 125 %) are interpolated in a linear manner. If the minimum value is not reached, there is no payout from the performance cash plan. If the maximum value is reached, further increases in the average operating ROCE do not lead to an increase in the target achievement.

The payout takes place at the end of the respective four-year period in cash.

Calibrating the performance targets – ROCE



Future target values and the target achievement based on the average operating ROCE are explained transparently in the Compensation Report.

MALUS & CLAWBACK

Moreover, the Executive Board contracts include a malus and clawback arrangement. If it is determined that the Executive Board member deliberately violated a significant duty of care in accordance with Section 93 of the German Stock Corporation Act (AktG), a significant contractual obligation, or other significant company principles of conduct, for example from the Code of Conduct or the compliance regulations, and this violation fulfills the conditions of a gross breach of duty that justifies revocation of the appointment to the Executive Board in accordance with Section 84 (3) of the German Stock Corporation Act (AktG), the Supervisory Board can reduce the variable compensation that hasn't been paid yet, in whole or in part, to zero ("malus") or reclaim the net variable compensation, in whole or in part, that has already been paid out ("clawback").

Furthermore, the Executive Board members must pay back variable compensation that has already been paid out if and to the extent that it is determined after the payment that the audited and confirmed consolidated financial statements on which the calculation of the payment amount was based were incorrect and thus have to be corrected in accordance with the relevant accounting regulations and, based on the corrected, audited consolidated financial statements and the relevant compensation system, a lower payment or no payment from the variable compensation would have been owed.

COMPENSATION-RELATED LEGAL TRANSACTIONS

CONTRACT TERMS

The term of the employment contract corresponds to the duration of the appointment and is prolonged for the duration of any subsequent appointment. The duration of the appointment and the contract term are generally three years for the initial appointment to the Executive Board. Nevertheless, the initial appointment and a subsequent appointment can have a maximum term of five years.

PREMATURE TERMINATION

In the event of a premature termination of an Executive Board contract without good cause, a severance payment will be made within the scope of the compensation system. Such payment is limited to two years' total annual compensation and does not provide compensation for any period longer than the remaining term of the employment contract. The payout of variable compensation components that are still open and that are due in the period until the contract ends takes place as normal at the end of the originally established due dates – there is no premature payout. If the employment contract is ended for an important, justified reason, there are no payments.

There are no promises of payments in the case of the Executive Board's premature termination of the employment contract resulting from a change of control.

Moreover, the employment contracts do not include any post-contractual non-compete clauses. As a result, the compensation system does not arrange for non-compete compensation.

TEMPORARY DEVIATION FROM THE COMPENSATION SYSTEM

The Supervisory Board can temporarily deviate from the Executive Board compensation system pursuant to Section 87a (2) of the German Stock Corporation Act (AktG) if this is necessary in the interests of the company's long-term well-being. This type of deviation is only permitted in exceptional cases. Exceptional cases in this context are extraordinary developments such as extremely far-reaching changes in the overall economic conditions (for instance due to a serious economic or financial crisis), natural disasters, terrorist attacks, political crises, epidemics/pandemics, disruptive market decisions from customers, or a company crisis. Generally unfavorable market developments are not, under any circumstances, considered exceptional cases that would justify a deviation from the compensation system. In the case of extraordinary developments, the Supervisory Board can deviate from the following parts of the compensation system by passing a resolution: target compensation structure, durations and payout times for variable compensation, and performance criteria for variable compensation, including their weighting.

Sustainability

NON-FINANCIAL REPORT

Introduction

At Aurubis, sustainability is a significant part of our conduct, enshrined in our company strategy, and therefore plays a key role in our business activities. A responsible approach to employees, suppliers, customers, and neighbors is a matter of course for us, whether in direct business operations or in the surrounding areas. The same applies to the environment, as we are aware of the limits of natural resources and want to keep negative impacts from our business activities to a minimum.

With this separate Non-Financial Report (NFR), Aurubis fulfills its obligation to disclose non-financial information for fiscal year 2019/20 pursuant to Sections 315b and 315c in conjunction with Sections 289b to 289e of the German Commercial Code (HGB). We use the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) Glossary, page 207 as a guide in describing the concepts and selected KPIs.

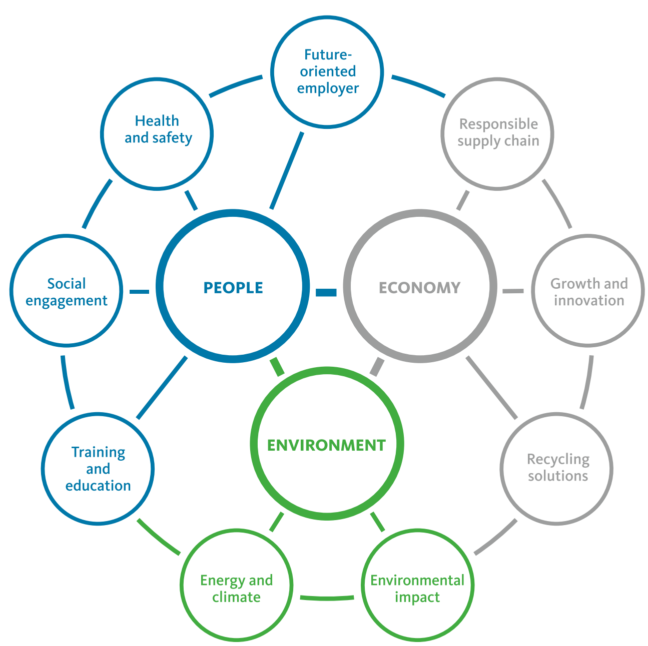
The main external factors influencing business development are described in the Risk and Opportunity Report of the Combined Management Report. Risks related to non-financial aspects beyond the company boundaries are also mentioned there. Risks were assessed in accordance with Section 289c (3) of the German Commercial Code (HGB). In the process, no non-financial risks were identified that were very likely to cause a serious negative impact on employee and environmental matters, on respect for human rights, on the prevention of corruption and bribery, or on social matters. Nevertheless, it is important to us to handle non-financial risks even if they are evaluated as non-material according to the strict definition of the HGB. We have developed and implemented management approaches accordingly.

Aurubis Sustainability Strategy

Since introducing the company vision in 2017, Aurubis has developed into a multimetal group. This transformation is firmly established in the corporate strategy, which also includes sustainability as an integral pillar. We aim to enhance our sustainability achievements continuously, beyond the legal requirements.

In 2018, the Aurubis Executive Board and Supervisory Board passed the Sustainability Strategy 2018–2023, the continuation of the Sustainability Strategy passed in 2013. Based on the aspects “People – Environment – Economy,” it comprises nine action areas for a period of five years (see illustration). These are translated into concrete targets and measures for which we have established implementation deadlines and key performance indicators (KPIs) so that our sustainable company development can be measured and guided. During the reporting year, we subjected our Sustainability Strategy to an interim review. The updated strategy should be passed and published by the Executive Board in the new fiscal year. The individual measures of the current Sustainability Strategy and the status of their implementation are in this report at the end of the description of each action area.

Aurubis Sustainability Strategy



As part of our responsible business conduct, the topics of compliance and human rights also play a key role in addition to the nine actions areas, complementing the key aspects of “People – Environment – Economy.” Furthermore, we address other significant interdisciplinary topics such as sustainable finance Glossary, page 208. Aurubis supports the work of the EU Action Plan on Sustainable Finance at European level and the German federal government's Sustainable Finance Committee at national level. These deal with political issues regarding the classification of sustainable products or possible liability regulations for risks in the supply chain, for example. Because it affects several of our sustainability activities, such as climate protection, protection and respect for human rights, and the circular economy, sustainable finance extends across multiple action areas of the Sustainability Strategy and therefore cannot be clearly classified under the matters outlined in Section 289c (3) of the German Commercial Code (HGB). Notably, Aurubis itself is active in utilizing sustainable financing instruments: in the reporting year, we were the first European company in the basic materials industry to place an ESG-linked Schuldschein loan Glossary, page 207, to finance the acquisition of the recycling company Metallo and other general company financing needs.

Aspects relevant for Aurubis

When selecting the aspects for the Non-Financial Report, we were guided by both the main action areas of the company's Sustainability Strategy and the non-financial topics that are required to understand the business development, the business result, the company's position, and the impacts of our activities on these aspects.

One proven tool in our strategy work used to determine the relevant reporting issues is the materiality analysis Glossary, page 208. To prepare the first Non-Financial Report in 2018, the action areas of the Sustainability Strategy were reviewed to ensure that they fulfilled the materiality criteria in accordance with the definitions of the German Commercial Code (HGB). We updated the materiality analysis in the reporting year with the assistance of internal experts. This was based on a revised list of potentially material topics that included new sustainability aspects in our industry that are more relevant for the future.

The resulting list of material topics and focuses of the strategic action areas didn't change fundamentally as a result of the analysis. The Executive Board confirmed the results. The topics identified as material in this process are assigned to the action areas of the Aurubis Sustainability Strategy in the Non-Financial Report. We present topics that have the same management approach in a consolidated format below. The analysis also provided an impetus for the strategy update.

We also assume corporate responsibility in those instances in which the topics have no direct impact on our business development but are of considerable importance for us and our stakeholders. This is why the topic of social matters is part of our report and labeled as such.

Overview of material topics

		Material according to German Commercial Code	Material for Aurubis	Page in NFR
Employee-related matters	Future-oriented employer	√	√	50
	Training and education	√	√	52
	Health and safety	√	√	54
Environmental matters	Energy and climate	√	√	56
	Protection from environmental impact	√	√	58
	Recycling solutions	√	√	62
Social matters	Social engagement		√	64
Human rights	Responsible supply chain	√	√	66
Anti-corruption	Anti-corruption	√	√	67

Sustainability management

From an organizational perspective, the Sustainability department is part of the Corporate Communications, Investor Relations & Sustainability division, whose supervisor reports directly to the Executive Board chairman, who in turn bears the overall responsibility for the issue of sustainability in the Aurubis Group. The Sustainability department serves as the interface between the departments relevant for the topic of sustainability and coordinates all of the related processes in the Group, serving as a contact for the sites. At the same time, it is also responsible for continuously reviewing and developing the sustainability targets and supporting the operational implementation of the measures with the relevant divisions. Moreover, the department manages sustainability reporting and communication. It is therefore the point of contact for ESG rating agencies. Furthermore, it assists with supplier screening based on sustainability criteria.

We make our sustainability achievements transparent in a variety of ways. These include participation in sustainability rankings and ratings such as the CDP Glossary, page 207 (a non-profit organization that advocates for climate reporting), and the voluntary reporting of the past several years. Our Sustainability Reports are guided by the GRI Standards and are released every two years, with the next one in spring 2021 covering fiscal year 2019/20. In the years without a Sustainability Report, the KPIs are updated and released separately in a consolidated form.

We communicate regularly with our key stakeholders about sustainability-related topics. We believe it is important to maintain a dialogue with employees, customers, suppliers, politicians and society, capital market participants, the media, non-governmental organizations, and the scientific community.

Description of the business model and presentation of the Group structure

We are continuing to develop our business model consistently in alignment with the company's Vision 2025. Today, Aurubis' main focus is on the production and processing of copper and other non-ferrous metals. Aurubis primarily processes copper concentrates that are mined from ores and sourced on the global market. The company purchases the necessary raw materials, as it doesn't own any mines or stakes in mines. The processing of secondary raw materials plays an important role as well. Corresponding to our vision, we are purposefully expanding our business model towards a broader multimetal approach. This means that, in addition to copper, other metals are extracted from raw materials and intermediate products and then processed into marketable products with added value.

Corporate governance and the principles of responsible and sustainable company management determine Aurubis' actions. Additional information is available in the sections Corporate Governance, pages 18–46.

Aurubis AG is the parent company of the Aurubis Group and is based in Hamburg, with production sites in Hamburg and Lünen. For us, sustainability applies to the entire Group. Consequently, the action areas and measures are relevant for the Group and for Aurubis AG. The key indicators mentioned in this report are recorded at Aurubis in the individual departments and consolidated at Group level. All environmental and energy KPIs are reported for calendar year 2019, not fiscal year 2019/20.[1] As a result, the Metallo sites are not included in these KPIs. The inclusion of the Metallo KPIs from 2019 had no significant impact on the relative environmental KPIs reported here. Metallo will be fully integrated in the KPIs shown in this report in the coming year. When the following report mentions copper production in the context of environmental KPIs, this refers to primary and secondary copper production Glossary, page 208 at the Hamburg, Lünen, Olen, and Pirdop sites. Significant differences between Aurubis AG KPIs and Group KPIs are explained.

[1] The KPIs are primarily used for internal management purposes and governmental reporting, for which the calendar year is prescribed as the reporting period. Reporting on calendar year and fiscal year figures in parallel could lead to confusion and ambiguities.

Employer-related matters

FUTURE-ORIENTED EMPLOYER

Competent, productive, and enthusiastic employees form the basis of the Aurubis Group's commercial success and further development. We have set ourselves the target of creating a work environment for good, close cooperation and promoting involvement and creativity. We form a team that works toward the company's progress – even in challenging times.

All overarching activities related to our employees are managed at Group level by Human Resources (HR), whose management reports directly to the CEO. HR is particularly involved with the HR strategy of the entire Group, as well as the implementation and monitoring of the resulting strategic HR instruments, especially those related to organizational and staff development, compensation and fringe benefits, employer branding, and supporting improvement and change processes. The work of the local HR departments is oriented toward the standards of the central HR division and local conditions.

Our HR strategy is derived from the Group strategy and is based on the corporate values. It is developed continuously, taking labor market changes, societal transitions, and trends in HR work into consideration. One focus is on the lack of qualified workers due to the demographic shift, as well as the search for young employees and apprentices, which is becoming more and more difficult. Current topics that are picking up momentum influenced HR strategy work during the reporting period, such as the progress in digitalization and trials with different ways of working that arose or sped up due to individual ad hoc solutions in the course of the coronavirus pandemic.

Furthermore, HR work during the reporting year also concentrated on the current Performance Improvement Program focused on cost reduction. In the course of this program, we will cut approximately 210 full-time equivalent (FTE) positions in the Corporate Functions and the Hamburg plant until fiscal year 2022/23. The job cuts will follow socially responsible principles. For example, we will try to prevent as many redundancies as possible by not filling certain open positions, offering an improved early retirement scheme, and facilitating internal job changes. The employee representatives were and are involved in the process. Another focus was on structuring and supporting organizational changes such as the Metallo integration, the acquisition of the IT company azeti, and the closure of the CABLO site in Strass.[1]

Diversity in the personnel structure is important to us. The Code of Conduct and our corporate values serve as the basis for respectful cooperation.[2] For us, a diverse workforce is conducive to company success thanks to the knowledge transfer, different viewpoints, and open collaboration that it fosters. We consider diversity to include not only cultural aspects and international representation, but also diversity in terms of specialized skills and age groups, as well as a gender balance. Our objective is to prevent these and other aspects of diversity such as religious or political views, sexual orientation, or disabilities from playing a role in hiring decisions or in an individual's continued career. Consequently, compensation also depends on the job performed, the quality of the work, and the level of professional experience. One of our goals is to increase the proportion of female managers – independently of legal stipulations, which we fulfill by defining concrete target parameters for the first and second management levels under the Executive Board. More information about the diversity concept is available in the Corporate Governance Report, pages 20–21.

[1] The Cablo site had to be discontinued for economic reasons. Eleven salaried employees had to be made redundant as a result.
[2] The current Code of Conduct of the Metallo sites that were acquired in 2020 is fundamentally similar to Aurubis' Code of Conduct. The final harmonization of Metallo's policies and commitments with those of Aurubis, including the Code of Conduct, is still pending.

We offer our employees an attractive work environment and support them by offering options allowing them to establish a good work/life balance. In this regard, making working-time models more flexible and modern is of high importance. In connection with the coronavirus crisis, for instance, the start and end times of shifts were made more flexible and options for remote work were further expanded. The experience gained in the process will be used in the further development of a modern work organization that takes employee needs into account.

We prioritize good cooperation between everyone in the company and offer attractive compensation in line with the market. Compensation and fringe benefits are regulated in collective wage agreements. At our only production site outside of Europe, Aurubis Buffalo, where social security isn't comprehensively regulated by law, we assume 86 % of the employees' health insurance contributions.

To read more about our training and employee qualification activities, refer to the section Training and education, page 52. Information about codetermination in the company is provided in the section Human rights, page 65.

Key measures of the Sustainability Strategy 2018–2023 and their status in fiscal year 2019/20

» *Improving the "health" (OHI[1]) of the organization with strategically aligned HR instruments and services, as well as individual development tools*
During the process to update the Sustainability Strategy, which is still underway, a decision was made to discontinue this aspect as a separate target. The related development instruments and measures are now in the targets of the training and education action area.

» *Regularly identifying employees' needs with respect to working-time arrangements*
A number of solutions were expanded significantly in both individual and collective agreements. In connection with the coronavirus crisis, for instance, the start and end times for shift employees were made more flexible and the remote work option was expanded considerably. The flextime program is reviewed and developed continuously.

» *Developing a diversity policy*
In the course of updating the Sustainability Strategy, this target is being revised and additional measures are being established.

[1] The OHI indicates the "health" of a company, e.g., how well a company is equipped to react to changes in the market and thus to achieve economic success sustainably. Key influencing variables include leadership skills, innovation, and willingness to learn, as well as company culture and climate.

KPIs

Aurubis reports the employee KPIs for all consolidated sites (as at the reporting date of September 30, 2020), excluding Schwermetall Halbzeugwerk GmbH & Co. KG, in which Aurubis holds a 50 % stake.

Aurubis Group personnel structure

as at the reporting date September 30

	Employees			Female			Male		
	2019/20	2018/19	2017/18	**2019/20**	2018/19	2017/18	**2019/20**	2018/19	2017/18
Aurubis Group[1]	7,236	6,831	6,650	13 %	12 %	12 %	87 %	88 %	88 %
Blue collar	4,356	4,214	4,130	3 %	4 %	4 %	97 %	96 %	96 %
White collar[1]	2,561	2,328	2,233	29 %	28 %	28 %	71 %	72 %	72 %
Apprentices	319	289	287	12 %	13 %	10 %	88 %	87 %	90 %

[1] Prior-year figures have been adjusted.

Employee fluctuation in the Aurubis Group

as at the reporting date September 30

	2019/20	2018/19	2017/18
Fluctuation rate[1]	7.4 %	7.8 %	6.6 %
Average length of employment in the company (in years)[2]	14.1	14.3	14.8

[1] Excluding apprentices.
[2] Prior-year figures have been adjusted.

Age structure

as at the reporting date September 30[1]

	2019/20	2018/19	2017/18
< 20 years	11	15	14
20–29 years	990	997	981
30–39 years	1,806	1,642	1,509
40–49 years	1,583	1,467	1,445
50–59 years	1,912	1,824	1,814
60–69 years	602	584	584
>69 years	13	13	16

[1] Excluding apprentices. Prior-year figures have been adjusted.

TRAINING AND EDUCATION

In order to achieve our company vision and advance our strategy, we rely on a learning organization. The ongoing individual development of our employees and sound training for young talents have high priority in this regard.

HR is responsible for staff development. It supports the other departments, in close coordination with the local HR managers, in building employees' skills in a directed way tailored to their needs. The objective is to meet current and future requirements and challenges.

To secure qualified personnel in the long term, we regularly assess demand for specific skills and trades, and offer apprenticeships accordingly. We also identify the demand for employee qualifications and successors for different positions in annual talks and in the yearly personnel planning process in order to develop and expand specialized skills and management expertise in a purposeful way.

We are continuing and expanding the training offerings in our leadership and qualification program according to the Group's needs. In particular, options for managers at the foreman level remain a top priority. Employees are offered a number of technical training measures as well as options for personal development.

In addition to qualification and development programs geared to necessary skills, for example in the areas of the Aurubis Operating System (AOS) Glossary, page 207 and in project management, we also rely on platforms for networking and discussing best practices (e.g., expert panels and online learning groups). We frequently evaluate the different qualification options and adjust them as needed. Since the last reporting year, we have successfully carried out our one- to two-hour micro-learning units called Learning Nuggets, in which participants learn and test new skills. The short Aurubis Essentials seminars educate interested colleagues about interdisciplinary topics, promoting a uniform, company-wide understanding of these issues.

Our goal is to continue fostering digital and self-guided learning as well as innovative learning methods within the Group. Thanks to digital training formats, many Aurubis Essentials and Learning Nuggets took place online during the coronavirus pandemic. The insights from using the digital learning formats are valuable for the ongoing development of our learning organization.

Aurubis is one of the largest training companies in the chemical industry in Germany. We are proud of our training and retention rate, which makes an important contribution to securing a qualified workforce. At our site in Pirdop, Bulgaria, we implemented a vocational training program based on the Swiss training model a few years ago.

Aurubis Hamburg has been participating in the internship model AV 10-Plus since 2007. The model supports young people from a range of occupational groups, helping them to gain the qualifications required to begin apprenticeships. In 2019/20, seven of the ten participants took on an apprenticeship at Aurubis. The remaining participants started external apprenticeships or have gone on to pursue higher education.

In 2019, we inaugurated two modern training centers in Lünen and Hamburg. In Lünen, the ATASI building is home to the divisions Training (including the training workshop), Occupational Safety and Technology. In Hamburg, the Training and Research & Development (R&D) divisions are located in the Innovation and Training Center (IAZ). The new buildings lay the foundation for increasing the number of apprenticeships.

The coronavirus pandemic posed a significant challenge for vocational training during the reporting year. With the help of digital learning supports and communication formats, vocational training continued almost seamlessly while taking the necessary precautions into account. The experience from working digitally will be considered in vocational training work in the future. Aurubis maintains its plans to increase the company's number of apprentices.

Aurubis takes part in educational marketing at fairs and school events. To better address potential applicants, the vocational training website was revamped and new video clips about apprenticeship trades were produced during the reporting year. Furthermore, we cooperate with partner universities, offer internships to students in Germany, and facilitate thesis projects.

Key measures of the Sustainability Strategy 2018–2023 and their status in fiscal year 2019/20

» *Regularly identifying qualification needs to expand project, process, and management expertise in a targeted way*
  In the reporting year, the gradual rollout of the skills matrix started in all of the plants to systematically record qualification needs, and qualification planning for technical and specialized training began accordingly. Moreover, the establishment of Group-wide project management standards was initiated, with the introduction of a learning path to provide project managers with the appropriate qualifications. Our Group process managers were certified in accordance with these standards; additional employees in the company will be introduced to the standards as well.

» *Group-wide introduction of the AOS pillar "Education and Training"*
The AOS pillar was integrated in the AOS Operations area. At the Hamburg plant, employees were qualified as AOS experts in a modular training program. The planning for equivalent AOS expert qualifications at the other plants is underway and this will be carried out as needed.

» *Establishing Group-wide knowledge management to identify, preserve, transfer, and enhance knowledge across functions*
The knowledge transfer pilot phase was successfully concluded. Due to the participants' positive experience, knowledge transfer was established as a knowledge management method as part of succession planning at Aurubis AG. The knowledge transfer process is enshrined in the company's succession arrangements. A review is currently taking place to determine whether there is a need for knowledge transfer Group-wide.

KPIs

Aurubis reports employee KPIs for all consolidated sites (as at the reporting date of September 30, 2020), excluding Aurubis Product Sales GmbH and Schwermetall Halbzeugwerk GmbH & Co. KG, in which Aurubis holds a 50 % stake.

Training and education

	2019/20	2018/19	2017/18
Apprenticeship rate in Germany	7.7 %	7.3 %	6.3 %
Apprentice retention rate in Germany	71.2 %	78.4 %	80 %
Average number of training hours per employee[1, 2]			
Aurubis Group	12.0	15.2	11.5
Blue collar	10.2	13.6	9.7
White collar	15.2	18.3	15.1
Percentage of employees receiving training			
Aurubis Group	67 %	76 %	–[3]
Blue collar	66 %	73 %	–[3]
White collar	69 %	79 %	–[3]

[1] Our KPI results are lower compared to the previous year due to the global coronavirus pandemic.
[2] For fiscal year 2019/20, the numbers were estimated for the Buffalo site. The two Metallo sites were included for the entire fiscal year 2019/20.
[3] We did not record this KPI in FY 2017/18.

HEALTH AND SAFETY

As a responsible employer, it is a matter of course for Aurubis to take measures to maintain our employees' health and performance and to protect them from accidents and illness.

Occupational Health and Safety (OHS) in the Group creates the overall conditions to prevent work-related accidents and illness. In the long term, we want to achieve our Vision Zero, that is, to reduce work-related accidents, injuries, and illnesses to zero. Our goal for the medium term is to reduce the number of work-related accidents with at least one lost shift per one million hours worked (lost time injury frequency rate, LTIFR Glossary, page 208) to ≤ 1.0.

The corporate department Group Health & Safety manages OHS and establishes minimum occupational safety standards for the entire Group by issuing process instructions in addition to the Corporate Policy on Occupational Health and Safety. The department's management reports directly to the Executive Board member overseeing the Operations division. Our occupational safety approach applies to our employees, temporary workers, and external service providers. Occupational safety management at the sites is currently being developed to conform to the requirements of ISO 45001 Glossary, page 208. Six sites (Avellino, Berango, Dolný Kubín, Pirdop, Pori, and Mortara) are already certified in accordance with ISO 45001, while Schwermetall Halbzeugwerk is certified in accordance with OHSAS BS 18001. All Aurubis production sites should be certified in accordance with ISO 45001 by June 2021.[1]

The site managers play a key role because they are responsible for complying with applicable laws and ordinances on occupational health and safety, the relevant corporate policy, and the current process instructions. Furthermore, they gather and evaluate health risks and help implement suitable measures to protect employees. The sites are in contact with each other via an organized network facilitated by Group Health & Safety so that existing knowledge can be used Group-wide. Moreover, employee representatives are included in the topic of OHS: through the reporting line to the Executive Board, Group Health & Safety also reports to the general Works Council committee and the European Works Council during committee meetings.

[1] With the exception of the newly acquired Metallo site in Belgium (certification by March 2022 planned).

Our risk assessments include both current and future work processes in the company, including maintenance and repair procedures in addition to operations. The risk assessments cover hazards in normal operations, special work assignments, and abnormal incidents. Health hazards and individual requirements in the work area are systematically collected, evaluated, and documented. For this purpose, OHS management software is being used more and more at the sites; among other things, the software enables experiences to be shared internally. In this way, we record potential health risks for each work area and derive measures from these insights.

Accidents are systematically investigated to determine their technical, organizational, and conduct-based causes. The causes determined from accident investigations and the measures derived from them are communicated throughout the Group. There is a monthly process for reporting accidents and incidents, and every accident is immediately reported to the Executive Board. Because of our preventive measures, the accidents typical for industry such as those involving molten metals, hazardous substances, and heavy loads are rare. Comparable to other industries, the main causes of injuries are stumbling, slipping, or falling.

In addition to technical and organizational precautions, the occupational safety conduct of every individual is essential. A preventive measure to avoid accidents, the Group-wide OHS campaign 10 Golden Rules (10forZero) was initiated with the objective of positively influencing occupational safety conduct. In addition, the sites in Hamburg, Lünen, Avellino, Emmerich, Pori, and Stolberg have a program for behavior-based safety (BBS). Legal compliance audits were also introduced to achieve internal improvements. Furthermore, AOS was implemented at the Hamburg, Lünen, Emmerich, Avellino, Pirdop, and Olen sites to continue structuring and standardizing Group-wide occupational safety processes – one of the measures that strengthens our Vision Zero.

Employees are informed about risks in the workplace and are instructed about necessary preventive and protective measures, enhancing their awareness of these topics. Safety talks sensitize employees to current OHS issues and encourage them to use this knowledge safely in practice.

External service providers are instructed about hazards, protective measures, and rules of conduct at the specific site before they start working.

Internal company doctors are available at the Hamburg, Lünen, and Pirdop sites. At all of the other sites, freelance occupational physicians are commissioned with carrying out obligatory and optional checkups. Health checkups are offered when new employees are hired and routine occupational health checkups are provided.

In addition, we support employees in taking preventive measures to maintain their health. The offerings of the plant medical offices extend from flu vaccinations and medical checkups to addiction prevention, as well as supporting measures for the heart and circulatory system. There are a number of activities to promote health – for example, with respect to topics like integration management for employees who have been ill, and healthy leadership. A task force is currently recording these activities for the Hamburg headquarters and transferring them to a systematic, integrated concept for company health management.

At the start of the coronavirus pandemic, a crisis team was established at Group and site level that met online regularly, together with the entire Executive Board. In this way, specific emergency plans and measures were quickly established to prioritize protecting employees' health while keeping operations up and running.

Key measures of the Sustainability Strategy 2018–2023 and their status in fiscal year 2019/20

» *Preparing all sites for the introduction of the ISO 45001 standard for occupational health and safety (by fiscal year 2019/20)*
The adoption of ISO 45001 at all production sites and slitting centers should be concluded by June 2021, with the exception of the newly added Metallo site in Belgium (certification scheduled to take place by March 2022).
Avellino, Pirdop, Pori, Dolný Kubín, Mortara, and Metallo Berango are already certified.
Certifications by site, page 61

» *Implementing programs to promote occupational safety conduct (until fiscal year 2020/21)*
Continued introduction of the Group-wide 10 Golden Rules at eleven sites thus far. Conclusion of the first Group-wide run-through of all 10 rules expected at the end of fiscal year 2020/21. The inclusion of the newly acquired Metallo sites has been scheduled.
Continuing the Behavior-Based Safety (BBS) program at the sites in Hamburg, Lünen, Avellino, Emmerich, Pori, and Stolberg.

KPIs

Aurubis reports occupational safety KPIs for all consolidated sites with ten or more employees, excluding Schwermetall Halbzeugwerk GmbH & Co. KG, in which Aurubis holds a 50 % stake. Sites and employees, page 79

Occupational health and safety KPIs

	2019/20	2018/19	2017/18	2016/17	2015/16
Absolute number of accidents	**51**[1]	61[2]	60	47	45
LTIFR	**5.4**[1]	6.0[2]	5.9[2]	4.8	4.6
Number of work-related fatalities	**0**	0	0	0	0
Number of work-related fatalities of third parties at our sites	**0**	0	0	1	0

[1] Absolute number of accidents including Metallo starting June 1, 2020. LTIFR: Metallo included for the entire fiscal year so that KPIs can be compared.
[2] Prior-year figures adjusted.

Environmental matters

ENERGY AND CLIMATE

The individual production steps in our value chain are energy-intensive. For us, the efficient use of energy is thus an issue of ecological and economic responsibility. The use of energy is the main source of CO_2 emissions in the Group. Taking the entire value chain into consideration, over half of the CO_2 emissions are upstream and downstream, i.e., they originate from our suppliers, customers, and service providers (Scope 3 emissions). Most of the Scope 3 emissions originate from the activities of the mining companies from which we source ore concentrates.

At the same time, the products we manufacture contribute to reducing CO_2 emissions because they play an important role in renewable energies and electric vehicles. Electric cars contain nearly four times more copper than vehicles with conventional combustion engines, and building and connecting an offshore wind turbine to the energy grid requires up to 30 t of copper. Our metals can therefore contribute to the low-CO_2 technologies of the future.

Determining climate-related opportunities and risks and deriving related measures are two issues that link our risk management and our energy and environmental strategy. When doing this, we consider (pending) legal requirements, technological developments, and compliance-related, reputational, and physical risks. More information is available in the Risk and Opportunity Report of this Annual Report under “Energy and climate,” as well as in our publicly available CDP report www.aurubis.com/cdp. CDP gathers and evaluates data and information about companies' CO_2 emissions, climate risks, and reduction targets and strategies, assessing their responsibility in the supply chain in the process. We voluntarily report our CO_2 emissions annually as part of the CDP climate change program.

With our affirmation of the Science-Based Targets initiative, we are committed to setting a science-based climate target to reduce our CO_2 emissions and thus contribute to limiting global warming to 1.5 °C in accordance with the Paris Agreement on climate change. sciencebasedtargets.org

Our Group-wide Corporate Energy & Climate Policy outlines how Aurubis secures and optimizes the energy supply, energy consumption, and CO_2 avoidance. In this context, the policy also defines the roles and responsibilities of the sites and corporate departments.

The head of Corporate Energy & Climate Affairs develops and implements the Group-wide energy strategy and reports directly to the Executive Board chairman. The corporate department also coordinates the development of the energy management and monitoring systems across the Group, providing for a uniform approach and facilitating the exchange of expertise regarding best practice examples – for instance in the form of an energy efficiency network for the German Aurubis sites' energy management officers and a regular international Aurubis workshop.

To prevent CO_2 emissions, we primarily focus on energy efficiency measures. Furthermore, we are increasingly considering measures to replace fossil fuels with alternatives, for example by commissioning the 10 MW power-to-steam plant. Assuming that 100 % of the power supply comes from renewable energies, this plant alone could cut about 4,000 t of CO_2 annually. The reduction of greenhouse gas emissions is taking a higher priority in investment decisions as well.

Our large production sites have energy management systems (EMS); nine sites are currently certified in accordance with ISO 50001 Glossary, page 208. The management systems contribute to efficiently steering energy consumption and identifying energy savings potential. The EMS is being implemented across the Group: most of the sites that are still missing have started with the implementation of an EMS or their integration in existing environmental and/or quality management systems. The EMS at the Hamburg and Lünen sites is part of the integrated management system for quality, environmental protection, energy, and occupational safety. During the reporting period, the certifications were confirmed through routine surveillance visits or recertification.

The more steps that have been implemented in energy efficiency in the past, the more challenging a further optimization is. Moreover, because there are limits to reducing energy consumption and emissions, the improvements being achieved today within the plant boundaries are only marginal compared to previous years. This is despite the same or higher levels of investment, which were already high to begin with. For example, complex recycling raw materials with relatively low metal contents and complex ore concentrates require more energy to be processed. As a result, we focus not only on further increasing efficiency but also on solutions that save energy and thus prevent CO_2 outside of our plant – such as the Industrial Heat project in Hamburg – as well as on projects that contribute to the energy shift. Examples include the wind turbine in Olen, the flexible mode of operation in the production facilities in Hamburg, Lünen, and Olen, and the photovoltaic project planned in Pirdop for 2021. Environmental protection already accounts for a large part of the energy consumption at Aurubis today. This includes the operation of filters with fans and other suctioning equipment, for instance. This shows how important it is for Aurubis to align environmental protection, resource conservation, and energy efficiency.
www.aurubis.com/industrialheat

The use of renewable energies on a large scale is a challenge for us since generating them is associated with energy supply fluctuations. However, our production processes require a constant energy supply. We are therefore working on measures to make our energy uptake more flexible so that we can react to fluctuating energy availability and thus use more renewable energies. In 2017, for instance, Metallo commissioned the largest arc plasma furnace in the world. In the furnace's reactor, metals are evaporated from the slags of plant processes. The slag is cleaned through this procedure and transformed into usable metals and minerals. In contrast to other furnaces in the industry, the furnace is electrically operated, which makes the use of renewable energies possible.

We also cover a portion of our energy needs with electricity we generate internally using excess heat from our processes. We installed steam turbines for this purpose in Hamburg, Lünen, and Pirdop. The calculated savings potential is 30,000 t of CO_2 per year. The savings during the reporting period were lower, mainly due to temporary outages or maintenance measures related to the steam turbines and their surrounding areas. On top of that, we use waste heat from the production processes to secure the heat and process steam supply at the Pirdop, Lünen, and Hamburg sites. Demand there is largely covered by waste heat. We efficiently use waste heat potential on a smaller scale, too, for instance by feeding waste heat from the air compressors into the heating system at the Stolberg site.

Key measures of the Sustainability Strategy 2018–2023 and their status in fiscal year 2019/20[1]

» *Introducing the ISO 50001 standard for energy management at all sites*
The Olen and Pori sites were certified in accordance with ISO 50001 for the first time during the reporting period.
Certifications by site, page 61
By the end of fiscal year 2019/20, a milestone plan was drafted for all production sites and a gap analysis was carried out for most of them.

» *Increasing flexibility in electricity purchasing (target of 10 % by fiscal year 2022/23)*
Flexible electricity output amounted to 17 % in the reporting period.

» *Implementing projects to enhance energy efficiency and reduce emissions, with a total project-related reduction of 100,000 t CO_2*
A total of 87.9 % of the target has been achieved, or 89.3 % when including reductions made outside of the plant (particularly through the use of our industrial heat as district heating in the Hamburg HafenCity East district).

» *Investigating processes and electricity consumption in relation to the German government's Climate Action Plan 2050 and analyzing the requirements for new investments (starting fiscal year 2018/19)*
In fiscal year 2019/20, we affirmed the Science-Based Targets initiative and committed to setting a science-based climate target to reduce our CO_2 emissions. Within this context, the Sustainability Strategy target will be adjusted in the coming years.

[1] The Metallo sites are not included in the following KPIs.

KPIs

Aurubis reports the energy KPIs and CO_2 emissions for the production sites that are majority-owned (> 50 %) by Aurubis, excluding the two Metallo sites. This reflects most of the energy consumption because the volume at the slitting centers and sales offices is negligible in comparison. Sites and employees, page 79

Energy consumption[1]

in million MWh	2019	2018	2017
Primary energy consumption[1]	1.69	1.75	1.66
Secondary energy consumption[2]	1.78	1.77	1.88
Total energy consumption within the organization	**3.47**	**3.51**	**3.54**

[1] Including energy consumption for on-site vehicle traffic.
[2] Including electricity for oxygen generation.

CO_2 emissions[1]

in 1,000 t CO_2	2019	2018	2017
Scope 1 (emissions produced as a direct result of burning fuels in internal facilities)	503	522	517
Scope 2 (emissions related to purchased energy, e.g., electricity)[2]	941	936	1,048
Total (Scope 1 + 2)	**1,444**	**1,459**	**1,565**
Scope 3[3] (other indirect emissions)	**1,917**	**2,081**	**1,901**

[1] Aurubis reports its CO_2 emissions using the methods of the "European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MRR) –General guidance for installations" and "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)." Emissions from diesel vehicles in accordance with the emissions trading system are not included. However, they make up a very small percentage compared to other sources. Scope 2 emissions are reported here according to the market-based Glossary, page 208 method. For the CDP, we report Scope 2 emissions according to both the market-based and the location-based Glossary, page 208 methods.
[2] Emissions from electricity for oxygen generation are not included.
[3] Some Scope 3 emissions have been extrapolated. Scope 3 emissions were externally audited for the first time in 2019.

PROTECTION FROM ENVIRONMENTAL IMPACT

As a multimetal group, Aurubis assumes responsibility for protecting the environment. Environmental and climate protection and resource efficiency have been components of our company culture for many years. Aurubis views the value chain as a whole and strives to strike a balance between the economy, the environment, and people. Human rights, pages 65–67

Our goal is to minimize the environmental impact of our business activities. Key concerns in the company's environmental protection efforts are maintaining water, air, and soil quality in our plants and the surrounding areas, as well as handling waste responsibly.

The head of Corporate Environmental Protection is responsible for the strategic positioning of environmental protection in the Group and reports to the chief operations officer. Environmental officers oversee the environmental protection duties at the individual production sites. Sites and employees, page 79

The principles of our Corporate Environmental Protection Guidelines provide a framework for safeguarding our uniform, Group-wide environmental standards. They are enshrined in the Corporate Policy on Environmental Protection. We have set Group-wide targets in environmental protection. We implement corresponding local measures at the production sites to achieve these targets. Environmental performance is monitored and controlled using key environmental parameters, which are regularly recorded at the production sites and verified by external inspectors.

The main standards for our production processes are outlined in the permits issued by the governmental authorities. The baseline includes European regulations on immissions, emissions, water, waste, and disruptions, as well as their implementation in national law, plus the European chemical regulation REACH Glossary, page 208.

Most of our sites have environmental management systems Certifications by site, page 61 in accordance with ISO 14001/EMAS Glossary, page 207. At the Hamburg and Lünen sites, these are part of the integrated management system (IMS) for quality, environmental protection, energy, and occupational safety. During the reporting period, the certifications were confirmed through routine surveillance visits or recertification. In addition to fulfilling legal requirements, the management systems help us improve our environmental performance. They assist us in recognizing potential improvements and, in the case of deviations from specified targets, in initiating corrective actions.

We continuously inform our employees about environmental and energy-related topics and train them according to the site-specific environmental issues. Moreover, emergency drills are carried out regularly, which we document and evaluate. Furthermore, extensive environmental risk assessments are conducted at every production site.

Our efforts are paying off. Specific dust emissions for primary and secondary copper production Glossary, page 208 have been reduced by 95 % since 2000. At the same time, we reduced sulfur dioxide emissions per ton of copper output in primary copper production by 87 % in the same period. We have also made significant improvements in water pollution control: We have reduced metal emissions to water in copper production processes from 7.2 to 1.0 g/t of copper output since 2000, an 86 % decrease.[1]

After the target level for arsenic in fine particulates in the ambient air was slightly exceeded at the Veddel measuring station in Hamburg in 2018, the value measured for arsenic was well below the target level again in 2019. www.aurubis.com/environmental-statement

Waste management is one of the central pillars of industrial environmental protection for a company of the basic materials industry such as Aurubis. In this respect, processed raw materials and intermediate products should be brought into the economic cycle as completely as possible, and unavoidable waste recycled or harmlessly disposed of. A special feature of our business model is the fact that a substantial amount of process residues is directly used internally in metallurgical processes and thus directly recycled. Recycling solutions, page 62–64

The New York State Department of Environmental Conservation (NYSDEC) identified environmental deficiencies at the Aurubis site in Buffalo, USA, and initiated legal proceedings in 2018. The deficiencies were related to the handling of hazardous substances and wastewater treatment. To remedy these issues, the site implemented an action plan, increased its number of environmental management personnel and modified organizational structures. Close monitoring should also contribute to further minimizing risks. At the end of the 2019/20 reporting period, the legal proceedings with the responsible environmental authority were about to conclude.

[1] The previous figures do not include Metallo.

Within the context of our stakeholder dialogue, Aurubis is also involved in publicly funded projects. For example, since 2013, we have participated in the EU projects Organisation Environmental Footprint and Product Environmental Footprint for copper cathodes, projects that seek to achieve an environmental balance in organizations and products. In 2018, the two pilot projects we participated in were successfully concluded when the results were accepted by the official supervisory bodies. We will take part in the next phase of the Environmental Footprint and contribute our experience in this area. Furthermore, we carried out a life cycle analysis Glossary, page 208 for copper cathodes. The results show that the footprint of the Aurubis cathodes in the environmental aspects considered, for example global warming and acidification (measured in sulfur dioxide equivalents), is in some cases substantially smaller than the worldwide industry average[1] (i.e., the members of the International Copper Association, ICA copperalliance.org). The detailed results are published in the Aurubis AG Environmental Statement www.aurubis.com/environmental-statement. The ICA is currently working on updating the study that Aurubis actively supports. The collection of the data required for the study started in 2020.

Key measures of the Sustainability Strategy 2018–2023 and their status in fiscal year 2019/20[2]

- *Introducing the ISO 14001 standard for environmental management at all production sites*

  The existing certifications were confirmed during the reporting period through surveillance audits or recertification.

  Certifications by site, page 61

  A pilot gap analysis was carried out at the Peute Baustoff site in Hamburg. Additional gap analyses are planned at the other sties in 2021.
- *Our goal is to maintain the low level of specific metal emissions to water and to continue improving them with technical measures. A 50 % reduction since 2012 should be achieved in 2022 as well, equivalent to 1.1 g/t of copper output.*

  We have reduced metal emissions to water in copper production processes from 2.2 to 1.0 g/t of copper output since 2012. This is a decline of 54 %.

  At the site in Pirdop, Bulgaria, a new sand filter was installed in the facility for cleaning process wastewater in 2019. This reduces the discharge of undissolved substances into bodies of water.
- *Our goal is to maintain the low level of specific dust emissions to air and to continue improving them with technical measures. A 15 % reduction since 2012 should be achieved in 2022 as well, equivalent to 61 g/t of copper output.*

  In 2019, dust emissions per ton of copper output in copper production were reduced by 18 % compared to 2012.

  To reduce fugitive emissions, a new facility for cooling converter slag Glossary, page 207 in pots was built at the site in Pirdop, Bulgaria, and was commissioned in 2019. At the Hamburg site, approximately € 100 million will be invested in measures for continued emission reduction in the primary smelter (ridge turret suctioning to capture the remaining fugitive emissions).
- *Reducing specific SO_2 emissions to air with site-specific projects and individual measures*

  The new facility for cooling converter slag mentioned above also contributes to reducing SO_2 emissions. The plan is to expand the project to include the processing of slags from the flash smelter. The expansion is scheduled to begin in fiscal year 2021/22.

KPIs:

The environmental KPIs are reported for calendar year 2019, not fiscal year 2019/20. The specific values are related to copper production, i.e., at the Hamburg, Lünen, Pirdop, and Olen sites. The Metallo sites aren't included yet.

Specific emissions from copper production

in g/t copper output	2019	2018	2017
Specific dust emissions	60	63	56
Metal emissions to water[1]	1.0	1.1	1.0

[1] In this table, we refer to the copper production sites that discharge directly into water. In Lünen, wastewater is directed to the public sewer system after being treated on the plant premises and therefore isn't included.

[1] ICA – International Copper Association: Copper Environmental Profile, Sept. 2017.
[2] The Metallo sites are not included in the following KPIs.

Certifications by site

Site	EMAS	ISO 14001	ISO 50001	ISO 9001	IATF 16949	EfbV	ISO 45001/ OHSAS 18001
Production sites							
Hamburg, headquarters (DE)	√	√	√	√			
Lünen (DE)	√	√	√	√		√	
Olen (BE)		√	√	√			
Pirdop (BG)		√		√			√
Avellino (IT)	√	√		√			√
Beerse, Metallo (BE)		√		√			
Berango, Metallo (ES)		√		√			√
Buffalo (USA)				√	√		
Emmerich, Deutsche Giessdraht (DE)		√	√	√			
Fehrbellin, CABLO (DE)		√	√	√		√	
Hamburg, E.R.N. (DE)		√	√	√		√	
Hamburg, Peute Baustoff (DE)				√[1]			
Pori (FI)		√	√	√			√
Röthenbach, RETORTE (DE)				√			
Stolberg (DE)			√	√	√		
Stolberg, Schwermetall Halbzeugwerk (DE)[2]	√	√	√	√			√
Zutphen (NL)		√		√	√		
Slitting centers							
Dolný Kubín (SK)		√		√			√
Mortara (IT)				√			√
Smethwick/Birmingham (UK)				√			

[1] For the sale of iron silicate granules used to produce blasting abrasives.
[2] Not majority-owned by Aurubis (50 % stake).

Explanation:
EMAS: system of specifications for environmental management systems
ISO 14001: standard for environmental management systems
ISO 50001: standard for energy management systems
ISO 9001: standard for quality management systems
IATF 16949: standard for quality management systems in the automotive industry, based on ISO 9001
EfbV: Ordinance on Specialized Waste Management Companies (German certificate)
ISO 45001: standard for occupational safety management systems
OHSAS 18001 Glossary, page 208: standard for occupational safety management systems

RECYCLING SOLUTIONS

Aurubis is a world leader in recycling non-ferrous metals such as copper, precious metals, and other non-ferrous metals. With our multimetal recycling, we actively take part in the modern circular economy, promote the efficient and environmentally friendly use of valuable resources, and contribute to raw material security.

Aurubis plays a vital role in the recycling chain: thanks to our integrated smelter network, we are able to process a broad range of materials, from industrial waste that accumulates directly from our production or our customers, to complex materials Glossary, page 207 from end-of-life products. From these materials, we produce metals that can be directly used in new products.

In addition to the processing of copper concentrates, the recycling of copper scrap and complex recycling raw materials such as circuit boards is a key business area at Aurubis. Non-ferrous metals like copper can be recycled as often as desired without a loss of quality. This means that copper of the highest purity can be produced from recycling materials again and again. Furthermore, complex recycling raw materials contain not only copper but a number of other accompanying elements that can be recovered, such as gold, silver, nickel, tin, lead, and zinc.

To us, complex recycling raw materials include industrial residues, slimes, and shredder materials, as well as end-of-life materials that for instance originate from electronic devices, vehicles, and other everyday items. These consist of increasingly diversified material combinations that include plastics, ceramic, or glass. Separating them into material and product streams by type in order to reuse them is a significant challenge. Furthermore, because of miniaturization, smaller and smaller amounts of metal are contained in end-of-life electronic devices, for instance. We utilize highly developed mechanical and metallurgical separating and refining processes in different combinations as part of our multimetal expertise. With our subsidiary Metallo, acquired in 2020, non-ferrous metals such as tin and zinc will be recovered even more efficiently in the expanded smelter network.

The Commercial division is responsible for sourcing recycling materials for the Group. This is divided into the departments Recycling Raw Materials (which handles the material supply for the smelters), Marketing Cathodes (which supplies the production facilities with cathodes and “direct melt” raw materials), and Product Sales & Marketing with the function Customer Scrap Solutions (which supplies the smelters and production facilities with production waste from our copper product customers). This organization aligns with our recycling approach: we use secondary materials from production and from end-of-life products as raw materials and view this as a closed loop.

In the marketing of our products and in our customer relationships, we therefore include the return of the metals in our thinking. We provide individualized solutions for taking back recycling materials that accumulate in the processing of our copper products, as well as other metals in the different value-added stages that take place with our product customers and their customers. Depending on the value-added stage, they accumulate materials with very high copper contents, such as Millberry scrap, which can be immediately directed to the copper production process, or more complex or alloyed production waste that can also be smelted, such as copper-, tin-, lead-, and precious metal-bearing stamping waste, slags from foundries, and other industrial residues like used catalysts and galvanic slimes. This demonstrates that thanks to our integrated smelter network, we find solutions, even for significant metallurgical challenges, and are thus able to serve customers from a variety of sectors – from smaller scrap traders to global industrial companies and customers of the recycling industry, all of which make up our broad base of recycling raw material suppliers.

As part of our “closing-the-loop” activities Glossary, page 207, we build up partnerships through which we not only sell our products but also take back recycling raw materials customers accumulate, in addition to other service offerings. For example, we process scrap that comes back to us from product customers with what are referred to as tolling contracts. The raw material cycle comes full circle.

Aurubis processes recycling materials at different sites. The managers of these sites report to the chief operations officer. Our sites in Lünen (Germany) and Olen (Belgium), as well as the newly acquired Metallo sites in Beerse (Belgium) and Berango (Spain), specialize in processing recycling raw materials. Recycling raw materials are nearly the only feedstock at our largest recycling plant, the Aurubis recycling center in Lünen. The Lünen plant is certified through WEEELABEX in accordance with the European series of standards EN 50625. The certificate confirms that waste electrical and electronic devices are efficiently treated and disposed of in a way that minimizes environmental impacts and emissions of harmful substances. Aurubis participated in the development of the standards that preceded the series of standards. The Metallo plants process about 315,000 t of complex secondary raw materials each year to recover not only copper, tin and lead, but also metal intermediates such as nickel sulfate solution and zinc oxide. Metallo follows a "zero waste" strategy with the goal of transforming as many scrap materials as possible into valuable products. The company fosters this strategy with its "Furnace of Innovation" approach, recycling increasingly complex raw materials and investing in technological innovations for the refining process. Metallo therefore has a forerunner role in metal recycling and optimally complements Aurubis' similar approach.

Moreover, we have two companies with unique expertise within the Group: our subsidiary E.R.N. specializes in recycling electrical and electronic devices of all kinds, while CABLO specializes in recycling our copper customers' cable production waste and cable scrap. In November 2020, Aurubis and the recycling company TSR Recycling signed an agreement to establish a recycling joint venture. The company's objective is to bundle the cable dismantling activities of Aurubis subsidiary CABLO and TSR. Aurubis will hold 40 % of the joint venture, which will go by the name of Cablo GmbH in the future. The review by the responsible merger control authorities is expected to conclude in fiscal year 2020/21.

The Hamburg and Pirdop sites also process recycling raw materials. Though the primary smelters utilize copper concentrates as their main feed material, they also use copper scrap to a certain extent because it is ideal for process cooling and therefore enables particularly energy-efficient processing.

We are one of 22 national and international partners participating in the European research project "FORCE – Cities Cooperating for Circular Economy." The project's goal is to develop new concepts to avoid and treat waste in the material streams related to plastic, biomass, end-of-life electrical appliances, and wood. As a multimetal recycler, Aurubis supports the project with its expertise for the purpose of improving the recycling of strategic metals (e.g., copper and gold) through the best possible collection and dismantling system for waste electrical and electronic equipment Glossary, page 209. Aurubis and Stadtreinigung Hamburg (the city of Hamburg's municipal waste management service) carried out a recycling project to investigate the advantages of manual pre-dismantling compared to machine-dismantled devices. In a life cycle assessment comparing the two recycling processes, manual dismantling is better when it comes to the impact categories related to environmental and resource protection, from a purely ecological standpoint. Taking the time requirement into account, however, 100 % manual pre-dismantling proved to be inefficient under the current conditions. Design for recycling can be an important manufacturer contribution to making today's recycling even more efficient. www.aurubis.com/environmental-statement

Key measures of the Sustainability Strategy 2018–2023 and their status in fiscal year 2019/20

» *Establishing and developing "closing-the-loop" systems as a result of new or intensified cooperation with original equipment manufacturers (OEMs), retailers, or copper product customers*
  Over the past several years, we have established over 50 "closing-the-loop" arrangements in which our customers also became suppliers of secondary materials.

» *Analysis of market conditions and future opportunities of sustainable products*
During the reporting period, we carried out a survey on product sustainability among key customers of our semi-finished products such as wire rod Glossary, page 207, shapes Glossary, page 207, bars, and profiles. The goal of the survey was to gain representative insights into participants' views on sustainability, procurement practices, and requirements for a sustainable product portfolio. On the one hand, the assessment confirmed our belief that sustainability is becoming increasingly important, especially in terms of the products' CO_2 footprint and proportion of recycling material. On the other, it was clear that our customers are not only interested in sustainable products, but also expect a company to conduct itself responsibly overall. Additional steps are being derived based on the survey.

Social matters

SOCIAL ENGAGEMENT[1]

Social engagement is a fixed component of our company identity. We have set the target of contributing to a livable world for current and future generations, focusing on areas of action that are linked with Aurubis' key areas of expertise. We want to promote enthusiasm for our company and for our work and be a responsible, committed company.

Projects and partners are selected according to established criteria outlined in our Social Engagement Policy, which also defines responsibilities in the Group. The Event Management & Social Engagement division is responsible for our social engagement and reports to the head of Corporate Communications, Investor Relations & Sustainability. Due to this department's direct reporting line to the Executive Board chairman, the chairman is included in our social activities and related budget decisions. A committee made up of appointed members from Event Management & Social Engagement, Communications, Sustainability, and Corporate Compliance makes decisions about project support that exceeds a certain level set internally.

The new strategy for social engagement passed in fiscal year 2018/19, "together we care," was successfully implemented and brought to life during the reporting year. The strategy's focus areas are knowledge, the environment, and participation. Within the scope of this strategy, we started supporting three international social projects in South America in the reporting year.

Apart from projects at Group level, our sites also get involved at the local level using their own budgets. Our policy applies to these projects as well, which, in addition to the three Group-wide focuses, also concentrate on culture, sports, or our core business.

The coronavirus crisis posed significant challenges for our project partners. One of our particular concerns was providing quick, pragmatic, and customized emergency assistance to support our existing projects and thus continue to be a good partner even in times of crisis.

Key measure of the Sustainability Strategy 2018–2023 and its status in fiscal year 2019/20

» *Developing and implementing the "together we care" strategy for social engagement at Group level (by fiscal year 2018/19)*
We established the "together we care" strategy for social engagement at Group level. We will set a new target in the course of updating the Sustainability Strategy.
www.aurubis.com/de/togetherwecare

Project examples in the reporting period

Within the context of "together we care," we are involved in the local communities surrounding our sites, at the national level, as well as internationally in our supply countries.

[1] Not material for Aurubis within the meaning of the German Commercial Code (HGB).

We support a variety of local organizations in Hamburg. The social design label Bridge & Tunnel and the organization Hanseatic Help enable integration and participation with unique approaches. The Elbphilharmonie Audience Orchestra and the Inclusion Days carried out at schools by the BG Baskets wheelchair basketball team are additional examples of projects sponsored in Hamburg. Aurubis Belgium sponsors two local social organizations, Welzijnsschakels and Sociale dienst Olen. Aurubis Bulgaria is involved with partner companies from the region, for example in a dual education program at the technical university in Zlatitsa and at summer schools to promote musical and technical instruction near the site. Our Metallo site in Spain is active in a sponsorship project for traffic education and fostering enthusiasm for cycling among children and young adults.

At the national level, Aurubis is a partner in the “Haus der kleinen Forscher” (Little Scientists’ House) network, which encourages children to take an interest in MINT subjects (math, IT, natural sciences, and technology).

The three new international projects in South America are especially close to our hearts. In Peru, Aurubis contributes to a holistic education program for elementary school children in the Urubamba region. Furthermore, Aurubis supports a water project in a national park near Arequipa, which is also in Peru. In neighboring Chile, our involvement extends to the development of dual occupational training for agriculture following the German model at a school in the O’Higgins Region. The three projects started successfully, and we have made progress on site at regular intervals.

You can read more about these and other sponsored projects, as well as our support during the coronavirus crisis, on our website:
www.aurubis.com/de/togetherwecare
www.aurubis.com/de/corona

Human rights and fair working conditions

LABOR STANDARDS AND FAIR EMPLOYMENT

Aurubis itself has become more international and has grown in the last few decades; our purchasing activities have taken place on local and global markets from the very beginning. Aurubis doesn’t operate its own mines, but it receives about 3 % of the world’s copper concentrate output. We take on the challenges that come with this: sustainable conduct and economic activities are integral components of the company strategy.

We respect human rights and advocate for their protection. In the process, we follow the United Nations Guiding Principles on Business and Human Rights Glossary, page 209 in accordance with the “Protect, Respect and Remedy” framework and view human rights due diligence as a responsibility shared by all participants in the value chain in question, including nations and economic actors.

Respect for human rights is reflected in our company values and is included in our Code of Conduct, which every employee receives with his/her employment contract. In May 2020, we published the Aurubis Human Rights Commitment, summarizing Aurubis’ understanding of its due diligence obligation regarding human rights, as well as the key elements of this obligation. It is aimed at all employees, business partners, and other partners of the Aurubis Group. The Aurubis Code of Conduct for Business Partners, on the other hand, specifically applies to business partners.[1] www.aurubis.com/humanrightscommitment

We have been committed to the United Nations Global Compact since 2014 and thus to working on implementing its Ten Principles related to human rights, labor, the environment, and anti-corruption.

The Executive Board bears responsibility for the respect of human rights in our business activities. All Aurubis employees are obligated through the Code of Conduct to respect human rights in their daily work and in all business decisions no matter what.[2] Supervisors serve as role models in this regard. We call on all employees to report justified suspicion of discrimination or

[1] The current management approach of the Metallo sites that were acquired in 2020 is similar to Aurubis’ fundamental approaches. The final harmonization of Metallo’s policies and commitments with those of Aurubis, including the Code of Conduct, is still pending.
[2] The Metallo employees are not yet obligated to follow the values of the Code of Conduct.

other human rights violations. We expect this from our business partners as well. Anyone can report these types of violations confidentially and anonymously via the Compliance Portal, also known as the whistleblower hotline, which is publicly accessible on our website. Every report is investigated. www.aurubis.com/compliance

We reject any form of discrimination, forced labor, or child labor and respect the rights of indigenous populations. Compliance with the internationally recognized core labor standards of the International Labour Organization (ILO) Glossary, page 207 are of fundamental importance. We are committed to the principle of codetermination in the company and place a high priority on good communication between our employees and the company management. Close, constructive cooperation with the unions active in the company and the elected Works Council members is thus an established principle for us. Our employees are informed regularly and promptly about current developments – during the coronavirus pandemic when contact restrictions were in place, the Works Council held a virtual informational event at the Hamburg site, for instance.

RESPONSIBLE SUPPLY CHAIN

In our view, our responsibility to uphold human rights extends to the supply chain. Aurubis sources metal-bearing raw materials worldwide. In some cases, these raw materials come from countries with a higher risk of human rights violations, non-compliance with social and environmental standards, or corruption. Our objective is to manage our global sourcing of primary and secondary raw materials responsibly, taking the respective impact on the social environment, the natural environment, and economic aspects into account.

We have implemented Aurubis Business Partner Screening to fulfill our due diligence obligation. Using this tool, we structure our business partners in a screening process and analyze them with regard to their integrity in relation to social and ecological criteria. The focus of the process is on the topics of compliance, corruption, human rights violations, and environmental and climate protection. Based on this assessment, management decides on possible contracts or restrictions. For existing business partnerships, the analysis is repeated regularly depending on the original risk. The screening is based on the principles of the OECD.

Since 2013, Aurubis' gold production has been annually certified as conflict-free according to the standards of the London Bullion Market Association (LBMA) Glossary, page 208. The certificate verifies the effectiveness of our due diligence process with regard to gold production. This certification option has been available for silver since 2019, and Aurubis has been certified as conflict-free in this area since then as well. Suppliers of other raw materials go through a comparable process as those who supply gold- and silver-bearing raw materials.

We would like to promote respect for human rights along our value chain, which is one reason why we support appropriate industry solutions like the Copper Mark. Aurubis Bulgaria is the company's first primary smelter to commit to this standard. The Copper Mark is an initiative that entails a review of the sustainability standards of copper production sites including mines, smelters, and refineries. With this standard, we want to foster responsibility throughout the value chain, boosting and verifying our own sustainability performance with an external certification from an independent body. coppermark.org

During the reporting year, we identified serious cases of environmental pollution caused by one of our suppliers, which nevertheless aren't directly connected to the products we supply. We contacted the supplier's management to try to understand the incidents and the measures to curb this pollution and prevent future incidents. We are observing the course of the improvements in short intervals and receiving reports from the supplier's management regularly. If the supplier doesn't make sufficient progress, we reserve the right to end the business relationship as a final consequence, but until then, we will take the business partner's commitments and willingness to cooperate at face value, including with regard to external assessments.

As a large company in the raw material industry with smelter operations in Europe and purchasing activities worldwide, we are continually a focus of public interest. We are active in the political dialogue and therefore gladly and constructively fulfilled the request to take part in the German federal government's monitoring survey on the National Action Plan on Business and Human Rights (NAP) in spring 2020.

During the reporting year, the coronavirus pandemic also impacted the people in copper production countries such as Peru and Chile, two of our largest procurement markets for primary raw materials. We kept the channels of communication with our suppliers open to stay informed about the situation on site.

Key measures of the Sustainability Strategy 2018–2023 and their status in fiscal year 2019/20

» *Implementing Aurubis Business Partner Screening across the Group*
  Business Partner Screening is used at Aurubis AG and at the key sites Pirdop and Olen. Further expansion is currently in the evaluation phase and, in some cases, the implementation phase.
» *Including human rights, environmental protection, and safety clauses in supply contracts for primary raw materials*
  During fiscal year 2019/20, the percentage of contracts with primary raw material suppliers including the corresponding clause was over 80 % (target: 100 % by fiscal year 2022/23).
» *Identifying a suitable sector solution*
  We have identified the Copper Mark as a suitable sector solution. Aurubis Bulgaria is the first primary smelter in the company to commit to this standard and started the multi-stage review process during the reporting year. We are actively supporting the standard's continued development by participating in a Copper Mark committee.

Anti-corruption

For Aurubis, preventing anti-competitive behavior and corruption in our business dealings is a key aspect of corporate responsibility and one of the central topics of our compliance activities.

Anti-corruption measures are established in our compliance management. To us, compliance means that we follow laws and align our actions with ethical principles, our values, and company policies. In this context, compliance with all legal and company guidelines and policies is our objective. Violating the law can have serious consequences – for our employees, for Aurubis as a group, and for our business partners.

The company's chief compliance officer is the central point of contact for all compliance-relevant issues and reports directly to the entire Executive Board. At the individual Group sites, local compliance officers are available as a point of contact for employees. Together with the Executive Board, our compliance employees promote a compliance culture and actively strive to strengthen awareness for following rules and laws in the Group.

Compliance management establishes the main targets, develops the corresponding organization, and identifies, analyzes, and communicates significant compliance risks. Our compliance program introduces principles and measures to limit risks and prevent violations. The chief compliance officer reports regularly (and as the circumstances may require) to the Executive Board and Audit Committee of the Supervisory Board with regard to the compliance management system, compliance violations, and compliance-related measures. He works closely with the employees responsible for Risk Management and Internal Audit. Within our internal control system, the chief compliance officer reviews potential compliance risks together with the Executive Board, the plant managers, and the heads of corporate and central functions. As part of compliance management, the corruption risks at our sites are also identified and documented by Risk Management.

The compliance measures include prevention, monitoring, and sanctions. Preventive measures at Aurubis comprise the risk analyses previously mentioned, internal policies, guidance, and particularly the training of employees. The Corporate Anti-Corruption Compliance Policy and the Code of Conduct for employees, both of which apply Group-wide, are at the core of our anti-corruption efforts.[1] Every employee receives the Aurubis Code of Conduct and confirms that it has been received by signing the employment contract. Training on anti-corruption and antitrust law is carried out regularly throughout the Group.

Employees and business partners can make confidential and anonymous reports regarding legal violations and breaches of our codes and standards via our Compliance Portal, the whistleblower hotline. The hotline is available in English, German, and Spanish and is open to all external stakeholders as well. It is operated by external, independent attorneys. www.aurubis.com/compliance Any tips they receive, for example regarding possible cases of corruption, discrimination, or incidents in the supply chain, are investigated. If any wrongful acts are actually proven, they can lead to warnings, dismissals, and/or damage claims.

Key measures

» *Providing employees for whom the topics of anti-corruption and antitrust law are relevant due to their responsibilities with training on these topics about every three years, regardless of their level in the company hierarchy*
In the past three years, this applied to 457 employees for anti-corruption training and to 343 employees for antitrust law training.

KPI

We were not made aware of any antitrust or corruption cases in the reporting period.

[1] The compliance approach of the Metallo sites acquired in 2020 fundamentally aligns with that of Aurubis. Metallo's final harmonization with Aurubis' policies and commitments is pending.

Limited Assurance Report of the Independent Auditor regarding the Separate Non-financial Group Report

To the Supervisory Board of Aurubis AG, Hamburg

We have performed an independent limited assurance engagement on the non-financial group report of Aurubis AG, Hamburg (further „Aurubis.") as well as the by reference qualified parts "Foundations of the Group" and "Risk and Opportunity Report" of the Combined Management Report (further: „Report") according to §§ 315b, 315c in conjunction with 289b to 289e German Commercial Code (HGB) for the business year from October 1, 2019 to September 30, 2020.

MANAGEMENT'S RESPONSIBILITY

The legal representatives of Aurubis. are responsible for the preparation of the Report in accordance with §§ 315b, 315c in conjunction with 289b to 289e HGB.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

INDEPENDENCE AND QUALITY ASSURANCE ON THE PART OF THE AUDITING FIRM

We are independent from the entity in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the national statutory provisions and professional pronouncements for quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a conclusion on the Report based on our work performed within our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the Report of the entity for the business year October 1, 2019 to September 30, 2020 has not been prepared, in all material respects, in accordance with §§ 315b, 315c in conjunction with 289b to 289e HGB. We do not, however, provide a separate conclusion for each disclosure. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

Within the scope of our engagement, we performed amongst others the following assurance procedures:

- Inquiries of personnel on corporate level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of Aurubis.
- A risk analysis, including a media search, to identify relevant information on Aurubis. sustainability performance in the reporting period.
- Evaluation of the design and implementation of the systems and processes for determining, processing and monitoring disclosures relating to environmental, employee and social matters, respect for human rights, and combating corruption and bribery, including the consolidation of the data.
- Inquiries of personnel on corporate level who are responsible for determining disclosures on concepts, due diligence processes, results and risks, for conducting internal controls and consolidation of the disclosures.
- Evaluation of selected internal and external documentation.
- Analytical evaluation of data and trends of quantitative information which are reported by all sites for consolidation on corporate level.
- Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data based on a sample of the site in Pirdop (Bulgaria).
- Assessment of the overall presentation of the disclosures.

CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Report of Aurubis. for the business year from October 1, 2019 to September 30, 2020 is not prepared, in all material respects, in accordance with §§ 315b, 315c in conjunction with 289b to 289e HGB.

RESTRICTION OF USE/CLAUSE ON GENERAL ENGAGEMENT TERMS

This report is issued for purposes of the Supervisory Board of Aurubis AG, Hamburg, only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of Aurubis AG, Hamburg and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 www.kpmg.de/bescheinigungen/lib/aab_english.pdf. By reading and using the information contained in this report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Hamburg, 08.12.2020

KPMG AG
Wirtschaftsprüfungsgesellschaft

Laue ppa. Mathias
Wirtschaftsprüfer
(German Public Auditor)

Aurubis Shares on the Capital Market

Stock markets during the pandemic

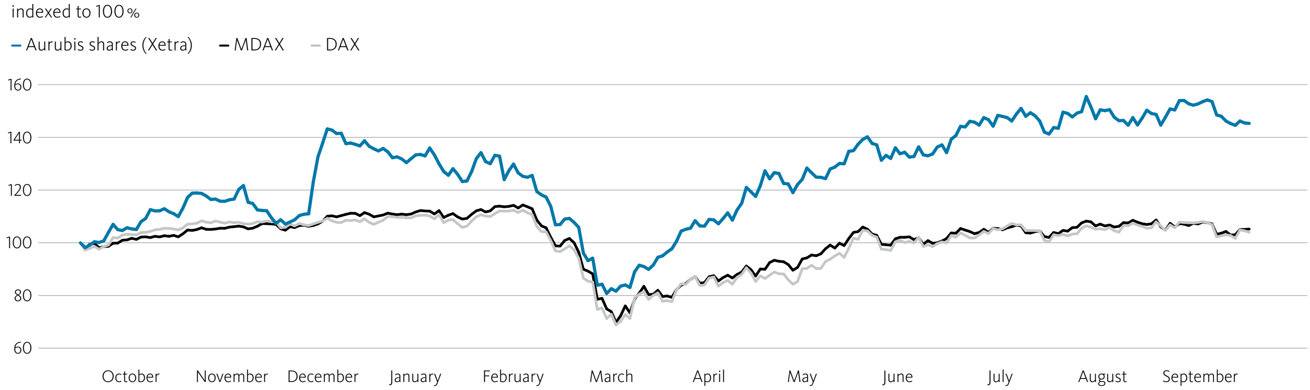
For the stock markets, too, the COVID-19 pandemic was the determining factor during long stretches of fiscal year 2019/20. In the final quarter of 2019, the stock markets in Germany and the US initially developed positively – despite the ongoing trade conflict between the US and China and the temporary expectation of Brexit in January. The DAX climbed from 12,264 points on October 1, 2019 to 13,249 points at the end of the year (December 30, 2019). This trend continued in a similar direction until mid-February, when the leading index hit its high of 13,789 points for fiscal year 2019/20 on February 19, 2020. The measures introduced in many countries to stem the global spread of the virus, especially lockdowns and travel limitations, caused a massive, abrupt slump on the stock markets. A political conflict within OPEC revolving around oil production cuts further reinforced this trend. Until March 18, 2020, the DAX fell by nearly 40 % to 8,442 points, its low for the fiscal year. From this point, however, the markets recovered swiftly. Optimism regarding the ongoing pandemic and hope surrounding the development of a vaccine outweighed concerns about a second wave and the ongoing trade conflict between the US and China. As of early April, the DAX was consistently above the 10,000-point mark and continued climbing in the course of the second and third quarters of the calendar year. The DAX achieved another interim high of 13,255 points on September 16, 2020 before closing the fiscal year slightly lower at 12,761 points.

Strong performance of Aurubis shares despite external uncertainties

Despite persistent uncertainty on the capital market in light of the COVID-19 pandemic, Aurubis shares reflected a stable upward trend overall in the past fiscal year. At the start of the reporting period on October 1, 2019, the share price was at € 39.99 (closing price) and rose substantially during the rest of the fiscal-year quarter. Especially after the release of the forecast for fiscal year 2019/20 on December 11, 2019, the price reacted with a significant jump of 29 % in just four trading days (December 16, 2019: € 57.30). After the shares closed 2019 at € 54.72, a moderately negative sideways trend followed at the start of 2020. From the second half of February, the outbreak of the COVID-19 pandemic led to significant price losses on the entire capital market. As a result of this external shock, the Aurubis shares hit their low of € 30.05 for the year on March 18, 2020 before rising 8.7 % to € 32.66 on the afternoon of March 18 in the wake of the ad hoc release about the share buyback program. Supported by this program and a general recovery of the stock markets, Aurubis shares dynamically gained ground again. With a robust, steady upward trend, they left the benchmark indices behind and, at € 57.70 in early July, exceeded the high they had reached before the outbreak of the pandemic, supported by positive business results. After the annual forecast was reconfirmed with the nine-month results, the shares rose again and reached their annual high (closing price) of € 62.22 on August 12, 2020.

Aurubis share performance compared with the MDAX and DAX from October 1, 2019 to September 30, 2020

indexed to 100 %



They ended the fiscal year on September 30, 2020 at € 58.14 and, with a 45.39 % increase in value from a fiscal-year perspective, considerably exceeded the development of the DAX (1.02 %) and MDAX (3.87 %). Market capitalization was € 2,614 million as at fiscal year-end (previous year: € 1,838 million).

Aurubis shares remain an attractive long-term investment. Shareholders who, for example, invested € 1,000 on October 1, 2010 and reinvested the dividends they received (without a tax deduction) into Aurubis shares had a portfolio value of € 2,117 on September 30, 2020. This is a 119 % increase in value or a total annual return of 8.13 %.

Trading volume of Aurubis shares significantly below prior-year level

At 192,482 shares, the average daily Xetra trading volume of Aurubis shares was significantly below the prior-year level (221,144).

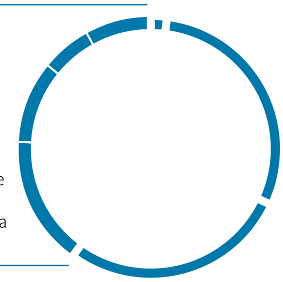
Aurubis has stable shareholder structure

Aurubis maintained its stable and well-diversified shareholder structure in fiscal year 2019/20.

In its analysts' conference on the first half of 2020, which took place August 12, 2020, Salzgitter AG announced that its stake in Aurubis AG was still at 29.99 %.

Shareholder structure

in % (prior-year figures in parentheses)



London-based Silchester International Investors LLP holds a 6.99 % stake, according to a voting rights notification dated July 30, 2020.

An analysis carried out on September 30, 2020 indicated that the proportion of institutional investors decreased compared to the previous year, to 40 % (previous year: 45 %). Germany and the UK/Ireland accounted for a large part of this decrease, while North America recorded a slight increase in institutional investors. The majority of institutional investors are located outside of Germany. The percentage of retail investors increased to 28 % (previous year: 25 %).

Key figures of Aurubis shares

		2019/20[2]	2018/19[2]	2017/18[2]	2016/17[2]	2015/16[2]
Closing price as at fiscal year-end[1]	in €	58.14	40.89	60.24	68.54	49.88
Year high (close)[1]	in €	62.22	61.02	86.12	78.47	61.68
Year low (close)[1]	in €	32.31	35.60	55.44	46.79	37.54
Market capitalization as at fiscal year-end[1]	in € million	2,614	1,838	2,708	3,081	2,242
Number of shares as at fiscal year-end	in '000	44,956.70	44,956.70	44,956.70	44,956.70	44,956.70
Dividend or recommended dividend	in €	1.30	1.25	1.55	1.45	1.25
Payout ratio[3]	in %	35	41	26	28	34
Dividend yield	in %	2.2	3.1	2.6	2.1	2.5
Operating earnings per share	in €	3.73	3.08	5.87	5.21	3.64
Operating price/earnings ratio as at fiscal year-end		15.59	13.28	10.26	13.16	13.70

[1] Xetra disclosures.
[2] Values have been "operationally" adjusted for measurement effects deriving from the application of IAS 2. In consequence, metal price fluctuations resulting from the use of the average cost method, as well as non-permanent write-downs or write-ups of metal inventory values as at the reporting date, are adjusted. Adjustments are also made for reporting date-related effects deriving from market valuations of metal derivatives that haven't been realized, which concern the main metal inventories at our smelter sites. Fixed assets have been adjusted for non-cash-effective impacts deriving from purchase price allocations from FY 2010/11 onwards.
[3] In FY 2016/17, the payout ratio definition was changed compared to the previous year. The new basis is the operating net result and no longer Aurubis AG's unappropriated earnings.

Building on its strong balance sheet and good liquidity position, Aurubis passed a resolution on March 18, 2020 to buy back its own shares: up to 10 % of the share capital with a maximum volume of € 200 million. The shareholders at the Annual General Meeting authorized this step on March 1, 2018. The goal of the share buyback program is to use these treasury shares for purposes permitted by the shareholders at the Annual General Meeting on March 1, 2018, particularly possible acquisitions or future financing needs. The buyback program started on March 19, 2020 and will end on September 17, 2021 at the latest. A total of 976,764 shares had been purchased as at September 30, 2020 (about 2.17 % of Aurubis AG's share capital) for a total purchase price of € 41,276,336.29. Following the close of the second tranche on November 2, 2020, Aurubis AG holds a total of 1,297,683 treasury shares (about 2.89 % of Aurubis AG's share capital) for a total purchase price of € 60,204,151.91.

www.aurubis.com/sharebuyback

Executive Board and Supervisory Board suggest a dividend of € 1.30

The objective of our dividend policy is to allow our shareholders to participate in the company's success adequately and continuously. The Executive Board and Supervisory Board will recommend a dividend of € 1.30 at the Annual General Meeting on February 11, 2021. This corresponds to a payout ratio of 35 % of the operating consolidated net income (previous year: 41 %). The dividend yield based on the closing price as at September 30, 2020 amounts to 2.2 % (previous year: 3.1 %). The reduction in the dividend yield results from the strong increase in the share price (42 %) compared to the previous year.

Capital market communication influenced by Metallo acquisition and COVID-19

One focus of our capital market communication in fiscal year 2019/20 was information about the acquisition of the Metallo Group. In this context, the financing of the purchase price of the Metallo acquisition through a Schuldschein loan with an ESG (environmental, social, and corporate governance) component received just as much attention on the capital market. Aurubis AG was the first company in the basic materials industry to place a Schuldschein loan linking the calculation of the interest expenses to Aurubis' rating from the recognized, independent sustainability agency EcoVadis.

Furthermore, the uncertain, volatile market environment caused by the pandemic led to a higher demand for information among capital market participants. We met this need with proactive, prompt communication tailored to our target groups. We informed our private and institutional investors about the impacts of the pandemic on our procurement and sales markets, our business operations, and our crisis management through different channels. Subjects of interest included the current earnings trend; our results forecast for fiscal year 2019/20, which we were able to maintain over the entire year despite the impacts of the coronavirus pandemic; the developments on our various markets; and Aurubis' strategy.

Dialogue with institutional investors made up a considerable part of our capital communication during the fiscal year. With the outbreak of the COVID-19 pandemic and the related travel limitations, investor conferences and roadshows were digital for the most part. The Executive Board and the Investor Relations department discussed the current business situation and the Aurubis Group strategy in a number of presentations and individual meetings. Digital communication through phone and video conferences enabled us to reach an even higher number of current and potential investors in Germany and abroad.

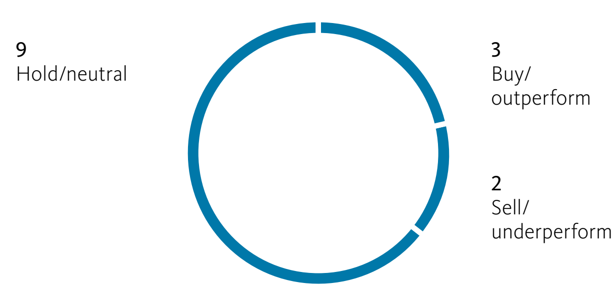
Webcasts on the release dates of our quarterly reports enabled investors and analysts to communicate with the Executive Board and management representatives. Moreover, many investors were informed about our processes, operating facilities, and products during visits to our Hamburg site prior to the outbreak of the COVID-19 pandemic.

We informed the capital markets about the resolution passed on the share buyback with a € 200 million volume in an ad hoc release dated March 18, 2020.

A total of 14 financial analysts from national and international research firms regularly published recommendations and analyses about Aurubis' shares during fiscal year 2019/20. Coverage at Goldman Sachs is currently suspended and Quirin Bank AG ended their coverage. The ratings were as follows at the end of the fiscal year:

Overview of analyst recommendations

Number as at September 30, 2020



Communicating with retail investors is another important focus of Investor Relations work. However, the health and safety of employees and visitors has the highest priority at Aurubis. Because of the situation surrounding the coronavirus, the events planned with retail shareholders during the fiscal year didn't take place at our plants in order to protect the health of everyone involved. Before the outbreak of the pandemic, we participated in on-site events organized by private shareholder associations to engage with retail investors. Our Annual General Meeting on February 27, 2020 was held as a live event and was well-attended with around 800 shareholders. Shareholders were also able to follow the Executive Board chairman's speech live online, where it was also made available after the event.

Current information on the development of the company is available at www.aurubis.com. We provide financial reports, analyst presentations, and additional publications in our download center.

Security Identification Number	676650
International Securities Identification Number (ISIN)	DE 000 67 66 504
Stock market segment	MDAX
Stock exchanges	Regulated market: Frankfurt am Main and Hamburg; unofficial market: Berlin, Düsseldorf, Hanover, Munich, Stuttgart, Tradegate
Market segment	Prime Standard
Issue price	€ 12.78
Average daily trading volume	192,482 shares in Xetra trading
Ticker symbol	NDA
Reuters code	NAFG
Bloomberg code	NDA_GR

Analyst coverage 2019/20

Baader Bank	Christian Obst
Bankhaus Lampe	Marc Gabriel
Bank of America Merrill Lynch	Olivia Du/Kevin Kerdoudi (since September 2020)
Commerzbank	Ingo-Martin Schachel
Deutsche Bank	Bastian Synagowitz
DZ Bank	Dirk Schlamp
Exane BNP Paribas	Jatinder Goel
Goldman Sachs[1]	Eugene King
Hauck & Aufhäuser	Henning Breiter
Independent Research GmbH	Sven Diermeier
Kepler Cheuvreux	Rochus Brauneiser
LBBW	Jens Münstermann
Morgan Stanley	Ioannis Masvoulas
NordLB	Holger Fechner
M.M. Warburg	Eggert Kuls

[1] Coverage currently suspended due to a change in analyst.

2 COMBINED MANAGEMENT REPORT

Foundations of the Group

Business model of the Group

BUSINESS ACTIVITIES

Aurubis AG is a company in the basic materials industry that operates worldwide. As an integrated group, we process complex metal concentrates, scrap metals, organic and inorganic metal-bearing recycling raw materials, and industrial residues into metals of the highest purity.

In addition to our main metal, copper, our metal portfolio includes gold, silver, lead, nickel, tin, zinc, minor metals such as tellurium and selenium, and platinum group metals. Sulfuric acid, iron silicate Glossary, page 207, and synthetic minerals round off the product portfolio.

The company's headquarters, which is also home to one of our two primary smelters, is located in Hamburg, Germany. Most of our sites are located in Europe, with larger production centers in Germany, Belgium, and Bulgaria, as well as cold-rolling mills for flat rolled products, slitting centers, and rod plants in Germany and elsewhere in Europe. Outside Europe, Aurubis also has a production site in the US, and a global sales and service network.

Effective May 29, 2020, Aurubis AG acquired the recycling company Metallo, with production sites in Beerse, Belgium, and Berango, Spain. The Metallo Group companies have been included in the consolidated financial statements for four months, since June 1, 2020.

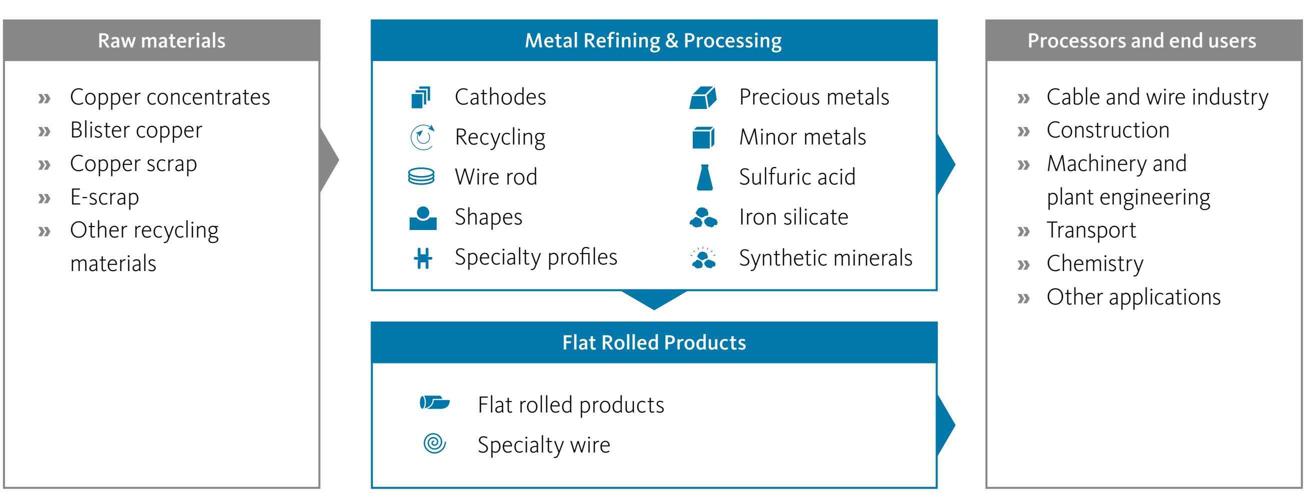
BUSINESS MODEL

In our Vision 2025, we set ourselves the objective of developing from a copper producer into a multimetal group. Building on our three strategic pillars of growth, efficiency, and responsibility, we are expanding our business model to include this approach. This means that, in addition to copper, other metals will be increasingly recovered from raw materials and intermediate products and then processed into marketable products.

We use copper concentrates and all types of recycling materials containing non-ferrous metals as raw materials.

We process copper concentrates that are obtained from ores and are offered by mining companies and trading companies on the global market. The necessary raw materials for our two primary smelters in Hamburg and Pirdop are purchased worldwide. Aurubis doesn't hold any stakes in mines and has a globally diversified supplier portfolio. We source a significant portion of our copper concentrates from South American countries such as Peru, Chile, and Brazil. We also purchase raw materials from other countries like Bulgaria, Georgia, and Canada. As a buyer, Aurubis competes with other international primary smelters, particularly in China and Japan. Copper concentrates for the Hamburg site reach us primarily by waterway and are transshipped via the port terminal in Brunsbüttel. There, the different copper concentrates are also premixed in accordance with the requirements of our production process. At the site in Pirdop, Bulgaria, concentrates reach us by land and sea via the port of Burgas.

Business model in fiscal year 2019/20



Sites and employees

Consolidated sites

Europe				
DE	Hamburg	Headquarters Aurubis AG	2,582	
		Aurubis Product Sales GmbH	12	
		E. R. N. Elektro-Recycling NORD GmbH	14	
		Peute Baustoff GmbH	12	
	Lünen	Aurubis AG	660	
	Stolberg	Aurubis Stolberg GmbH & Co. KG	399	
	Emmerich	Deutsche Giessdraht GmbH	115	
	Fehrbellin	CABLO Metall-Recycling & Handel GmbH	49	
	Röthenbach	RETORTE GmbH Selenium Chemicals & Metals	41	
	Berlin	Aurubis AG	3	Group representative office
	Nersingen/ Strass	CABLO Metall-Recycling & Handel GmbH	2	
	Hanau	Aurubis AG	2	
BG	Pirdop	Aurubis Bulgaria AD	890	
BE	Olen	Aurubis Belgium NV/SA	619	
	Beerse	Metallo Belgium NV	455	
		Metallo Group Holding NV	3	
	Brussels	Aurubis Belgium NV/SA	24	
NL	Zutphen	Aurubis Netherlands BV	283	
FI	Pori	Aurubis Finland Oy	242	
IT	Avellino	Aurubis Italia Srl	99	
	Mortara	Aurubis Mortara S. p. A.	27	
ES	Berango	Metallo Spain S. L. U.	92	
	Barcelona	Aurubis Product Sales GmbH	1	
UK	Smethwick/ Birmingham	Aurubis UK Ltd.	22	
SK	Dolný Kubín	Aurubis Slovakia s. r. o.	13	
FR	Lyon/ Septème	Aurubis Product Sales GmbH	1	
Employees in Europe			**6,662**	
US				
US	Buffalo	Aurubis Buffalo Inc.	574	
Employees in the US			**574**	
Total employees			**7,236**	

These figures include permanent and temporary employees as at the reporting date September 30, 2020. Excluding Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg (DE), in which Aurubis holds a 50 % stake. Sites with no employees are not listed here.

Non-consolidated sites and independent sales employees

Europe				
DE	Berlin	azeti GmbH	20	
SE	Finspång	Aurubis Sweden AB	5	
RU	St. Petersburg	Aurubis Rus LLC	2	
TR	Istanbul	Aurubis Turkey Kimya Anonim Sirketi	1	
Employees in Europe			**28**	
US				
US	Tampa	Aurubis Tampa LLC	2	
Employees in the US			**2**	
Asia				
CN	Shanghai	Aurubis Metal Products (Shanghai) Co., Ltd.	4	
	Hong Kong		1	
	Beijing		1	
UAE	Dubai	Aurubis Middle East FZE	3	
SG	Singapore		2	
TH	Bangkok		3	
JP	Tokyo		1	
KR	Seoul		1	
Employees in Asia			**16**	
Total employees			**46**	

Raw materials
Concentrates and recycling materials are the raw materials from which copper is produced.

- Concentrates
- Recycling materials

Sales and distribution network
An international sales and distribution network markets our products.

Products
The copper is processed into products. Some products are already the result of copper production.

- Cathodes
- Wire rod
- Shapes
- Specialty profiles
- Precious metals
- Minor metals
- Sulfuric acid
- Iron silicate
- Strip/foil
- Specialty wire
- Synthetic minerals

Slitting centers
Service centers located near our customers slit strip to the desired dimensions.

Status: September 30, 2020

In addition to copper concentrates, we use copper scrap and various organic and inorganic metal-bearing recycling raw materials, industrial residues, and bought-in metallurgical intermediates as feed material. Most of the copper scrap and metal-bearing recycling raw materials for our four secondary smelters in Lünen (Germany), Olen, Beerse (both in Belgium), and Berango (Spain) are sourced in the European and North American market. Furthermore, we use copper scrap with high copper contents for process management purposes in both of our primary smelters in Hamburg (Germany) and Pirdop (Bulgaria). Metal trading companies are the main actors on the supply side for recycling materials, though some recycling materials also reach us directly from industry through our "closing-the-loop" approach.

On the demand side, our main competitors are other copper and metal smelters, as well as metal processors that also utilize recycling materials. Most of the copper scrap reaches us by land.

In the course of our production processes, we convert copper concentrates and recycling materials into copper cathodes. This is the standardized product format that is traded on the international metal exchanges. Copper cathodes are the starting product for fabricating additional copper products, but they can also be sold directly.

Our product portfolio mainly comprises standard and specialty products made of copper and copper alloys. When it comes to processing, we have manufacturing capabilities for continuous cast copper wire rod, continuous cast shapes, rolled products, strip, specialty wire, and profiles.

Additional products result from processing the elements that accompany copper in the feed materials, elements that are in some cases purchased on purpose as part of our multimetal approach. In particular, these include different metals such as gold, silver, lead, nickel, tin, zinc, minor metals like tellurium and selenium, and platinum group metals.

We also produce iron silicate and synthetic minerals.

Sulfuric acid forms as a by-product of copper concentrate processing. Sulfuric acid customers are very diverse and include international companies from the chemical, fertilizer, and metal processing industries.

The sales markets for our products are varied and international. Aurubis' direct customers include companies from the copper semis industry, the cable and wire industry, the electrical and electronics sector, and the chemical industry, as well as suppliers from the renewable energies, construction, and automotive sectors.

To close the value chain for copper and other metals, we place a high priority on the "closing-the-loop" approach. The focus of this approach is on materials such as production waste and residues that accumulate along the copper value chain in production, for example with our customers. The materials range from copper scrap with very high copper content, which we can directly feed into the copper fabrication process, to stamping waste containing precious metals and high levels of copper, alloyed scrap, slags from foundries, and other industrial residues.

We regularly hedge fluctuations in metal prices and the US dollar in accordance with our hedging strategy.

GROUP STRUCTURE

In fiscal year 2019/20, the Aurubis Group's organizational framework was based on the underlying business model. The Group's structure is made up of two operating segments, which are the basis of segment reporting pursuant to IFRS 8 for fiscal year 2019/20: Segment Metal Refining & Processing and Segment Flat Rolled Products.

» Segment Metal Refining & Processing (MRP) processes complex metal concentrates, copper scrap, organic and inorganic metal-bearing recycling raw materials, and industrial residues into metals of the highest quality. Segment MRP includes the Commercial, Supply Chain Management (SCM), and Operations divisions.
The Commercial division is commissioned by the plants to purchase feed materials and sell products. SCM's responsibility to the plants is to carry out production planning, logistics management, and sampling, and to improve the metal flows and inventories.

The Operations division is responsible for the ongoing optimization of the integrated smelter network and the production of all basic products and metals, as well as for their further processing into other products, such as continuous cast wire rod Glossary, page 207 and shapes. Among other items, copper cathodes are manufactured at the sites in Hamburg and Lünen (both in Germany), Pirdop (Bulgaria), and Olen and Beerse (both in Belgium). The cathodes produced at the smelters are processed further into wire rod and shapes at the Hamburg (Germany), Olen (Belgium), Emmerich (Germany), and Avellino (Italy) sites. The Metallo Group, the company acquired in 2020 with production sites in Beerse (Belgium) and Berango (Spain), belongs to Segment MRP as well.

» The second segment, **Segment Flat Rolled Products** (FRP), processes copper and copper alloys – primarily brass, bronze, and high-performance alloys – into flat rolled products and specialty wire, which it then markets. The main production sites are Stolberg (Germany), Pori (Finland), Zutphen (Netherlands), and Buffalo (US). Furthermore, the segment also includes slitting and service centers in Birmingham (UK), Dolný Kubín (Slovakia), and Mortara (Italy), as well as sales offices worldwide.
There has been an intention to sell Segment FRP since fiscal year 2017/18. Although this is still intended and the sale negotiations are at an advanced stage, IFRS 5 is no longer applied to Segment FRP as of Q4 of the past fiscal year. From a current perspective, the Executive Board does not assume that it is highly probable that the sale will be completed within the twelve-month period pursuant to IFRS 5 that runs until February 2021.

A list of shareholdings pursuant to Section 313 (2) of the German Commercial Code (HGB) as at September 30, 2020 is provided in the notes to the financial statements.

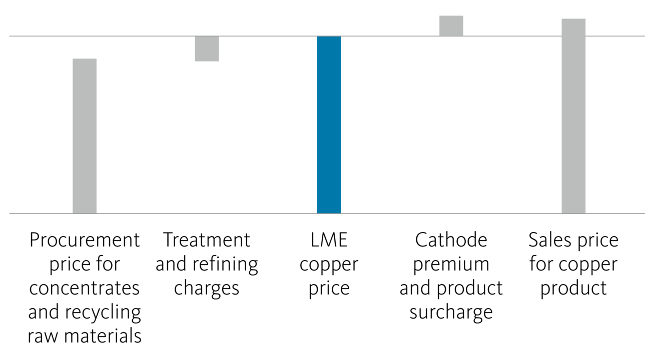
SIGNIFICANT INFLUENCING FACTORS RELEVANT TO THE BUSINESS

The main drivers of earnings are the treatment and refining charges Glossary, page 209 for copper concentrates, refining charges for recycling materials, the metal prices, the Aurubis copper premium Glossary, page 207, and product surcharges Glossary, page 208 for copper products, as well as sales revenues for sulfuric acid. Furthermore, efficient metal gains in our plants lead to effects on earnings.

Copper is priced first and foremost on the London Metal Exchange (LME www.lme.com) Glossary, page 208, which facilitates physical transactions, hedging, and investment business. The price is not just a benchmark for exchange trading but serves as the basis for pricing in the raw material and product business.

Pricing along the value chain

Schematic illustration



Treatment and refining charges are negotiated with suppliers when purchasing copper-bearing raw materials. The TC/RC trend depends on the current supply and demand structure on the global markets. Essentially, these charges are discounts on the purchase price for turning raw materials into copper cathodes (the commodity exchange product) and other metals and metal compounds.

The metal exchange and market quotation for copper serves as the price basis for our copper product sales. The premium and product surcharges, which are charged for converting cathodes into copper products, are also part of the sales price.

Our business development is also influenced by external factors. These include the economic performance in key countries and activities on the international financial markets; the political, legal, and social conditions; changes in the exchange rate and interest rate level; and the situation on our relevant markets.

Corporate management

MANAGEMENT SYSTEM

The corporate management system's main objective is to increase the Aurubis Group's corporate value. In order to achieve this, the aim of the Group is to generate a positive overall value contribution that exceeds the costs of capital.

GROUP CONTROL PARAMETERS

In order to measure financial success for the medium and long term within the scope of value-oriented corporate management processes, Aurubis uses the following central control parameters:

- Operating consolidated earnings before taxes = operating EBT
- Operating return on capital employed for the Group Glossary, page 209 = operating ROCE

These parameters are regularly reported to the Executive Board and are utilized for internal management control purposes. The variable compensation of the Executive Board and the management is also based on these parameters.

The internal reporting and management of the Group are based on the operating result in order to demonstrate the Aurubis Group's success for internal management purposes, independent of certain measurement influences that are necessary to report in accordance with IFRS (as described below).

The operating result is derived from the IFRS results of operations by:

- Adjusting for measurement results deriving from the application of IAS 2. In this context, the metal price fluctuations resulting from the application of the average cost method are eliminated. Likewise, non-permanent write-downs or write-ups of metal inventory values as at the reporting date are eliminated
- Adjusting for reporting date-related effects deriving from market valuations of metal derivatives that haven't been realized, which concern the main metal inventories at our smelter sites
- Eliminating non-cash effects deriving from purchase price allocations
- Adjusting for effects deriving from the application of IFRS 5

The Aurubis Group reports in accordance with International Financial Reporting Standards (IFRS). For internal management purposes, the Aurbis Group did not adopt the amendment to IAS 2 made in the past, which requires the exclusive application of the FIFO or average cost method. This decision was taken to avoid earnings volatility due to metal price fluctuations resulting from measurement according to the average cost method. Such related measurement effects, in our opinion, are not necessary to gain an understanding of the Aurubis Group's business activities or its results from an operational perspective and need to be eliminated. In addition, reporting date-related effects concerning the main metal inventories at our smelter sites, which derive from the measurement at market of metal derivatives and haven't been realized, are also not taken into account. In contrast, measurement effects that have already been realized from an operational perspective are taken into account. Furthermore, one-time effects deriving from purchase price allocations are eliminated, as these would otherwise lead to a distortion in the Aurubis Group's presentation of its assets, liabilities, financial position, and financial performance.

In comparison to the previous year, the derivation was changed to the extent that non-permanent write-downs and write-ups of all metal inventories as at the reporting date were eliminated. Furthermore, reporting date-related effects concerning the main metal inventories at our smelter sites, which derive from the measurement at market of metal derivatives that haven't been realized, were not taken into account.

These amendments to the derivation process led to an € 11 million adjustment to operating EBT as at the reporting date, from € 210 million to € 221 million. An equivalent adjustment in the previous year would have reduced operating EBT by € 2 million, from € 192 million to € 190 million.

Operating return on capital employed (ROCE)

in € million	**9/30/2020**	9/30/2019
Fixed assets, excluding financial fixed assets	1,836	1,485
Inventories	1,855	1,532
Trade accounts receivable	490	390
Other receivables and assets	200	196
– Trade accounts payable	-1,149	-818
– Provisions and other liabilities	-500	-367
Capital employed as at the reporting date	**2,731**	**2,418**
Earnings before taxes (EBT)	221	192
Financial result	2	16
Earnings before interest and taxes (EBIT)	**223**	**208**
Pro forma EBIT of the Metallo Group[1]	18	0
Investments accounted for using the equity method	13	0
Earnings before interest and taxes (EBIT) – adjusted	**253**	**208**
Return on capital employed (operating ROCE)	**9.3 %**	**8.6 %**

[1] Result for four months already included in EBIT; pro forma additional result for eight months.

Operating ROCE defines the relationship between operating earnings before interest and taxes (EBIT Glossary, page 209) together with the operating result from investments measured using the equity method and the operating capital employed as at the reporting date and depicts the return on capital employed.

In a manner corresponding to the calculation of the operating result, operating capital employed is derived by adjusting the IFRS-based items in the statement of financial position for the effects as previously mentioned.

A reconciliation of the IFRS-based statement of financial position and income statement to the respective "operating" figures is provided in the Economic Report section of the Combined Management Report.

Research & Development

The Research & Development department (R&D) contributes to improving Aurubis' competitive edge and to implementing the multimetal strategy. In fiscal year 2019/20, R&D focused on optimizing our production processes for copper, lead, and precious metals, as well as on improving the environmental compatibility of production. At the same time, the department investigated new technologies, and developed products and applications for our metals.

Environmental protection is a top priority for Aurubis. As a result, we are continuously developing our processes and methods to reduce emissions of all kinds. For example, we optimized the melt transport processes and dust control in the Hamburg primary smelter, thus achieving an additional emission reduction.

The rising complexity of the raw materials used in the primary and secondary smelters impacts tankhouse performance. Our goal is to better understand the correlations and to adjust the process to new challenges. For instance, we developed an IT-supported program that monitors, analyzes, and optimizes the tankhouse processes in real time. With this program, Aurubis uses methods such as machine learning to gain a better understanding of the production process. As part of the digitalization push, a new method for optical cathode inspection was also investigated, which will improve process and quality control in the future.

When it comes to iron silicate stone, a product of copper production that is used as a construction material, a blasting abrasive, and an aggregate for different applications, R&D activities in the reporting year concentrated on measures to further reduce the metal contents and on new applications for this product.

The expansion of multimetal processing is a central component of the Aurubis strategy. R&D has developed process models for the central metallurgical plants. These models serve as the foundation for optimizing production on the one hand but are also required to develop new processing options for minor metals such as nickel on the other. Several process models were successfully used for the technical integration of Metallo's production, for example.

Another R&D focus in the reporting year was the development of a technology to enable the processing of larger quantities of lithium-ion batteries in the Group in the future. R&D is working on a hydrometallurgical process to increase the recycling rates of the non-ferrous metal contents such as copper, nickel, and cobalt, as well as to open up access to manganese and lithium. The goal is to implement these processes on an industrial scale to be able to return the valuable recovered metals to battery manufacturers.

The use of hydrogen instead of natural gas will reduce CO_2 emissions in primary copper production in the future. The Energy & Climate Affairs department carried out an extensive analysis of the technical possibilities for minimizing Aurubis' CO_2 footprint. R&D supported this analysis with technical expertise and preliminary trials. R&D is concentrating on further investigating possible metallurgical applications of hydrogen to be able to shift to hydrogen in the future if the cost conditions make this possible at some point.

In fiscal year 2019/20, R&D explored additional alternatives for processing copper, lead, and sulfur in intermediate products. These intermediates at Aurubis primarily come from lead and precious metal refining and, apart from the main elements lead and copper, contain other valuable minor metals as well.

In fiscal year 2019/20, R&D continued developing a mathematical model (digital twin) to support decision-making. The model optimizes the management of the Group's rod plants.

In Segment FRP, activities related to innovative coating technologies and low-alloyed, highly conductive copper alloys for the product automotive connectors continued.

When it comes to electric vehicles, demand for pure copper will likely continue to increase not only in the strip sector but in the rod sector as well. In this context, a project was initiated with the target of achieving complex cross-sections and expanding the alloy portfolio.

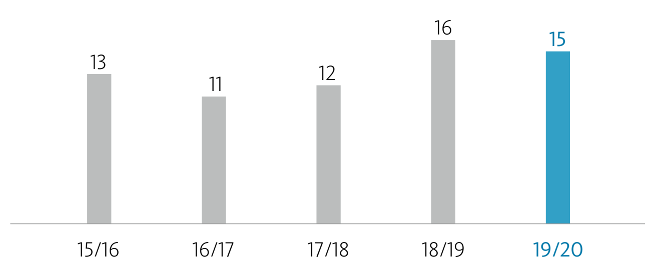
While the last several years of work on lead-free machinable brass (the BlueBrass family) were mainly focused on trials in various markets, we received a number of approvals for serial delivery from different customers in fiscal year 2019/20. Furthermore, we were able to place samples with potential customers. Multiple patents were issued for the BlueBrass family during the reporting period.

In the area of power electronics, we continued our research activities with university and industry partners, including a publicly funded project in the research field of power electronics components for electric vehicles.

The entire Aurubis Group's R&D expenditures in fiscal year 2019/20 amounted to € 15 million, compared to € 16 million in reporting year 2018/19. We have a total of 88 employees in this area (previous year: 84 employees), who are located at our sites in Beerse, Buffalo, Hamburg, Lünen, Olen, Pirdop, Pori, Stolberg, and Zutphen.

R&D expenditure

in € million

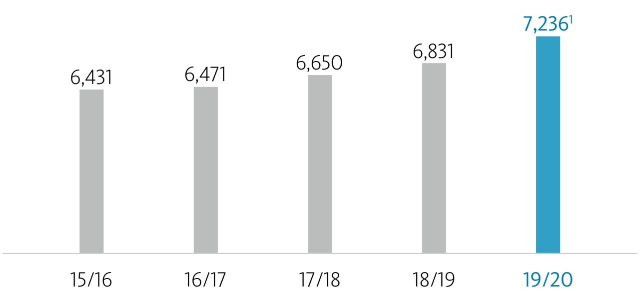


Human resources

A total of 7,236 employees worked in the Aurubis Group worldwide as at September 30, 2020 (previous year: 6,831). Of this number, 53.8 % were employed at German sites and 46.2 % worked in other countries. Aurubis Group personnel are mainly dispersed among the following countries: Germany (3,891), Belgium (1,101), Bulgaria (890), the US (574), the Netherlands (283), Finland (242), Italy (126), and Spain (92). Sites and employees, page 79

Aurubis Group employees

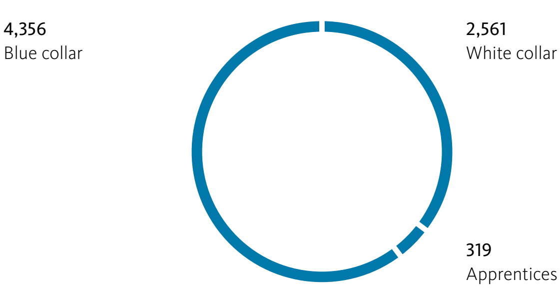
Number as at 9/30



Excluding Schwermetall Halbzeugwerk GmbH & Co. KG.
Prior-year figures have been adjusted.
[1] Including 550 employees through the Metallo acquisition.

Aurubis Group personnel structure

Number as at 9/30/2020



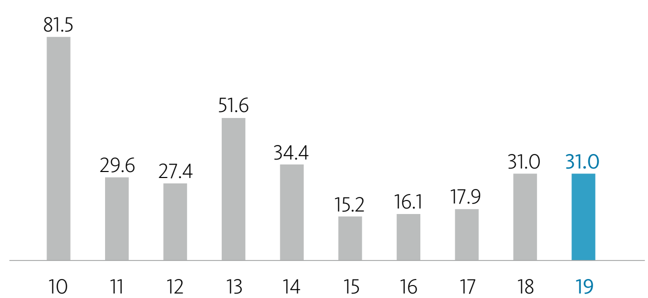
Environmental protection and occupational health

ENVIRONMENTAL PROTECTION IN THE GROUP

We take responsibility for protecting our environment and our climate. Our production facilities therefore use modern and energy-efficient plant technology that also complies with very high environmental standards. In this way, we conserve natural resources and aim to maintain a clean environment for future generations. We have set targets in environmental protection, defined corresponding KPIs, and established measures to achieve the targets across the Group. The effectiveness of these targets and measures is reviewed continuously.

Capital expenditure for environmental protection in copper production

in € million as at 12/31 of each calendar year



The continuous improvement of water pollution control, soil conservation, climate protection, and emission prevention is key to achieving sustainable environmental protection. For this reason, Aurubis has invested more than € 630 million in environmental protection measures in the Group since 2000, including the project to use process heat to heat part of the HafenCity district in Hamburg and a project to reduce fugitive emissions (RDE).

OCCUPATIONAL HEALTH AND SAFETY IN THE GROUP

Group Health and Safety is responsible for creating the technical, organizational, and personal conditions in the company to prevent work-related accidents, injuries, and illnesses.

The acronym LTIFR (lost time injury frequency rate) indicates the accident rate in the company. This KPI describes the number of work-related accidents with at least one lost shift per one million hours worked (related to Aurubis employees).

After declining for several years, the accident frequency figure rose again in fiscal years 2017/18 and 2018/19. In absolute terms, there were 51 accidents in the past fiscal year (previous year: 61). Excluding Metallo, the number of accidents was 45 (previous year: 61). LTIFR decreased to 5.4 in fiscal year 2019/20 (previous year: 6.0).

Occupational health and safety

	2019/20	2018/19	2017/18	2016/17	2015/16
Absolute number of accidents (LTI)	51[1]	61[2]	60	47	45
LTIFR	5.4[1]	6.0[2]	5.9[2]	4.8	4.6

Excluding Schwermetall Halbzeugwerk GmbH & Co. KG.
[1] Absolute number of accidents: includes Metallo starting June 1, 2020. LTIFR: Metallo included for the entire fiscal year so that the KPI can be compared.
[2] Prior-year figures adjusted.

Occupational safety and health protection are high-priority topics. Accordingly, responsibility for these issues rests with the management and the supervisors, but also every individual in the company.

The communication concept 10forZero supports the company in achieving its long-term objective of zero accidents, injuries, and illnesses. This concept combines new communication tools together with new training units to implement the 10 Golden Rules of occupational health and safety.

Additional measures also contribute to achieving our vision. Detailed risk assessments, audits, cross-site checks, training, and campaigns to strengthen employees' safety awareness support our goal: Vision Zero. To achieve this vision, we stringently monitor our occupational safety performance and derive the appropriate measures from the results. A software introduced in the reporting year supports occupational safety processes such as risk assessments, accident and incident reporting, and site-specific and Group-wide reporting.

At the start of the COVID-19 pandemic, a crisis team was established at Group and site level that met online in frequent intervals – together with the Executive Board. In this way, specific emergency plans and measures were quickly established to prioritize protecting employees' health while keeping operations up and running.

Separate Non-Financial Report

The section Sustainability, pages 47–70 provides additional information on the topics of sustainability, environmental protection, energy, the climate, and occupational health, as does our website www.aurubis.com/de/download-center/all. Aurubis AG reports on both the Aurubis Group and Aurubis AG in the form of a consolidated, separate Non-Financial Report, whose content is available in the Sustainability section of this report and on the website.

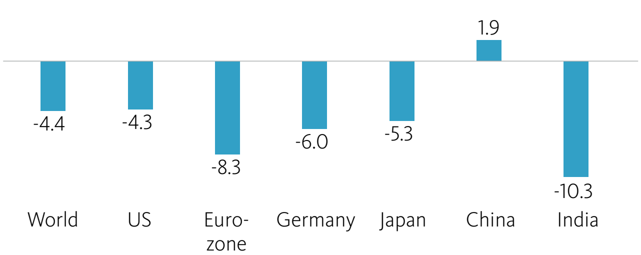
Economic Report

General economic conditions

The development of the global economy was largely impacted by the COVID-19 pandemic in fiscal year 2019/20. The lockdown imposed in many countries in spring 2020 slowed worldwide economic growth substantially. While the economies of certain countries were able to recover quickly afterward, the situation varied strongly from country to country. Due in part to continued lockdowns, there is an ongoing risk to the global economy's recovery to the pre-pandemic level. In its October forecast, the International Monetary Fund (IMF, www.imf.org) expects a decrease of 4.4 % in global economic growth for 2020 (previous year: an increase of 3.0 %). Trade policy tension between the US and China, as well as the possible failure of a trade agreement between the EU and the United Kingdom in the wake of Brexit, are still causes of uncertainty.

Expected GDP growth in 2020

in %



Source: International Monetary Fund, October 2020

In the eurozone, the economy is expected to register a decline of 8.3 % in 2020 (previous year: increase of 1.2 %). For Germany, too, the IMF anticipates a lower gross domestic product (GDP) for 2020, with a forecast of -6.0 %, after slight growth in the previous year (0.5 %). As a result of the pandemic, the eurozone experienced a recession in the second quarter of the year, which developed at a quick pace. European governments supported both companies and household incomes with extensive recovery packages and state transfer measures, which absorbed some of the impacts.

For the US, the IMF is predicting a 4.3 % decline in GDP for 2020, following 2.4 % growth in the previous year. Though the economic drop in the second quarter had a greater impact on the eurozone than on the US, the government initiated extensive stimulus measures there as well. The IMF views emerging social unrest and the continued course of the US government regarding relations with China as posing a potential risk to the US economy.

At the moment, it isn't clear how the latest lockdown in Europe that started in September 2020 will impact product markets.

With the help of state investments after the easing of the COVID-19 lockdown in April, the Chinese economy recovered quickly and returned to positive growth in the second quarter of 2020 already. The country will therefore record growth even in 2020, but at 1.9 %, this is nevertheless expected to be well below the prior-year level of 6.1 %. In China, too, the impacts of the trade conflict with the US are evident in the economic growth level.

The COVID-19 pandemic also left noticeable traces on the global financial markets in 2020. To rein in economic damages, the US Federal Reserve cut the federal funds rate to a corridor of 0.00 % to 0.25 % in two steps in March, in addition to other measures. Central banks in other countries followed suit and reduced their own key interest rates. In contrast, the European Central Bank (ECB) relied on other support measures, such as purchases of securities under the Pandemic Emergency Purchase Programme (PEPP), and continued to follow the existing zero interest rate policy. In the course of the year, the ECB announced that it would maintain the interest rate at this level in the future. The US Federal Reserve, too, indicated that it would stick to an interest rate level close to zero.

Conditions specific to the industry

We are mainly active on the international copper market and its submarkets, which underwent the following developments in fiscal year 2019/20:

The international market for copper concentrates was unable to completely avoid the impacts of the pandemic in 2020. In the second quarter of 2020 in particular, there were isolated production downtimes in multiple mines. Production normalized over the course of the year, especially in South America, having a positive effect on the concentrate supply. Chile, the world's largest copper producer, even registered a higher concentrate output compared to the previous year. According to Wood Mackenzie, copper mining output in 2020 is expected to be about 2 % below the prior-year level overall, at 20.5 million t (copper content).

The global smelter industry, too, experienced planned and unplanned downtimes during the fiscal year. Some reasons were of a technical nature, while others resulted from higher environmental standards or the COVID-19 pandemic: for example, Chinese smelters weren't able to sell their sulfuric acid output and reduced all primary copper production as a result. The pandemic also caused delays and changes to the plans for different smelter projects in Asia. These effects dampened global demand for copper concentrates. On the other hand, capacities were expanded on the smelter side in 2020, which is expected to boost global production capacity by about 3 % compared to the previous year. In total, the global concentrate market should have a slight deficit of around 100,000 t in 2020, according to Wood Mackenzie.

Following a high supply in the first quarter of 2020, the global market for copper scrap tightened noticeably in the second quarter. The primary reason was the lockdowns in many parts of the world, especially in Europe, due to COVID-19. The situation relaxed again starting in June 2020 and led to a strong recovery at the end of the fiscal year, ushering in a stable to high trend in the copper scrap supply in the fiscal-year view. The high ongoing copper price positively influenced the supply in Europe over extended periods of the year, leading to high incoming volumes from metal traders' collection and pre-processing operations despite the COVID-19 crisis. Low exports of copper scrap to China also had a positive impact. The refining charges for copper scrap published by research firm CRU went through a similarly positive development.

There is still some uncertainty about the implementation of import restrictions that China adopted for copper scrap with high copper contents and the effect of these restrictions on global copper scrap flows. Because of pending import standards regarding customs regulations, the restrictions didn't go into effect on July 1, 2020 as planned. The existing import quota system will continue until further notice. Complex recycling raw materials such as electrical and electronic scrap were also available in sufficient quantities on the market, though the COVID-19 pandemic negatively influenced the availability of some material categories such as certain types of electronic scrap.

Global production of refined copper was mainly shaped by three factors in fiscal year 2019/20: the ramifications of the pandemic, which led to a shortage in the concentrate supply and logistical problems; the planned and unplanned downtimes on the smelter side, particularly in India, the US, and Serbia; and the described capacity expansions in China. According to the International Copper Study Group (ICSG), capacity utilization was therefore 81.4 % in the first half of 2020, below the level of 83.0 % in the corresponding prior-year period. CRU expects the global output of refined copper for 2020 to be 1.1 % below that of the previous year.

The economic crisis stemming from the pandemic caused a drop in refined copper demand this year. Wood Mackenzie forecasts 22.9 million t for 2020, which is down 3.3 % year-over-year. It can be assumed that demand in China rose slightly, while the rest of the world – despite the recovery of industrial production during the year, for example in the EU – will register a significant decline in copper demand overall. In addition to the recovery in industrial production over the course of the year, the increase in China is explained by substantially increased investments in expanding network infrastructure.

Exchange inventories of copper cathodes remained at historically low levels in 2020. In September, LME inventories temporarily fell to 76,300 t, the lowest level in nearly 15 years. Total inventories at the LME, COMEX, and SHFE metal exchanges amounted to approximately 398,000 t at the end of fiscal year 2019/20, compared to the 424,000 t that had been warehoused at the start of the fiscal year.

Wood Mackenzie expects a production surplus of about 300,000 t on the global refined copper market in 2020.

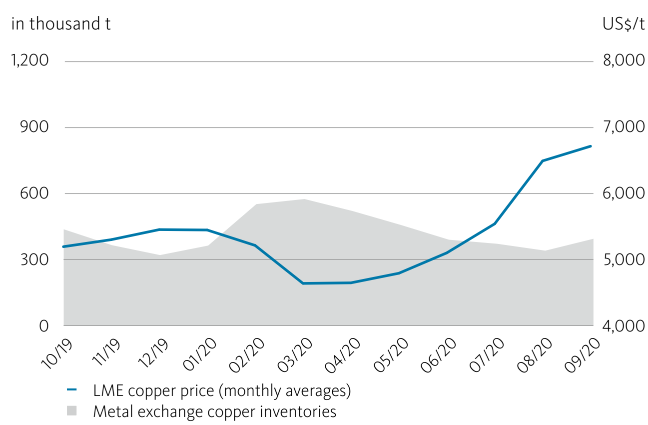
Continuous cast wire rod is still the dominant application for copper. The international market for this wire rod, which receives about 75 % of global cathode output, is expected to decline by about 7 % in 2020, according to CRU (previous year: growth of +1.7 %). We deliver most of our wire rod to Europe. Demand in this area was at prior-year level during the first quarter of 2020 but then dropped in the second quarter owing to regional lockdowns and downtimes in the automotive supply chain. However, there was recovery in all industries in the third quarter of the year. The strongest and most drawn-out decline in demand was evident in automotive cable and copper enameled wire for traditional engines. In contrast, demand from the energy sector and the construction industry decreased only marginally.

Following an initially robust demand trend in Q1 2019/20, the global market for sulfuric acid was highly volatile at the start of the calendar year as a result of the outbreak of the COVID-19 pandemic in China. The sealing off of Hubei province, the center of China's fertilizer production and a key customer region for sulfuric acid in Asia, led to increased exports from Chinese sulfuric acid producers and thus to eroding spot market Glossary, page 208 prices in the Americas and Asia. Prices on the European market for sulfuric acid and for spot volumes for exports to North and South America and to Turkey also dropped considerably. Spot markets indicated that they were stabilizing towards the end of fiscal year 2019/20. Because of its customer and contract structure, Aurubis isn't completely exposed to developments on the spot market, and any impacts occur with a time lag.

Parallel to the development of the COVID-19 pandemic, the LME copper price went through some extremes in fiscal year 2019/20. Starting at US$ 5,610/t (settlement Glossary, page 208) at the beginning of the fiscal year in October 2019, it initially developed upwards until mid-January 2020. The price on January 17, 2020 was US$ 6,277. The growing fears about the impacts of the coronavirus caused the price to fall by more than US$ 700/t within ten trading days, to US$ 5,570/t by the end of January. After a temporary increase to US$ 5,802/t in February, the price fell significantly again after the spread of the pandemic in Europe and the Western world, reaching a low of US$ 4,618/t for the year on March 23, 2020. This US$ 1,185/t drop was followed by a continuous recovery over the second and third quarters of 2020. As a result, the copper price rose by US$ 2,220/t to its high of US$ 6,837/t for the year on September 21, 2020, shortly before the end of the fiscal year. Several days later, the fiscal year closed with an LME copper price of US$ 6,610/t (settlement).

Copper price and metal exchange copper inventories

from 10/1/2019 to 9/30/2020



Economic development within the Aurubis Group

FINANCIAL PERFORMANCE, ASSETS, LIABILITIES, AND FINANCIAL POSITION OF THE AURUBIS GROUP

In order to portray the Aurubis Group's operating success independently of measurement influences for internal management purposes, the presentation of the IFRS financial performance, assets, liabilities, and financial position is supplemented by the financial performance, assets, and liabilties explained on the basis of operating values.

The internal reporting and management of the Group are carried out on the basis of the operating result in order to present the Aurubis Group's success independently of these measurement effects for internal management purposes.

The operating result is derived from the IFRS-based financial performance by:

- Adjusting for measurement results deriving from the application of IAS 2. In this context, the metal price fluctuations resulting from the application of the average cost method are eliminated. Likewise, non-permanent write-downs or write-ups in the value of metal inventories as at the reporting date are eliminated;
- Adjusting for reporting date-related effects deriving from market valuations of metal derivatives that haven't been realized, which concern the main metal inventories at our smelter sites;
- Eliminating any non-cash effects deriving from purchase price allocations;
- Adjusting for effects deriving from the application of IFRS 5.

In comparison to the previous year, the derivation was changed to the extent that non-permanent write-downs and write-ups of all metal inventories as at the reporting date were eliminated. Up until the previous year, this approach had solely been adopted for copper inventories. Furthermore, reporting date-related effects concerning the main metal inventories at our smelter sites, which derive from the measurement at market of metal derivatives that haven't been realized, were not taken into account.

These adjustments to the derivation process led to an € 11 million adjustment to operating EBT as at the reporting date, from € 210 million to € 221 million. An equivalent adjustment in the previous year would have reduced operating EBT by € 2 million, from € 192 million to € 190 million.

There has been an intention to sell Segment FRP since fiscal year 2017/18. The special presentation and measurement requirements specified in IFRS 5 were applied in previous years. Although the sale is still intended and the sale negotiations are at an advanced stage, application of IFRS 5 to Segment FRP was discontinued in the fourth quarter of the fiscal year reported. From a current perspective, the Executive Board does not assume that it is highly probable that the sale will be completed within the twelve-month period pursuant to IFRS 5 that runs until February 2021. As regards the reconciliation of the consolidated statement of financial position and the consolidated income statement, Segment FRP is thus once again fully included in the consolidated financial statements in accordance with IFRS. Prior-year figures have been adjusted accordingly.

With effect from June 1, 2020, the Metallo Group has been included in the financial performance, assets, liabilities, and financial position of the Aurubis Group. The financial performance for the fiscal year therefore includes the new Group companies for four months.

With the signing of the term sheet in August 2020, the assets and liabilities of CABLO Metall-Recycling & Handel GmbH were classified as held for sale in accordance with IFRS 5 for the first time.

FINANCIAL PERFORMANCE

The following table shows how the respective operating results for the 2019/20 fiscal year and for the comparative prior-year period have been determined:

Reconciliation of the consolidated income statement

	12 months 2019/20				12 months 2018/19			
		Adjustment effects				Adjustment effects		
in € million	IFRS	Inventories	Fixed assets	Operating	IFRS	Inventories	Fixed assets	Operating
Revenues	**12,429**	**0**	**0**	**12,429**	**11,897**	**0**	**0**	**11,897**
Changes in inventories of finished goods and work in process	118	-108	0	10	173	-94	0	79
Own work capitalized	23	0	0	23	20	0	0	20
Other operating income	33	0	0	33	62	0	0	62
Cost of materials	-11,199	-63	0	-11,262	-10,928	38	0	-10,890
Gross profit	**1,404**	**-171**	**0**	**1,233**	**1,224**	**-56**	**0**	**1,168**
Personnel expenses	-553	0	0	-553	-505	0	0	-505
Depreciation of property, plant, and equipment and amortization of intangible assets	-210	0	18	-192	-140	0	-11	-151
Other operating expenses	-265	0	0	-265	-304	0	0	-304
Operational result (EBIT)	**376**	**-171**	**18**	**223**	**275**	**-56**	**-11**	**208**
Result from investments measured using the equity method	6	0	7	13	5	2	-7	0
Interest income	7	0	0	7	4	0	0	4
Interest expense	-19	0	0	-19	-20	0	0	-20
Other financial income	0	0	0	0	0	0	0	0
Other financial expenses	-3	0	0	-3	0	0	0	0
Earnings before taxes (EBT)	**367**	**-171**	**25**	**221**	**264**	**-54**	**-18**	**192**
Income taxes	-102	51	-2	-54	-71	18	-1	-54
Consolidated net income	**265**	**-120**	**23**	**167**	**193**	**-36**	**-19**	**138**

Explanations concerning the presentation and the adjustment effects can be found in Financial performance, assets, liabilities, and financial position of the Aurubis Group, pages 106–109.

Operating EBT in fiscal year 2019/20 was € 221 million (previous year: € 192 million) and was positively influenced by the following factors compared to the previous year:

- Significantly higher refining charges for copper scrap and other recycling materials,
- A considerably higher recycling material throughput, due in part to the first-time inclusion of the input materials for the Beerse and Berango sites,
- A significantly higher metal gain accompanied by increased precious metal prices,
- A substantially higher concentrate throughput, which was counterbalanced by lower treatment and refining charges for copper concentrates due to market factors,
- Positive contributions to earnings from our Performance Improvement Program (PIP), which fully compensated for the necessary restructuring expenses.

Negative effects on operating EBT compared to the previous year included:

- Substantially lower sulfuric acid revenues resulting from significantly reduced sales prices,
- Considerably weaker demand for wire rod, shapes, and flat rolled products,
- Impairment losses recognized against goodwill in Segment MRP, which had derived from a past acquisition back in 2002 and related to Hamburg Copper Products.

The Group's revenues increased by € 532 million to € 12,429 million (previous year: € 11,897 million) during the period reported. This development was primarily due to higher precious metal prices in comparison to the previous year. In contrast, lower sales volumes for wire rod, shapes, and flat rolled products had a negative impact.

Breakdown of revenues

in %	**2019/20**	2018/19
Germany	44	40
European Union	27	33
Rest of Europe	4	4
Other	25	23
Total	**100**	**100**

The € 10 million change in inventories of finished goods and work in process (previous year: € 79 million) was mainly due to the build-up of finished copper products and precious metal inventories.

In a manner corresponding to the development for revenues and inventory changes, the cost of materials increased by € 372 million, from € 10,890 million in the previous year to € 11,262 million.

Own work capitalized was recognized in the fiscal year, primarily in connection with the maintenance shutdowns at the Hamburg and Pirdop sites, and at a level of € 23 million exceeded that for the previous year (€ 20 million).

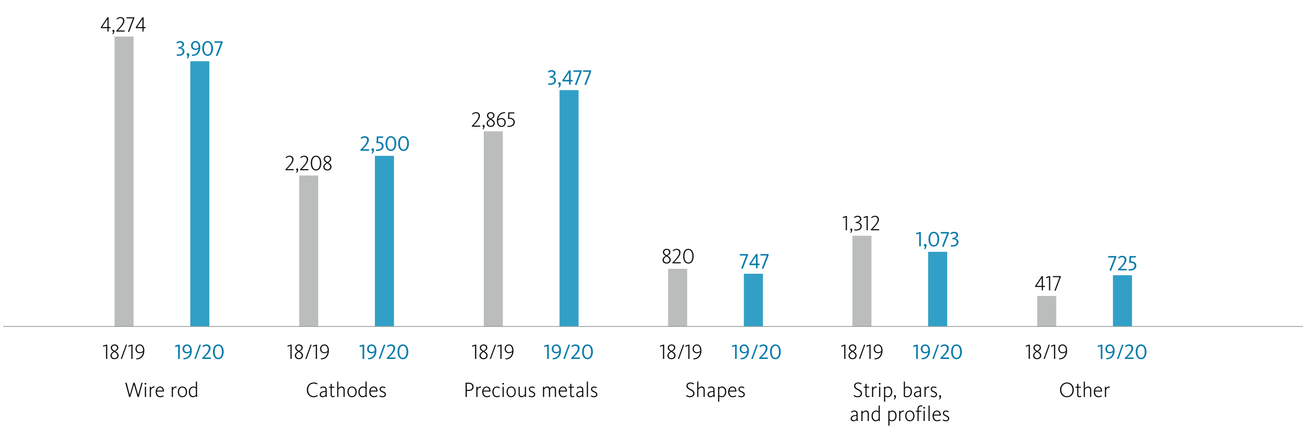
Other operating income decreased significantly by € 29 million, to € 33 million, and included, among other items, income of € 20 million from cost reimbursements (previous year: € 20 million). In the previous year, additional income from the recognition of a receivable of € 20 million that arose in connection with the prohibited sale of Segment Flat Rolled Products and income of € 6 million deriving from reversals of impairment losses on fixed assets were also included.

Overall, the operating gross profit generated was higher than the prior-year level and amounted to € 1,233 million (previous year: € 1,168 million).

Personnel expenses increased from € 505 million in the previous year to € 553 million. This was due in particular to personnel-related restructuring expenses of some € 35 million, incurred in connection with our Performance Improvement Program (PIP), as well as being due to wage tariff increases.

Development of revenues by products

in € million



At a level of € 192 million, depreciation and amortization of fixed assets was significantly above that of the previous year (€ 151 million). The figure includes impairment losses of € 8 million recognized against Segment FRP's fixed assets and impairment losses of € 4 million recognized against Segment MRP's fixed assets. Moreover, a full impairment loss was recognized against the goodwill attributable to the cash-generating unit Aurubis Hamburg Copper Products (€ 17 million). An additional € 8 million of scheduled depreciation and amortization is attributable to the first-time inclusion of the Metallo Group for the months from June to September 2020.

Other operating expenses decreased by € 39 million, from € 304 million in the previous year to € 265 million, and mainly include administrative and selling expenses. In the previous year, this figure included the recognition of expenses, amounting to some € 30 million in project costs, which had previously been capitalized, in connection with the terminated Future Complex Metallurgy (FCM) project.

Earnings before interest and taxes (EBIT) therefore amounted to € 223 million (previous year: € 208 million).

At a level of € -2 million, the financial result was above that of the previous year (€ -16 million). The operating result from investments measured using the equity method, which is included here, exceeded that of the previous year by € 13 million.

This results in operating earnings before taxes (EBT) of € 221 million (previous year: € 192 million), representing an improvement on the previous year.

After taking income taxes into account, the operating consolidated net income after tax amounted to € 167 million (previous year: € 138 million). Operating earnings per share amounted to € 3.73 (previous year: € 3.08).

The IFRS gross profit of € 1,404 million (previous year: € 1,224 million) considerably exceeded that of the previous year. In addition to the effects on earnings already described in the explanation of the operating financial performance, the change in IFRS gross profit was also due to metal price developments. Use of the average cost method leads to metal price valuations that are close to market prices. Metal price volatility therefore has direct effects on changes in inventories/the cost of materials and hence on the IFRS gross profit. The depiction of this volatility is not relevant to the cash flow and does not reflect Aurubis' operating performance.

The reconciliation of the depreciation and amortization charges reflects reversals of impairment losses, amounting to € 20 million, as the reason for recognizing these was no longer applicable in the fiscal year reported.

The IFRS consolidated net income amounted to € 265 million (previous year: € 193 million). This translates to IFRS earnings per share of € 5.95 (previous year: € 4.28). Metallo contributed € 147 million to Group revenues and € -3 million to the IFRS consolidated net income for the period from the acquisition to the reporting date (four months).

IFRS consolidated income statement

in € million	2019/20 IFRS	2018/19 IFRS
Revenues	**12,429**	**11,897**
Changes in inventories/ own work capitalized	141	193
Other operating income	33	62
Cost of materials	-11,199	-10,928
Gross profit	**1,404**	**1,224**
Personnel expenses	-553	-505
Depreciation of property, plant, and equipment and amortization of intangible assets	-210	-140
Other operating expenses	-265	-304
Operational result (EBIT)	**376**	**275**
Financial result	-9	-11
Earnings before taxes (EBT)	**367**	**264**
Income taxes	-102	-71
Consolidated net income	**265**	**193**

ASSETS AND LIABILITIES

The table entitled Reconciliation of the consolidated statement of financial position, page 96 shows the derivation of the operating statement of financial position as at September 30, 2020 and as at September 30, 2019.

Total assets (operating) increased from € 4,059 million as at September 30, 2019 to € 4,897 million as at September 30, 2020.

Group fixed assets increased from € 1,499 million as at September 30, 2019 to € 1,871 million as at September 30, 2020. This was particularly due to acquired intangible assets, amounting to € 63 million, and property, plant, and equipment, amounting to € 228 million, which derived from the acquisition of the Metallo Group. Furthermore, right-of-use assets amounting to € 35 million were recognized for the first time.

Inventories increased by € 323 million, from € 1,532 million as at September 30, 2019 to € 1,855 million as at September 30, 2020. The increase was primarily in input materials. In addition to this, inventories of € 135 million were acquired as a result of the Metallo acquisition.

Refer to the Notes to the Financial Statements, page 136 regarding classification of assets held for sale and related liabilities.

The Group's equity increased by € 169 million, from € 2,234 million to € 2,403, million as at September 30, 2020.

The increase resulted particularly from the operating consolidated net income of € 161 million and the remeasurement of pension obligations, especially deriving from income realized from sales of plan assets and changes in assumptions regarding the measurement of plan assets, amounting to € 56 million (after tax), which is accounted for in other comprehensive income. Moreover, measurements at market of cash flow hedges had a positive impact of € 41 million. The dividend payment of € 56 million and the purchase of treasury shares (€ 41 million) had a counteracting effect.

Current liabilities deriving from trade accounts payable increased by € 331 million, from € 818 million to € 1,149 million, in line with the higher inventories of input materials. The figure reported included € 64 million that derived from the acquisition of the Metallo Group.

At a level of € 583 million as at September 30, 2020, borrowings were substantially above those at the previous fiscal year-end (€ 302 million). The increase was mainly due to the placement of Schuldschein loans, which were issued – among other reasons – in order to finance the acquisition of Metallo. The Schuldschein loans have varied terms to maturity up until 2027, and bear interest at an average rate of 1.6 %. The repayment of a Schuldschein loan of € 127 million in the second quarter of the fiscal year had a counteracting effect.

The following table shows the development of borrowings.

Development of borrowings

in € million	9/30/2020	9/30/2019
Non-current bank borrowings	503	116
Non-current lease liabilities	53	33
Non-current borrowings	**556**	**149**
Current bank borrowings	15	150
Current lease liabilities	12	3
Current borrowings	**27**	**153**
Borrowings	**583**	**302**

Overall, the operating equity ratio (the ratio of equity to total assets) was therefore 49.1 %, compared to 55.0 % as at the end of the previous fiscal year.

Total assets (IFRS) increased from € 4,535 million as at September 30, 2019 to € 5,534 million as at September 30, 2020. In addition to the acquisition of the Metallo Group, the increase was due to the overall € 471 million increase in inventories, from € 1,993 million as at September 30, 2019 to € 2,464 million as at September 30, 2020, which was higher than that reported in the operating statement of financial position. The Group's equity increased by € 253 million, from € 2,598 million to € 2,851 million as at September 30, 2020. The increase resulted particularly from the consolidated net income of € 265 million, which was higher than that presented from an operating perspective.

Overall, the IFRS equity ratio was 51.5 % as at September 30, 2020, compared to 57.3 % as at the end of the previous fiscal year.

Structure of the statement of financial position for the Group

in %	9/30/2020	9/30/2019
Fixed assets	34	34
Inventories	44	44
Receivables, etc.	13	12
Cash and cash equivalents	9	10
	100	**100**
Equity	52	57
Provisions	13	13
Liabilities	35	30
	100	**100**

Reconciliation of the consolidated statement of financial position

iin € million	9/30/2020 IFRS	9/30/2020 Adjustment effects IFRS 5	9/30/2020 Adjustment effects Inventories	9/30/2020 Adjustment effects Fixed assets	9/30/2020 Operating	9/30/2019 IFRS	9/30/2019 Adjustment effects Inventories	9/30/2019 Adjustment effects Fixed assets	9/30/2019 Operating
ASSETS									
Fixed assets	1,904	3	-11	-25	1,871	1,560	-17	-44	1,499
Deferred tax assets	9	0	11	0	20	8	46	0	54
Non-current receivables and other assets	36	0	0	0	36	31	0	0	31
Inventories	2,464	3	-612	0	1,855	1,993	-461	0	1,532
Current receivables and other assets	629	5	0	0	634	502	0	0	502
Cash and cash equivalents	481	0	0	0	481	441	0	0	441
Assets held for sale	11	-11	0	0	0	0	0	0	0
Total assets	**5,534**	**0**	**-612**	**-25**	**4,897**	**4,535**	**-432**	**-44**	**4,059**
EQUITY AND LIABILITIES									
Equity	2,851	0	-426	-22	2,403	2,598	-325	-39	2,234
Deferred tax liabilities	302	1	-186	-3	114	182	-107	-5	70
Non-current provisions	332	0	0	0	332	402	0	0	402
Non-current liabilities	578	0	0	0	578	154	0	0	154
Current provisions	78	0	0	0	78	51	0	0	51
Current liabilities	1,386	6	0	0	1,392	1,148	0	0	1,148
Liabilities deriving from assets held for sale	7	-7	0	0	0	0	0	0	0
Total equity and liabilities	**5,534**	**0**	**-612**	**-25**	**4,897**	**4,535**	**-432**	**-44**	**4,059**

Explanations concerning the presentation and adjustment effects can be found in the section Financial performance, assets, liabilities, and financial position of the Aurubis Group, oages 106–109.

RETURN ON CAPITAL (OPERATING)

The return on capital employed (ROCE) shows the return on the capital employed in the operating business or for an investment. It was determined taking the operating EBIT of the last four quarters into consideration.

Operating ROCE improved to 9.3 % compared to 8.6 % in the comparative prior-year period despite the build-up of higher inventories of input materials to secure supplies for the smelter network.

Operating return on capital employed (ROCE)

in € million	9/30/2020	9/30/2019
Fixed assets, excluding financial fixed assets	1,836	1,485
Inventories	1,855	1,532
Trade accounts receivable	490	390
Other receivables and assets	200	196
– Trade accounts payable	-1,149	-818
– Provisions and other liabilities	-500	-367
Capital employed as at the reporting date	**2,731**	**2,418**
Earnings before taxes (EBT)	221	192
Financial result	2	16
Earnings before interest and taxes (EBIT)	**223**	**208**
Pro forma EBIT of Metallo[1]	18	0
Investments accounted for using the equity method	13	0
Earnings before interest and taxes (EBIT) – adjusted	**253**	**208**
Return on capital employed (operating ROCE)	**9.3 %**	**8.6 %**

[1] Result for four months already included in EBIT; pro forma additional result for eight months.

FINANCIAL POSITION OF THE AURUBIS GROUP

The Group's liquidity sourcing is secured through a combination of the Group's cash flow, short-term and long-term borrowings, as well as lines of credit available from our banks. Existing credit facilities and lines of credit can be utilized to compensate for fluctuations in the cash flow development at any time. These fluctuations result from operating business activities in particular and primarily serve to finance net working capital.

The development of the Aurubis Group's liquidity position is monitored regularly on a timely basis. Control and monitoring are carried out on the basis of defined key ratios.

The main key financial ratio for controlling debt is debt coverage, which calculates the ratio of net borrowings Glossary, page 209 (borrowings less cash and cash equivalents) to earnings before interest, taxes, depreciation, and amortization (EBITDA Glossary, page 209) and shows the number of periods required to redeem the existing borrowings from the Group's income – assuming an unchanged earnings situation.

The interest coverage ratio expresses how the net interest expense is covered by EBITDA.

Our long-term objective is to achieve a well-balanced debt structure. In this context, we consider debt coverage < 3 and interest coverage > 5 to be well balanced.

Group financial ratios (operating)

	9/30/2020	9/30/2019
Debt coverage = net borrowings/EBITDA	0.2	-0.4
Interest coverage = EBITDA/net interest	31.4	21.9

Additional control measures related to liquidity risks are outlined in the Risk and Opportunity Report in the Combined Management Report pages 110–117.

ANALYSIS OF LIQUIDITY AND FUNDING

The cash flow statement shows the cash flows within the Group. It highlights how funds are generated and used.

At a level of € 459 million as at September 30, 2020, the net cash flow Glossary, page 209 was significantly above that of the previous year (€ 272 million). This was due to sales of precious metals at higher prices and cathode sales to Asia.

The cash outflow from investing activities totaled € -556 million (previous year: € -208 million). The increased capital expenditure in comparison to the previous year included a € 333 million net cash outflow deriving from the acquisition of the Metallo Group page 148.

After taking payments of € 39 million for the purchase of treasury shares, interest payments totaling € 16 million, and dividend payments of € 56 million into account, the free cash flow Glossary, page 209 amounts to € -208 million (previous year: € -22 million).

in € million	**12 months 2019/20**	12 months 2018/19
Cash inflow from operating activities (net cash flow)	459	272
Cash outflow from investing activities	-556	-208
Purchase of treasury shares	-39	0
Interest paid	-16	-16
Dividend payment	-56	-70
Free cash flow	**-208**	**-22**
Proceeds and payments deriving from financial liabilities	248	-16
Net change in cash and cash equivalents	**40**	**-38**

Cash and cash equivalents of € 481 million were available to the Group as at September 30, 2020 (€ 441 million as at September 30, 2019). The net financial position disclosed as at September 30, 2020 was € -102 million (previous year: net surplus financial funds of € 139 million).

Net financial position of the Group

in € million	**9/30/2020**	9/30/2019
Borrowings	-583	-302
Cash and cash equivalents	481	441
Net financial position	**-102**	**139**

In addition to cash and cash equivalents, the Aurubis Group has unutilized credit line facilities and thus has adequate liquidity reserves. Parallel to this, within the context of factoring agreements, the Group makes use of the sale of receivables without recourse as an off-balance-sheet financial instrument.

Business performance in the segments

SEGMENT METAL REFINING & PROCESSING

Key figures

in € million	2019/20 operating	2018/19 operating
Revenues	11,469	10,742
Operating EBIT	318	311
Operating EBT	313	304
Capital expenditure	202	203
Depreciation and amortization	-170	-123
Operating ROCE	13.8 %[1]	15.5 %
Capital employed	2,438	2,013
Number of employees (average)	4,935	4,628

[1] Result for four months already included in EBIT; pro forma additional result for eight months.

BUSINESS PERFORMANCE AND EARNINGS TREND

The main factors driving earnings in Segment Metal Refining & Processing (MRP) are treatment and refining charges (TC/RCs) that are negotiated as deductions from the purchase price of the metals for converting raw materials and recycling materials into the exchange product – copper cathodes – and other metals. Additional earnings components include revenues from precious metal and sulfuric acid sales, as well as the metal gain. Furthermore, the Aurubis copper premium and the so-called product surcharge charged for processing copper cathodes into copper products are also significant earnings components.

After the closing of the Metallo Group acquisition on May 29, 2020, the company was consolidated in Segment MRP for the first time, for four months, and contributed to the segment result.

Segment MRP generated total revenues of € 11,469 million during the reporting period (previous year: € 10,742 million). This increase in revenues is primarily due to higher precious metal prices. Lower sales of wire rod and shapes products had the opposite effect.

Operating EBT for Segment MRP amounted to € 313 million during the reporting period, slightly higher year-over-year (previous year: € 304 million).

There were positive effects on operating EBT during the reporting period from considerably higher refining charges for copper scrap and other recycling materials, a substantially higher throughput of recycling materials due in part to the first-time inclusion of the input materials at the Beerse and Berango sites, and a very good metal gain in Q4 of the fiscal year with increased precious metal prices. A substantially higher concentrate throughput, especially at our Pirdop site, came up against lower treatment and refining charges for copper concentrates due to market factors. However, shutdowns influenced throughput and thus the operating result in both the reporting period (about € -50 million operating EBT) and the previous year (about € -40 million operating EBT). Contributions to earnings from our Performance Improvement Program (PIP), which fully compensated for the necessary restructuring expenses, influenced operating EBT positively.

Lower sulfuric acid revenues attributable to substantially lower sales prices as well as significantly weaker demand for wire rod and shapes products due to the coronavirus strained earnings. Earnings were also negatively impacted by impairment losses recognized against goodwill in Segment MRP, which had derived from a past acquisition back in 2002 and related to Hamburg Copper Products, as well as by impairment losses of € 4 million recognized against Segment MRP's non-current assets.

Overall, at € 313 million, Segment MRP's operating result was 3 % above the prior-year level (€ 304 million). At 13.8 % (previous year: 15.5 %), the segment's operating ROCE was less than the previous year.

RAW MATERIAL MARKETS

Lower treatment and refining charges for copper concentrates due to market factors

The international market for copper concentrates was unable to completely avoid the impacts of the pandemic in 2020. In Q2 of 2020 in particular, there were isolated production downtimes in multiple mines. Production normalized over the course of the year, especially in South America, having a positive effect on the concentrate supply. Planned and unplanned shutdowns in the global smelter industry, as well as delays and changes in plans for various smelter projects in Asia, dampened worldwide demand for copper concentrates. For instance, Chinese smelters reduced their primary copper production, due in part to the COVID-19 pandemic, because they couldn't sell their sulfuric acid output. On the other hand, capacities were expanded on the smelter side in 2020, which are expected to boost global production capacity by about 3 % compared to the previous year.

For 2020 annual contracts, the benchmark treatment and refining charge (TC/RC) for processing standard copper concentrates was US$ 62/t and 6.2 cents/lb. The spot price was below the benchmark for long periods of the year. Because of the recovery of the concentrate supply and Chinese smelters' buying restraint on the market, the spot prices at fiscal year-end indicated slight recovery tendencies.

Until mid-February, Aurubis benefited from concentrate TC/RCs at the conditions of calendar year 2019, which were substantially higher than current TC/RCs.

Thanks to our diversified supplier portfolio and active raw material management, we had a secure supply at all times during the crisis and had sufficient concentrate volumes for our primary smelters.

Refining charges for copper scrap remain at a good level

After a stable, high-level trend in the first half of 2019/20, refining charges for copper scrap temporarily came under pressure at the start of Q3 2019/20. Impacts on economic activity due to the COVID-19 pandemic, as well as the weaker copper price, led to a lower supply of recycling materials in Europe and the US. Starting in June 2020, the situation relaxed again, accompanied by the easing of coronavirus measures and a significantly higher copper price. Refining charges for copper scrap stabilized and even indicated a clear upward trend towards the end of the fiscal year.

The trade conflict between the US and China and low exports of copper scrap to China, which led to a shift in metal flows from the US towards Europe and other regions, positively impacted the supply of copper scrap in Europe during the reporting period.

Due to our integrated supply chain management and forward-looking inventory management, we secured the supply of copper scrap and other recycling materials for our smelter network at all times.

The availability of other recycling raw materials was sufficient with good refining charges, positively influenced in part by China's import ban on copper scrap imports with higher levels of impurities, which started in early 2019.

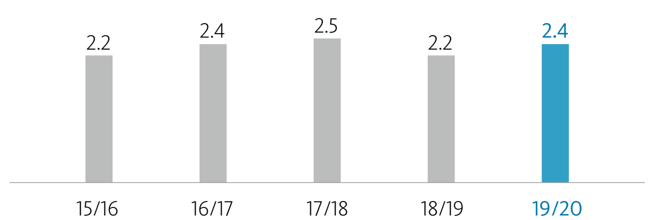
PRODUCTION

Concentrate throughput at a high level

Production at our smelter sites was at a very good level in the fiscal year. In Q3 2019/20, the highest quarterly concentrate throughput in the last several years was achieved, at 642,000 t. At 2,378,000 t, concentrate throughput for fiscal year 2019/20 significantly exceeded the previous year (2,225,000 t). A planned maintenance shutdown at our Hamburg site in October/November 2019 influenced concentrate throughput in Q1 2019/20. Shutdowns impacted throughput in the previous year as well.

Concentrate throughput

in million t

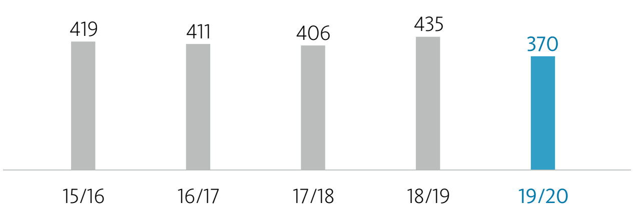


Copper scrap/blister copper input below previous year due to shutdowns

During the reporting year, our recycling sites benefited from a good supply of copper scrap, blister copper Glossary, page 207, and other recycling materials. Overall, the Group-wide input of copper scrap and blister copper in fiscal year 2019/20 was considerably below the good prior-year level due to the shutdown at our Hamburg site and the crane damage in the Olen tankhouse.

Copper scrap and blister copper input in the Group

in thousand t



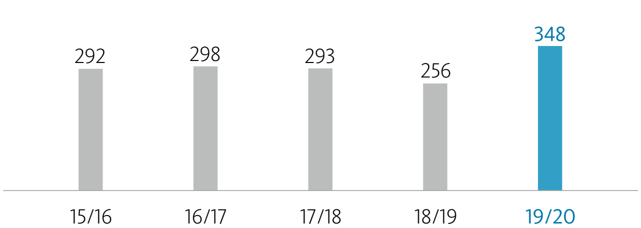
Metallo sites included for four months.

The Olen site also has recycling facilities and a tankhouse for the production of copper cathodes. Cathode output decreased by 28 % compared to the previous year, to 243,000 t (previous year: 338,000 t), because of crane damage in the tankhouse. Impacts on the operating result were limited by taking active countermeasures within the smelter network and by utilizing opportunities. The Olen tankhouse has been available to a great extent again since the end of April.

The input of other recycling materials such as industrial residues, slimes, shredder materials, and electrical and electronic scrap increased by 36 % during the reporting period, to 348,000 t, due in part to the first-time inclusion of the input volumes of the Metallo sites in Beerse (Belgium) and Berango (Spain) in the months of June to September 2020.

Input of other recycling materials

in thousand t



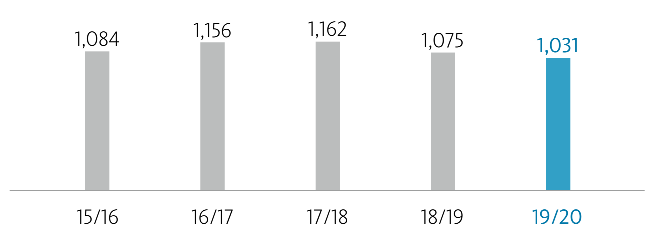
Cathode output slightly down on prior-year level due to shutdowns

At 1,031,000 t, copper cathode output in Segment Metal Refining & Processing was slightly below the prior-year level in 2019/20 (previous year: 1,075,000 t) because of production limitations resulting from crane damage in the Olen tankhouse and the start of the gradual modernization of the Lünen tankhouse.

The international cathode markets recorded stable demand overall in the first half of 2019/20. While spot premiums in Europe were stable, quotations in Shanghai edged downward because of the coronavirus pandemic. After most of the copper processing industry in China resumed production in March, Chinese copper demand has recovered noticeably since Q3 2019/20, partly due to significant increases in investments to expand network infrastructure. Aurubis took advantage of high Chinese demand for refined copper and sold more copper cathodes in Asia, which largely compensated for the lack of demand on European product markets. At US$ 96/t, the Aurubis copper premium for calendar year 2020 is the same as in the previous year.

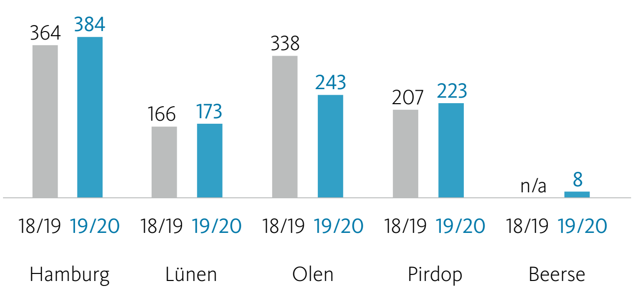
Cathode output in the Group

in thousand t



Cathode output in the Group by sites

in thousand t



Metallo sites included for four months.

Metal sales volumes

The Metallo acquisition is an important contribution to Aurubis' continued strategic development into a multimetal group. This is demonstrated by the increase in the number of metals that we recover and the higher sales volumes.

The sales volumes for the other metals we produce were as follows:

Sales volumes of other metals

		2019/20	2018/19
Gold	t	47	51
Silver	t	972	861
Lead	t	28,014	19,038
Nickel	t	3,395	3,067
Tin	t	4,213	1,631
Zinc	t	3,565	0
Minor metals	t	807	943
Platinum group metals (PGMs)	kg	8,935	9,771

Metallo sites included for four months.

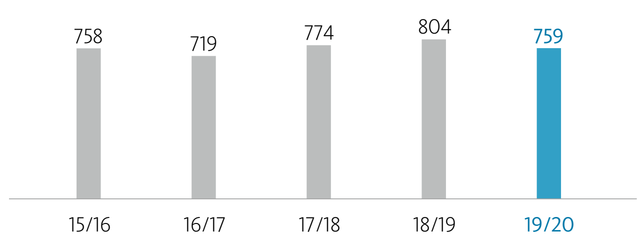
The recovery of our metals depends on the metal contents in the processed copper concentrates and recycling materials. Lower concentrate throughputs due to shutdowns therefore impact the volumes that are recovered. A portion of the metals is sold in the form of intermediate products.

Wire rod output below previous year despite recovery in demand

Continuous cast wire rod is used as a preliminary product for processing, especially in the cable and wire industry, as well as for special semifinished products. Following a stable trend in the first half of 2019/20, wire rod demand dampened significantly in April and May due to the COVID-19-related lockdown in Europe and production shutdowns in the European processing industry. After the measures to stem the COVID-19 pandemic eased, demand started to recover in all sectors in Q4 2019/20. The strongest and most drawn-out decline in demand due to COVID-19 was evident in automotive cable and enameled copper wire for traditional engines. In contrast, demand from the energy sector and construction industry decreased only marginally.

Wire rod output

in thousand t



Taking the full integration of Deutsche Giessdraht GmbH into account since fiscal year 18/19.

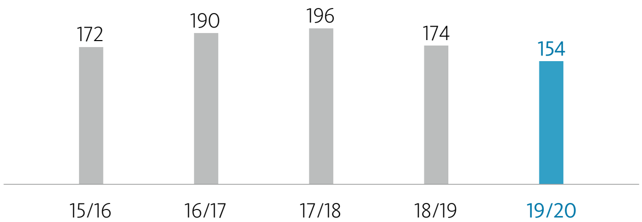
Shapes output considerably below prior-year level

Demand for high-purity shapes declined considerably year-over-year. The order situation remained stable until April 2020 despite the challenging market environment brought on by COVID-19; however, since May we have registered notably weaker demand, especially from the flat rolled products sector, which has been hit hard by the pandemic.

At 154,000 t, shapes output in fiscal year 2019/20 was significantly below the previous year (174,000 t).

Shapes output

in thousand t



Higher sulfuric acid output due to increased concentrate throughput

Corresponding to the concentrate throughput, the sulfuric acid output was 2,272,000 t, considerably higher than the prior-year level (2,101,000 t). Following an initially robust demand trend in Q1 2019/20, the global market for sulfuric acid was highly volatile at the start of the calendar year as a result of the outbreak of the coronavirus pandemic in China. The sealing off of Hubei province, the center of China's fertilizer production and a key customer region for sulfuric acid in Asia, led to increased exports from Chinese sulfuric acid producers and thus to eroding spot market prices in the Americas and Asia. Prices on the European market for sulfuric acid and for spot volumes for exports to North and South America and to Turkey also dropped considerably. Spot markets indicated that they were stabilizing towards the end of fiscal year 2019/20. Because of its customer and contract structure, Aurubis isn't completely exposed to developments on the spot market, and any impacts occur with a time lag.

CAPITAL EXPENDITURE

Capital expenditure in Segment MRP amounted to € 202 million (previous year: € 203 million). Significant investments were made in connection with the maintenance shutdown and environmental protection measures carried out in Hamburg.

SEGMENT FLAT ROLLED PRODUCTS

Key figures

in € million	**2019/20 operating**	2018/19 operating
Revenues	1,086	1,300
Operating EBIT	-3	-39
Operating EBT	1	-47
Capital expenditure	18	16
Depreciation and amortization	-19	-26
Operating ROCE	3.0 %	-10.6 %
Capital employed	316	363
Number of employees (average)	1,632	1,729

Average number of employees adjusted for the previous year.

BUSINESS PERFORMANCE AND EARNINGS TREND

Segment Flat Rolled Products (FRP) processes copper and copper alloys – primarily brass, bronze, and high-performance alloys – into flat rolled products and specialty wire. The main production sites are Stolberg (Germany), Pori (Finland), Zutphen (Netherlands), and Buffalo (US). Furthermore, the segment also includes slitting and service centers in Birmingham (UK), Dolný Kubín (Slovakia), and Mortara (Italy), as well as sales offices worldwide.

Segment FRP generated total revenues of € 1,086 million during the reporting period (previous year: € 1,300 million). The reason for the lower revenues was a significantly reduced sales volume resulting from the COVID-19 pandemic.

Segment FRP generated operating earnings before taxes (EBT) of € 1 million (previous year: € -47 million). Despite significantly lower sales volumes compared to the previous year, the operating result was positive due to cost-saving measures. The previous year includes the negative one-off effects of € 51 million reported in Q4 2018/19. Without these negative one-off effects, operating earnings before taxes (EBT) amounted to € 4 million in the previous year.

At 3.0 % (previous year: -10.6 %), operating ROCE (taking the operating EBIT of the last four quarters into consideration) improved considerably compared to the previous year. The previous year includes the negative one-off effects of € 51 million reported in Q4 2018/19.

There has been an intention to sell Segment FRP since fiscal year 2017/18. Although this is still intended and the sale negotiations are at an advanced stage, IFRS 5 is no longer applied to Segment FRP as of Q4 of the past fiscal year. From a current perspective, the Executive Board does not assume that it is highly probable that the sale will be completed within the twelve-month period pursuant to IFRS 5 that runs until February 2021.

PRODUCT MARKETS

The market for flat rolled products has cooled down distinctly compared to the previous year. The COVID-19 pandemic led to a slump in the order situation at all sites starting in the second half of the fiscal year. Demand for connectors from the automotive industry was impacted in particular. Other sales segments were also below expectations.

RAW MATERIALS

The availability of input materials and the attainable refining charges on the copper price were very good during fiscal year 2019/20. The conditions improved year-over-year.

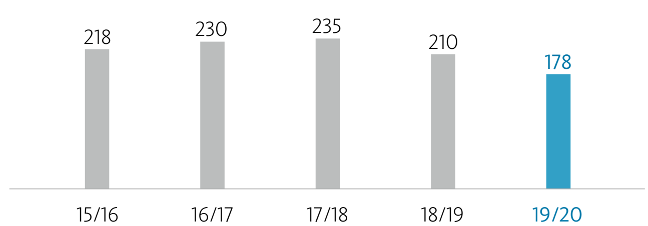
PRODUCTION

Flat rolled products output down due to demand

Output of flat rolled products and specialty wire decreased to 178,000 t due to demand (previous year: 210,000 t). All of the sites continued to work on implementing the programs to improve efficiency and to enhance productivity and quality. Capacity adjustments were made, with the corresponding cost savings, as a reaction to the decline in demand caused primarily by the coronavirus pandemic.

Flat rolled products and specialty wire output

in thousand t



CAPITAL EXPENDITURE

Capital expenditure in Segment FRP amounted to € 18 million (previous year: € 16 million). This was primarily used for replacement investments.

Executive Board assessment of the Aurubis Group during fiscal year 2019/20

The past fiscal year was especially challenging due to the first wave of the COVID-19 pandemic. Nevertheless, the commitment, flexibility, and discipline of our employees, together with agile crisis management, ensured that we kept infection numbers at a very low level at Aurubis and continued production at our smelter sites largely unaffected.

Demand on our product markets was still fairly stable at the end of the first fiscal half-year. Starting in April, we felt a significant decline in demand for wire rod, shapes, and flat rolled products resulting from the lockdown in Europe and the production shutdowns in the European processing industry. Due to the increase in demand again in China's copper processing industry as early as March onwards, we were in a position to sell more copper cathodes in Asia and largely compensate for the lack of demand on the European product markets.

Operating earnings before taxes amounted to € 221 million in fiscal year 2019/20. Despite the effects of the COVID-19 pandemic, we were therefore able to maintain our forecast of an operating EBT between € 185 million and € 250 million over the entire year, even increasing our result by € 29 million compared to the previous fiscal year. By the end of the reporting year, operating ROCE reached 9.3 % (previous year: 8.6 %) and was thus also within the forecast interval of 8 % to 11 %.

The development of operating EBT was influenced by the planned maintenance shutdown at our Hamburg site in Q1 of the fiscal year, which was completed exactly within the time frame and budget and had an effect of € -34 million. Investment costs for this project amounted to about € 50 million. As the year went on, the operating performance and the concentrate throughput in our primary smelters in Hamburg and Pirdop were very satisfactory and made a substantial contribution to the good fiscal year result.

The treatment and refining charges on the spot markets for copper concentrates were under pressure at times due to COVID-19. Nevertheless, we were able to secure the utilization of our smelter capacities and sufficiently supply our primary smelters with concentrates at all times during the crisis due to our diversified supplier portfolio and active raw material management.

Refining charges were satisfactory for long periods of the fiscal year but came under pressure in Q3 2019/20. Rising copper prices led to a notable increase in copper scrap refining charges towards the end of the fiscal year. Due to our integrated supply chain management, we secured the supply of copper scrap and other recycling materials for our smelter network at all times.

The sulfuric acid markets were very volatile in the course of the fiscal year. Prices were very stable until January 2020 but took a huge hit in the course of the coronavirus crisis; they only started to show slight improvements in September, but they remain well below the prior-year level.

The operating result in fiscal year 2019/20 was favorably influenced by a very good metal gain in Q4 of the fiscal year. After precious metal prices declined sharply in spring 2020 due to the COVID-19 pandemic, they recovered swiftly and reached highs towards the end of the fiscal year, which we were able to take advantage of with increased metal sales.

At € 313 million, the operating EBT for Segment Metal Refining & Processing (MRP) in the reporting period was above that of the previous year (€ 304 million). The description of the Group business performance also largely applies to that of Segment MRP. Operating EBT for Segment FRP amounted to € 1 million for the reporting period (previous year: € -47 million). In the previous year, one-off effects had a € -51 million impact on the operating result.

We transferred our efficiency improvement program to a cost reduction program in 2019/20. Our goal is to achieve an improvement in results of at least € 100 million from the Performance Improvement Program (PIP) through cost reduction and an improvement in throughput until fiscal year 2022/23. Initial effects on earnings took hold in 2019/20 and fully compensated for expenses for the necessary restructuring provisions.

At € 459 million, the operating net cash flow as at September 30, 2020 exceeded that of the previous year (€ 272 million). This was due to sales of precious metals at higher prices and cathode sales to Asia.

The equity ratio (operating) was 49.1 % as at September 30, 2020 (previous year: 55.0 %). The net financial position as at September 30, 2020 was at € -102 million (previous year: surplus financial funds of € 139 million). The Aurubis Group's balance sheet structure thus continues to be very robust. Aurubis' strong equity situation and good liquidity position enabled the company to establish a share buyback program in March 2020, with a volume of € 200 million to buy back up to 10 % of its own shares. As at September 30, 2020, the company held 976,764 treasury shares.

The most important event in the past fiscal year was the acquisition of the Metallo Group. On May 4, 2020, the European Commission issued its unconditional approval of the acquisition. This acquisition is a key milestone for Aurubis in the implementation of our multimetal and recycling strategy. The Metallo Group companies were included in the consolidated financial statements starting June 1, 2020, so for four months.

To finance the purchase price for Metallo (€ 375 million) and for other company financing purposes, Aurubis placed an ESG-linked (environmental, social, corporate governance) Schuldschein loan of € 400 million in June. The Schuldschein loan is linked to Aurubis' rating from the recognized, independent sustainability agency EcoVadis, so our sustainability achievements flow directly into the calculation of our interest costs.

Yet another significant development related to sustainability at Aurubis is our participation in the Copper Mark. The Copper Mark is a new quality seal for the copper sector indicating that copper has been produced responsibly along the entire value chain. It was developed by the International Copper Association (ICA). Our primary copper smelter at the site in Bulgaria will be the first of our sites to be certified.

In these challenging times, Aurubis is rock-solid – thanks in part to our business model and the course that has been set over the past several years.

Financial performance, assets, liabilities, and financial position of Aurubis AG

GENERAL INFORMATION

In order to supplement our Aurubis Group reporting, we explain Aurubis AG's development in the following section. Aurubis AG is the parent company of the Aurubis Group and is based in Hamburg with production sites in Hamburg and Lünen. Apart from managing the Aurubis Group, the business activities of Aurubis AG also particularly include primary copper production and recycling, as well as copper product and precious metal production. The separate financial statements of Aurubis AG have been prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch, HGB) and the German Stock Corporation Act (Aktiengesetz, AktG). The significant differences from the Group financial statements prepared in accordance with IFRS principles are in the accounting treatment of fixed assets, the measurement of inventories, the measurement of financial instruments, as well as in the accounting treatment of pension provisions.

The Aurubis Group is managed across all companies at Group level through segments, using operating EBT and operating ROCE as the financial performance indicators. These indicators are also used for Aurubis AG's operating activities, which are a significant component of the Group. To this extent, the development of and forecasts for the financial performance indicators at the segment and Group levels at the same time represent the development and forecast for Aurubis AG as an individual company.

The analysis of the development for the financial performance indicators outlined above during the fiscal year and the related forecasts for the following year are provided in the Economic Report and the Forecast Report for the entire Group. Statements regarding the risk situation and opportunities can be found in the Group's Risk and Opportunity Report pages 110–117.

FINANCIAL PERFORMANCE

Income statement

in € million	2019/20	2018/19
Revenues	**9,005**	**8,200**
Changes in inventories/ own work capitalized	24	79
Other operating income	50	52
Cost of materials	-8,481	-7,774
Gross profit	**598**	**557**
Personnel expenses	-282	-265
Depreciation of property, plant, and equipment and amortization of intangible assets	-60	-53
Other operating expenses	-148	-132
Operational result (EBIT)	**108**	**107**
Financial result	105	50
Result from normal business activities (EBT)	**213**	**157**
Taxes	-36	-32
Net income for the year	**177**	**125**

In comparison to the previous year, Aurubis AG's business performance in fiscal year 2019/20 was negatively impacted by a lower concentrate throughput accompanied by reduced treatment and refining charges due to market factors, as well as lower revenues from the sale of copper products owing to demand. Furthermore, substantially lower revenues from the sale of sulfuric acid had a negative influence on the result. In contrast, a higher metal gain, accompanied by increased market prices and considerably higher refining charges on the copper scrap markets, had a positive influence on the result.

Revenues increased by € 805 million to € 9,005 million in the year reported (previous year: € 8,200 million). This development primarily resulted from higher sales revenues for precious metals due to favorable pricing factors.

The cost of materials ratio (cost of materials/(revenues + changes in inventories)) was unchanged compared to the previous year at a level of 93.9 %. Lower income from treatment and refining charges and a higher metal gain had a counteracting effect. After taking own work capitalized and other operating income into account, the gross profit increased by a total of € 41 million to € 598 million (previous year: € 557 million).

Personnel expenses increased in the past fiscal year by € 17 million to € 282 million, particularly due to higher provisions for restructuring, as part of the ongoing Performance Improvement Program, which amounted to € 34 million. Income deriving from a change in the assumptions used in the measurement of coverage funds for pension provisions (€ +38 million) and changes in the interest rates used for the pension provisions (€ -17 million) had a compensating overall effect.

Depreciation and amortization of fixed assets increased by € 7 million to € 60 million (previous year: € 53 million). This increase particularly concerned intangible assets, technical equipment and machinery, as well as buildings.

Overall, other operating expenses increased by € 16 million, from € 132 million to € 148 million. The increase was primarily due to foreign currency measurement effects. Other operating income includes counteracting effects. Furthermore, additional consulting fees of € 7 million were incurred in the past fiscal year within the context of the Performance Improvement Program. In the previous year, this reporting line included expenses of € 23 million that were recognized in connection with the discontinuation of the internal Future Complex Metallurgy (FCM) investment project. After taking personnel expenses, depreciation and amortization, as well as other operating expenses into account, the operational result (EBIT) amounted to € 108 million (previous year: € 107 million).

The financial result for the year reported was € 105 million (previous year: € 50 million). In addition to dividends of € 130 million from subsidiaries (previous year: € 96 million), this item includes write-downs of the carrying amount of the investments in Deutsche Giessdraht GmbH, amounting to € 8 million, in Aurubis Italia Sr., amounting to € 4 million, and in America Holding Inc., amounting to € 1 million, the net interest result of € -10 million (previous year: € -30 million), as well as write-downs of securities classified as fixed assets at the reporting date, amounting to € -2 million (previous year: € -19 million).

After taking a tax expense of € 36 million (previous year: € 32 million) into account, the net income for the year amounted to € 177 million (previous year: € 125 million). The increase in taxes was due not only to a higher result from normal business activities (EBIT) but also resulted from an increase in the non-deductible part of the income earned from share interests, as well as from significant differences between the profits reported for commercial accounting and tax-based purposes.

ASSETS AND LIABILITIES

Fixed assets increased in the fiscal year by € 283 million to a level of € 2,435 million (previous year: € 2,152 million). Additions to intangible assets and property, plant, and equipment amounted to € 92 million in the year reported. They primarily included investments in the renovation of the tankhouse in Lünen, the ridge turret suctioning equipment for the primary smelter in Hamburg, and investments made in connection with the shutdown of primary copper production in Hamburg. In fiscal year 2019/20, 100 % of the shares of Metallo Group Holding NV were acquired. For this purpose, a direct investment of € 259 million was made and a loan of € 121 million was redeemed. In addition, securities classified as fixed assets were acquired, amounting to € 16 million.

Inventories increased by € 51 million in the past fiscal year, to a level of € 866 million (previous year: € 815 million). Whereas raw material inventories were increased by € 32 million to secure supplies at the production sites during the COVID-19 pandemic, inventories of intermediates reduced again by € 29 million, following the build-up of anodes in the previous year, due to the shutdown. In contrast, inventories of finished goods increased by € 47 million due to reduced demand for copper products and lower inventory levels at the close of the previous year, due to the shutdown.

Trade accounts receivable increased by € 54 million compared to the previous year, particularly due to higher receivables in the precious metal products sector, resulting from price-related developments.

Overall, total assets increased by € 417 million, as compared to the previous year, to a level of € 4,427 million. Therefore, the comparative share of total assets that is attributable to fixed assets was 55 % (previous year: 54 %), while inventories accounted for 20 % (previous year: 20 %) and receivables and other assets accounted for 15 % of total assets (previous year: 16 %).

Equity amounted to € 1,645 million as at September 30, 2020 (previous year: € 1,566 million). The change in equity is due on the one hand to the net income of € 177 million for the past fiscal year. On the other hand, a dividend of € 56 million was paid out and treasury shares amounting to € 41 million were purchased. The equity ratio is 37 % (previous year: 39 %).

Provisions and accrued liabilities increased by a total of € 25 million, to € 336 million. The increase can be attributed to higher personnel-related provisions set up in the context of the restructuring program, as well as provisions for onerous transactions relating to an electricity supply contract. In contrast, pension provisions showed a counteracting development, due to changes in assumptions used in the measurement of coverage funds.

Bank borrowings increased by € 251 million to € 518 million (previous year: € 267 million). In the past fiscal year, a Schuldschein loan of € 127 million was repaid and a new Schuldschein loan of € 400 million, including a sustainability component, was placed in connection with the acquisition of the Metallo Group.

Trade accounts payable increased by € 530 million, to € 597 million, in connection with efforts to secure production supplies, as well as due to higher precious metal prices. Payables to affiliated companies primarily comprise borrowings, which decreased, from € 1,206 million to € 1,172 million, within the context of normal financial transactions.

Balance sheet structure of Aurubis AG

in %	**9/30/2020**	9/30/2019
Fixed assets	55	54
Inventories	20	20
Receivables, etc.	15	16
Cash and cash equivalents	10	10
	100	**100**
Equity	37	39
Provisions and accrued liabilities	8	8
Liabilities	55	53
	100	**100**

Aurubis uses assets under the terms of leasing agreements that are not recognized as assets in the balance sheet. Future financial commitments deriving from leases amount to € 18 million.

FINANCIAL POSITION

Net financial liabilities amounted to € 909 million as at September 30, 2020 (previous year: € 737 million). They resulted from bank borrowings of € 518 million (previous year: € 267 million), the net amount of receivables due from and payables due to subsidiaries, amounting to € 844 million (previous year: € 882 million), deriving from refinancing arrangements, and the deduction of cash and cash equivalents of € 453 million (previous year: € 412 million).

Cash pooling arrangements exist between Aurubis AG and its subsidiaries. For a further analysis of Aurubis AG's liquidity situation, refer to the explanations concerning its financial position that are included in the Combined Management Report. The financing of Aurubis AG's business activities was secured at all times.

In addition to cash and cash equivalents, Aurubis AG had access to unutilized credit line facilities and thus has adequate liquidity reserves. Furthermore, within the context of factoring agreements, Aurubis AG sold receivables without recourse as a financing instrument.

Capital expenditure

In the past fiscal year, capital expenditure investment of € 92 million was made in intangible assets and property, plant, and equipment at the Hamburg and Lünen sites (previous year: € 126 million). The capital expenditure primarily included investments in the renovation of the tankhouse in Lünen, the ridge turret suctioning equipment for the primary smelter in Hamburg, as well as investments made in connection with the shutdown of primary copper production in Hamburg. Furthermore, investments were made in various infrastructure and improvement measures at the Hamburg and Lünen plants.

In the financial assets area, 100 % of the shares of Metallo Group Holding NV were acquired in fiscal year 2019/20. This investment amounted to € 259 million.

Risk and Opportunity Report

Integrated risk and opportunity management

Risks and opportunities are elements of our business activities and are essential to the company's success. As part of our operating business and our strategic management, we weigh opportunities and risks against one another and ensure that they remain balanced. We aim to identify and evaluate risks and opportunities as early as possible.

Aurubis AG's risk and opportunity situation is inherently closely linked to the Aurubis Group's risk and opportunity situation. In this respect, the statements of the company's management on the overall assessment of risks and opportunities also serve as a summary of Aurubis AG's risks and opportunities.

Risk management system

Our objective in risk management is to manage and monitor the risks associated with our business with the help of a risk management system (RMS) suited to our activities. Identifying and observing risk development early on is of major importance. Furthermore, we strive to limit negative effects on earnings caused by risks by implementing appropriate and economically sound countermeasures.

Risk management is an integral component of the centralized and decentralized planning, management, and monitoring processes and covers all of the Aurubis Group's main sites, business sectors, and central functions. The planning and management system, risk reporting, open communication culture, and risk reviews at the sites create risk awareness and transparency with regard to our risk situation.

Risk management officers have been appointed for all sites, business sectors, and central functions, and they form a network within the Group. The Group headquarters manages the network. The RMS is documented in a corporate policy.

Standard risk reporting takes place bottom-up each quarter using a uniform, Group-wide reporting format. Within this format, the identified risks and risks beyond a defined threshold are explained and evaluated on the basis of their probability of occurrence and their business significance. Measures to manage them are then outlined. The risks registered with Group headquarters are qualitatively aggregated into significant risk clusters by Corporate Risk Management and reported to the entire Executive Board. The report also establishes the basis for the report to the Audit Committee as well as external risk reporting.

Potential effect on earnings

in € million	> 1	> 5	> 20	> 50
Likelihood				
high	medium	medium	high	high
medium	low	medium	medium	high
low	low	low	medium	medium
unlikely	low	low	low	medium

In the report to the Executive Board and the Audit Committee, the qualitatively aggregated risk clusters are assessed with due regard to risk management measures (net perspective) based on their probability of occurrence and the potential effect on earnings pursuant to the spreads included in the table, and are classified as low, medium, or high.

Independent monitoring

The RMS is subject to routine monitoring and review. Internal Audit monitors risk management and compliance with the internal control system using systematic audits. As a process-independent authority, it contributes to the correctness and improvement of the business processes, and to the effectiveness of the installed systems and controls.

In addition, the auditors review our early risk detection system to ensure that it adheres to legal requirements. They report the audit results to the Executive Board and the Supervisory Board (Audit Committee).

Furthermore, the Audit Committee deals intensively with risk management issues. The Group risk management officer regularly informs the committee and the Executive Board about current developments.

Explanation of relevant risks

In the following sections, the risks associated with our business are explained according to our risk clusters. The main measures and instruments we use to counter these risks are also described here. We have separately indicated risks and risk-relevant issues that we currently classify as potentially medium to high.

SUPPLY AND PRODUCTION

The ability to keep the production facilities supplied with raw materials and the availability of these facilities are of central importance for the Aurubis Group. We limit the associated risks by implementing a range of specific measures:

To ensure the supply of copper concentrates for our facilities, we have entered into long-term agreements with a number of concentrate suppliers from various countries. In this way, we are able to reduce the risk of production interruptions caused by possible delivery failures. Despite the strain on many mines' production processes and logistics due to the coronavirus, we were able to fully supply our primary smelters with concentrates during the past fiscal year. The risk of volatile treatment and refining charges on the spot market is also limited by the long-term nature of our supply agreements.

Despite short-term reductions in raw material availability due to the coronavirus, the recycling facilities were fully supplied during the past fiscal year thanks to our extensive international supplier network. From today's standpoint, we also expect a very good supply situation and full utilization of the facilities for fiscal year 2020/21. There are ongoing refining charge volatilities due to the general metal price trend, the collecting behavior and inventory management of the metal trade, the international economic situation, and competition for the secondary raw materials relevant for Aurubis.

The material for the facilities producing copper products mainly comes in the form of copper cathodes manufactured within the Group. This allows us to simultaneously generate higher added value and control the quality of copper products during the entire process. We also procured a sufficient volume of copper-bearing raw materials for the production plants belonging to Segment Flat Rolled Products. In this case, we also expect a similar situation for the coming fiscal year.

We address production risks with asset life cycle management and forward-looking maintenance work with the intention of significantly reducing unplanned production shutdowns. However, risks could arise for production due to a rapid increase in COVID-19 infection numbers in the new fiscal year 2020/21. In this regard, we have implemented extensive concepts as well as hygiene and distancing rules with the goal of interrupting possible chains of infection among employees early on. Our occupational health departments and the main sites are closely involved in these concepts, for example with their own COVID-19 testing capacities.

We also took organizational measures to handle potential incidents that could result from events such as flooding or fire. Among these were emergency plans and regular drills for the purpose of training our employees. We also addressed the risk of malfunctions by carrying out regular maintenance work and by keeping critical replacement parts on hand.

Taking into account the measures described above, we regard the risk of insufficient supply as "medium." We continued to classify the risk of strongly limited availability of our production facilities as "medium."

We deal with logistics risks by implementing a thorough, multi-step selection and evaluation process for service providers, by avoiding single sourcing as far as possible, and by preventively developing backup solutions. We also have an international network of qualified service providers at our disposal. This helps us to prevent weather-related or capacity-related risks in the transport chain, for example by contractually arranging a selection of appropriate transport alternatives.

SALES

In addition to supply and production risks, the Aurubis Group also faces sales risks, which we classify as "medium."

Generally speaking, risks can arise from negative deviations from our predictions of the markets' economic development, which we have outlined in the Forecast Report. In particular, a continuation of weak economic development in Europe and around the world, caused by the impacts of the coronavirus pandemic, could negatively impact demand for our products as it did in the past fiscal year. This applies to our sales of copper products such as wire rod, shapes, and the portfolio of Segment Flat Rolled Products on the one hand, but also to the price trend for sulfuric acid.

Thanks to economic analyses and estimates regarding economic trends, we are in a position to adjust our individual sales strategies to changing conditions as needed, thus countering any risks that arise.

Cathodes that are not further processed internally by Aurubis are sold on the international copper cathode market.

SUSTAINABILITY

Supply chain risks (e.g., environmental pollution or human rights violations among suppliers) can mean damage to Aurubis' image and reputation, as well as possible negative impacts on our share price and product sales. We counter this risk with our Business Partner Screening in particular. This instrument analyzes existing and potential business partners to assess their integrity regarding social and ecological criteria, among other factors. The focus of our interest is on topics such as compliance, corruption, human rights aspects, and environmental issues. The decision to enter into a contract with business partners with increased risk is only made after extensive review, and in consultation with the Sustainability and Compliance departments. Business partners on the sales side are also assessed using Business Partner Screening. Due to the increased significance of responsibility in the supply chain as part of our sustainability approach, we classify this risk as "medium."

ENERGY AND CLIMATE

Aurubis takes the protection of the climate seriously. The company highlights the significance of this issue by publishing Scope 1, Scope 2, and Scope 3 CO_2 emissions as part of the separate Non-Financial Report. Aurubis counters the risks of climate change with an energy management system at all of the main sites, among other measures. The different energy efficiency and CO_2 reduction projects outlined in the Non-Financial Report have led to a reduction of approximately 87,900 t of CO_2 (Scope 1 and 2) per year since 2013, contributing to the achievement of climate protection goals and the internal CO_2 reduction target of the current Sustainability Strategy. As part of its Sustainability Strategy, Aurubis has also pledged to implement the science-based targets related to the 1.5-degree objective of the Paris Agreement in a declaration of intent.

In alignment with the definition given by the TCFD (Task Force on Climate-Related Financial Disclosures), we categorize climate risks into physical and transitory risks. The **physical** risks include the extreme weather events in the transport chain that are described in the "Supply and production" section. The company counters these risks through geographic diversification in the supply chain, the storage of emergency reserves to maintain production, and the availability of alternative logistics service providers, among other things. Furthermore, water levels (flooding/low water) are observed in the key waterways to be able to promptly initiate countermeasures to maintain our transport routes.

Transitory risks include technological and political risks first and foremost. We welcome the accelerated expansion of renewable energies, but supply security has to be ensured in the process (**technological risks**). We also deal with fundamental supply security, as well as the potential and limitations of more flexible energy sourcing (for instance, as part of the northern German joint project NEW 4.0), which is becoming increasingly necessary due to the rising, volatile feed-in of renewable energies. Furthermore, we have had an energy supply contract in place since 2010, which secures most of the electricity our main German sites need in the long term.

Political risks comprise a significant proportion of the energy and climate risks due to the constant changes in the overall political conditions:

- Burdens resulting from changes in potential cost drivers such as the German Renewable Energy Sources Act (EEG), the German and European emissions trade, grid charges, and the eco-tax are generally difficult to quantify reliably.
- The copper production and processing industry is expected to continue receiving free allocations of emission trading allowances for direct CO_2 emissions between 2021 and 2030 due to its carbon leakage status. However, taking into account the political CO_2 reduction goals of the Paris Agreement, we expect a decline in the free allocation of CO_2 certificates. The CO_2 price increased continuously in the past year; the supply of CO_2 allowances is supposed to be significantly reduced in the coming trading period, which will likely raise prices for CO_2 allowances further. The political decision-making process regarding the form and amount of compensation for indirect CO_2 costs in electricity as of 2021 hasn't concluded yet. A key milestone was nevertheless achieved with the release of the EU-ETS Guidelines in September: the copper sector's eligibility for compensation is expected to be secured until 2030.
- With regard to the European Commission's call for decarbonization by 2050, we are currently investigating the limits and potential of decarbonizing our production sites, for instance directly, through the use of hydrogen in the copper production process, or indirectly, by delivering unavoidable, CO_2-free industrial heat to Hamburg's district heating system.

On the customer side, increasing demands for transparent goals and strategies related to effective production processes, energy, and CO_2 efficiency could influence future copper product sales, particularly when it comes to customer acquisition and retention. We are countering these **market risks** with steps such as annual climate reporting and evaluations of such reporting conducted by the CDP (formerly the Carbon Disclosure Project) and with the commitment to implement the science-based targets described above.

In the future, the topic of energy and the climate and the associated risks, currently classified as "medium," will continue to be very important for Aurubis as an energy-intensive company.

FINANCE AND FINANCING

Metal price and exchange rate fluctuations represent a potential risk in the buying and selling of metals. Foreign exchange and metal price hedging substantially reduce this risk. Metal backlogs are hedged daily with financial instruments such as spot and forward contracts. Similarly, spot and forward exchange contracts are used to hedge foreign currencies and, on a daily basis, to minimize foreign exchange risks arising from exchange rate fluctuations affecting foreign currency metal transactions. We only select creditworthy firms as counterparties for hedging transactions to minimize the credit risk.

We hedge expected receipts from foreign currencies, especially the US dollar, with options and forward exchange transactions in some cases. We will continue this in the future as well and expect that we can reduce the risks from metal price and exchange rate fluctuations to a reasonable level with these measures.

Credit risks from trade accounts receivable are largely hedged by commercial credit insurances. Internal risks are only permitted to a very limited extent and after review. The development of the outstanding receivables is monitored closely. During the reporting period, there were no significant bad debts. The economic situation resulting from the coronavirus pandemic impacts our customers' creditworthiness, which in turn impacts the willingness of credit insurance providers to grant lines of credit. We counter this development by actively managing payment targets and credit insurance arrangements. We therefore don't foresee any increased risks for the future, either.

The liquidity supply, which is very important for the Aurubis Group, was secured during the past fiscal year. In the spring, we also secured long-term financing for the Metallo acquisition during the coronavirus pandemic with the issue of a Schuldschein loan. The other credit lines at the banks were also sufficient. The Aurubis Group has a stable financial situation in the new fiscal year as well and can finance possible fluctuations from operating business through its existing credit lines. Overall, we classify the finance and financing risks as "medium."

INFORMATION TECHNOLOGY

Aurubis is subject to IT risks that can impact areas such as supply, production, and sales. These risks were taken into consideration in the company's risk assessment. From a current perspective, however, the risks are classified as "low" due to the risk minimization measures described in the following.

We handle risks related to the availability of our IT systems with continuous monitoring, redundant infrastructure, and ongoing adjustments to keep up with the latest developments in IT. We counter the risks of possible incidents or disasters with the redundant design of our IT infrastructure, as well as data recovery and continuity plans. We limit the risks that can result from unauthorized access to company data, as well as cybercrime, by restricting access rights, carrying out security reviews, and using modern security technologies.

ENVIRONMENTAL PROTECTION AND OTHER ASPECTS

There is always a risk that environmental or regulatory provisions could become more stringent, leading to added costs or limitations in product fabrication and marketing.

The German Substitute Building Materials Ordinance, which is intended to create uniform national regulations for the use of substitute building materials, is currently being coordinated at a political level and has a strong influence on the future use of iron silicate in road construction. We want to achieve greater flexibility in marketing iron silicate by expanding our granulation capacities, among other things.

In addition, environmental risks resulting from the possible failure to comply with thresholds and from violations of requirements can have legal consequences. Ensuring the environmentally sound operation of our production facilities helps prevent these situations. We are an international leader in environmental protection, which is confirmed by annual certifications in accordance with DIN EN ISO 14001 and EMAS, for example. We consider ourselves to be well positioned for the future in this regard. Nevertheless, operational incidents that could have an adverse impact on the environment cannot be completely ruled out. Overall, we continue to classify the risk in environmental protection as "high."

In a plant with complex processes, employees' specialist knowledge is an important factor for ensuring performance quality. We have established different measures that are intertwined with each other so that Aurubis can continue to count on employees' knowledge. Among these are partnerships with universities, through which we establish ties with qualified young people, and qualification measures, through which we foster the development of professionals and managers within the company.

Occupational safety and health protection are high-priority areas for us. Responsibility for these issues rests with the management, the supervisors, and each individual in the company. Detailed risk assessments, audits, cross-site checks, training, and campaigns to strengthen employees' safety awareness support our Vision Zero goal, which means zero work-related accidents, injuries, and illnesses. Stringently monitoring our occupational safety performance and deriving the corresponding measures are additional steps to achieving our vision.

The violation of laws can have serious consequences for both Aurubis as a group and for its employees and business partners. Significant compliance risks are identified, analyzed, and addressed by compliance management. We counter legal and tax risks with organizational procedures and clear management structures.
We closely follow political discussions on tax issues, for example on the financial transaction tax, as well as their possible effects.

Furthermore, selected risks are largely covered by insurance policies. We rely on the expertise of an external insurance broker for this purpose.

NON-FINANCIAL RISKS WITHIN THE SCOPE OF THE SEPARATE NON-FINANCIAL REPORT

Non-financial risks were assessed in accordance with Section 289c (3) of the German Commercial Code (HGB).

In the process, no non-financial risks were identified that were very likely to cause serious negative impacts on employee and environmental matters, on respect for human rights, on the prevention of corruption and bribery, or on social matters.

Nevertheless, it is important to us to handle non-financial risks even if they are evaluated as non-material according to the strict definition of the German Commercial Code (HGB), and we have developed and implemented related management approaches.

Internal control and risk management system relating to the consolidated accounting process

(Report pursuant to Section 289 (4) and Section 315 (4) of the German Commercial Code (HGB))

The objective of the internal control system (ICS) for the accounting process is to ensure that financial statements are prepared in compliance with regulations. Aurubis has an internal control and risk management system in which structures and processes related to the accounting process are defined and implemented in the organization. This ensures that the Group accounting procedures are reliable and performed correctly, that business transactions are thoroughly reported in a timely manner as prescribed by law and the Articles of Association, and that legal norms and internal guidelines on accounting are observed. Amendments to laws and accounting standards are continuously analyzed to establish their relevance for the consolidated financial statements, and resulting changes are incorporated into the Group's internal processes and systems.

PRINCIPLES OF THE INTERNAL CONTROL SYSTEM AS RELATED TO ACCOUNTING POLICIES

As the parent company, Aurubis AG prepares the Aurubis Group's consolidated financial statements. The financial reporting of the consolidated Group companies that are included in the consolidated financial statements takes place prior to this process. These Group companies prepare their financial statements locally and transfer them to the Corporate Accounting department via a defined uniform Group-wide data model. The Group companies are responsible for compliance with the valid Group-wide guidelines and procedures, as well as for the correct and timely execution of the accounting-relevant processes and systems.

The internal control system includes the following main principles:

- Ensuring standardized accounting procedures in the preparation of the separate financial statements of Aurubis AG by systematically implemented controls, which are supported by manual accounting controls and other authorization and approval procedures (separation of functions, access regulations and limitations, the use of the dual control principle, guidelines on payment transactions)
- Ensuring uniform Group accounting procedures in accordance with IFRS through the application of uniform accounting regulations and policies, central audit of reporting packages, analysis of deviations from the budget, and quarterly reporting as part of centralized discussions on earnings
- Compiling external accounting and internal reporting by all Group companies in a uniform consolidation and reporting system
- Overall consolidation of the consolidated financial statements by Corporate Accounting, which is responsible for the centralized consolidation, coordination, and monitoring of the standards related to the schedule and the process
- Giving the Group companies support in accounting procedures by having a central contact person in Corporate Accounting
- Clarifying special technical questions and complex issues related to specific cases with an external consultant

INTERNAL AUDIT AS A PROCESS-INDEPENDENT OBSERVER

Internal Audit examines the reliability of the accounting practices at local and Group level, among other things. In particular, it assesses existing internal process policies and the degree to which they are adhered to in practice. In its audits, Internal Audit provides information about risks that arise from identified deviations, as well as recommendations with regard to the adjustments to be made.

Opportunity management system

In addition to risk management, opportunity assessment is an important element of the Aurubis Group's planning, management, and control processes. Its objective is the early identification of internal and external opportunities that could positively impact our economic success. These opportunities are assessed and weighed against the risks associated with them. The next step is to define initiatives and measures to help tap this potential. The process of identifying and assessing opportunities is part of our annual integrated strategy and planning process.

In order to promptly recognize opportunities that arise, we continually monitor and analyze the supply and demand aspects of our markets, the competitive landscape, and global trends. Identifying potential opportunities is a daily management responsibility – on the level of both the operational areas and the Group.

Explanation of relevant opportunities

RISING GLOBAL DEMAND FOR COPPER AND METALS FOR TECHNOLOGY

Copper is one of the most important industrial metals. It is crucial for infrastructure expansion and development, as well as for a number of industrial sectors. Demand for copper follows global economic growth, especially in the electrical, electronics, energy, construction, and automotive industries. Global trends such as rising urbanization, the growth of the world's middle class, the expansion of renewable and decentralized energy supply systems, digitalization, and electric vehicles will continue to increase not only copper demand in the long term, but also the demand for other metals such as nickel, platinum, palladium, selenium, and tellurium. If the economy and the demand for our products develop more favorably than currently expected in the markets relevant to us, this could have a positive influence on the Aurubis Group's earnings.

CHANGES IN TREATMENT AND REFINING CHARGES AND MARKET PRICES FOR OUR PRODUCTS

The Aurubis Group's earnings situation is largely determined by the development of treatment and refining charges for copper concentrates, copper scrap, and other recycling materials, as well as by the market prices for our products, such as wire rod, copper cathodes, sulfuric acid, and precious and minor metals. If treatment and refining charges and market prices for our products develop more positively than currently forecast, this could positively impact the Aurubis Group's earnings.

INCREASING SIGNIFICANCE OF SUSTAINABILITY AND RESOURCE EFFICIENCY

Aurubis is one of the world's leading recyclers of copper and complex recycling raw materials. In light of the rising importance of resource efficiency with regard to sustainability, we expect demand for recycling solutions and low-loss metal production and recovery to continue growing. This is also supported and promoted by increasingly strict national and international legislation and initiatives such as the European Green Deal.

Thanks to our multimetal recycling activities and proximity to our copper product customers, we consider ourselves to be in a position to offer expanded "closing-the-loop" solutions. Following the acquisition of the Metallo Group, Aurubis has been able to extend its recycling capabilities even further. If national and international recycling regulations broaden and demand for recycling solutions in our markets grows more strongly than expected, this could positively affect the Aurubis Group's procurement situation and therefore its earnings.

FURTHER DEVELOPMENT OF EXPERTISE IN COMPLEX RAW MATERIAL PROCESSING

Both primary and secondary raw materials are becoming increasingly complex as their copper content falls and the concentrations of accompanying elements and impurities in them rise. One of Aurubis' particular strengths is in processing complex primary and secondary raw materials. Going beyond the Metallo acquisition, Aurubis will continue to build on this strength and thereby contribute to achieving efficient and resource-friendly production processes for the raw materials of the future. If we build up additional expertise in this area, this could positively influence the Aurubis Group's purchasing and earnings situation.

CONTINUOUSLY IMPROVING PROCESSES AND COST POSITION AND ACHIEVING SYNERGIES

Our markets are globally competitive. Operating excellence is therefore exceedingly important for us. We continuously work on optimizing our processes and improving our cost position. Furthermore, we are always identifying and implementing means to increase the synergy potential within the network of Aurubis plants. If we go beyond the targets connected to initiated improvement measures, this could have a positive impact on the Aurubis Group's earnings.

CAPACITY EXPANSION LINKED WITH INTERNATIONALIZATION

We see additional growth potential in the expansion of our processing capacities in regions with favorable conditions, and in promoting greater proximity to our procurement and sales markets. We will continue investing in our existing sites but will also strive to further expand our supplier and production networks. If we are in a position to expand our capacities even more and possibly to even do so with lower capital expenditure than expected, this could positively affect the Aurubis Group's earnings.

DEVELOPMENT OF SOLUTIONS FOR INDUSTRIAL CUSTOMERS AND SUPPLIERS

We work closely with our suppliers and customers at all levels of our value chain. This includes developing products for individual customers, providing additional services, processing specific raw materials, and offering additional "closing-the-loop" solutions as well as particularly sustainable or certified products. If the demand of our customers and suppliers for our solutions is stronger than forecast, this could have a positive effect on the Aurubis Group's earnings.

INNOVATIONS FROM FUTURE RESEARCH AND DEVELOPMENT ACTIVITIES

Within the scope of our research and development activities, we work on innovations to create a competitive advantage for ourselves in the future. For example, we are working on more resource-efficient processing of complex material streams in our smelters and refineries.

Assessment of the Aurubis Group's risk and opportunity situation

No risks threatening the company's continued existence arose in the reporting year. There were no particular structural changes in the Group's risks. According to our current assessment, there are no risks that endanger the company's continued existence.

Both the Audit Committee and the auditors ascertained that the Executive Board and Supervisory Board have taken the measures prescribed by Section 91 (2) of the German Stock Corporation Act (AktG) in an appropriate manner and that the legally required early risk detection system fulfills all requirements.

For a complete overview of company activities, the opportunities of the Group have to be considered in addition to the risks. We are confident that we will be able to utilize the opportunities presented by our business portfolio, our expertise, and our ability to innovate. At the same time, these factors put us in a position to counter existing risks successfully. Furthermore, we are convinced that we have the appropriate processes, measures, and instruments in place to identify important opportunities and to manage relevant risks.

Forecast Report

The statements made in the Forecast Report are based on our assessments of the overall economic conditions, of global copper market trends, and of Aurubis' raw material and product markets. These assessments are based on analyses by economic research institutes, organizations, and industry associations, as well as on internal market analyses. The forecasts for the future business performance shown here take into account the segment targets, as well as the opportunities and risks posed by the expected market conditions and competitive situations in the forecast period of October 1, 2020 to September 30, 2021. The opportunities and risks affecting the Aurubis Group are explained in detail in the Risk and Opportunity Report. Our forecasts are regularly adjusted. The following statements are based on our knowledge in December 2020.

From our current perspective, there are multiple factors with the potential to influence the Aurubis Group's markets. In particular, these include the global COVID-19 pandemic and a slowdown in global economic growth, even extending beyond the pandemic. The political situation in the US, its fiscal policy, and its tense trade relations with China are ongoing factors. In China, this impacts further economic growth in particular. Likewise, in Europe, monetary policy, the fiscal policy of different member states, and Brexit and its side effects could register an effect as well. Increasing protectionism around the world and the political crises in the MENA region (Middle East and North Africa) could also have a bearing on the market situation.

Overall economic development

The IMF estimates that the global economy will grow by 5.2 % in 2021 but, at the same time, indicates the especially high level of uncertainty behind their forecasts. There are continued known risks related to the uncertainty of political developments in particular. However, there are also a number of risks stemming from the COVID-19 pandemic, including uncertainty about the spread of the virus and the potential public health measures that could be connected with production disruptions in the countries affected.

The economies of emerging and developing countries will likely continue to grow in 2021. The IMF forecasts a 6.0 % increase for this group of countries. As always, the regions vary significantly. For China, the IMF forecasts a high growth rate of 8.2 % for 2021. As an important country for the copper market, China will therefore make a key contribution to the economic rise in the Asian countries overall, which the IMF estimates at 8.0 % in 2021.

For the industrialized nations, the IMF expects 3.9 % growth again in 2021. In the US, the GDP is expected to increase by 3.1 %, while the forecast for the eurozone is 5.2 % growth. The IMF estimates that the German economy will grow by 4.2 % in 2021.

Individual sectors such as the electrotechnical industry, the automotive industry, and the construction sector are important consumers of copper products. The economic developments expected here are as follows:

In its last forecast for the global electrical and electronic products market (September 2020), the German Electrical and Electronic Manufacturers' Association predicts about 6 % growth for the sector in 2021 – following a 3 % decline in this market in 2020. This forecast includes 53 countries, which together comprise approximately 98 % of the global market. Europe accounts for 17 % of the global market. Growth of 6 % is expected there for 2021, after a 7 % drop in 2020. For Germany, the association anticipates a 9 % decrease in 2020 and forecasts 5 % growth for 2021.

According to the European Automobile Manufacturers' Association, demand for automobiles in the EU decreased by 29 % in the first nine months of 2020 due to COVID-19, with about seven million new car registrations. A slight initial recovery of the market was evident in fall 2020 as registration figures rose again, by roughly 3 % in September, for the first time since the outbreak of the COVID-19 pandemic. Depending on how the pandemic continues, we anticipate recovery in the demand and sales situation for fiscal year 2020/21. We also expect positive growth momentum from the intensifying discussion regarding electric vehicles and from state investment incentives.

According to the main association of the German construction industry, the economic situation in the sector in 2020 held up relatively well throughout the coronavirus crisis. The industry association expects a 3.5 % increase in the sector's revenues for 2020 compared to the previous year. However, revenues fluctuate a great deal between regions and subsectors. For instance, residential construction developed positively; on the other hand, commercial construction registered decreases due to many companies halting investments, and no positive development is expected for 2021.

Based on these forecasts, we expect stable to slightly positive economic development in 2021 in the three most important sectors for copper products compared to the previous year. However, political and economic developments may decisively influence the respective market situations.

The effects of European and German energy and environmental policy, which are important for us, are difficult to forecast in detail.

Furthermore, it isn't clear right now how the latest lockdown in various European countries in October/November 2020 will impact our product markets in Europe. China is nevertheless the most important market for copper. From today's perspective, we don't see any losses in demand there due to the pandemic.

Sector development

Following the recovery of the copper market from its March 2020 low brought on by the COVID-19 pandemic, analysts assume that the copper price level in the coming year won't be able to maintain the highs of fall 2020 in the long term. According to a survey of market experts carried out by Thomson Reuters, the median copper price in 2021 should be at a level of US$ 6,800/t (October 2020).

The trend in copper smelter production is still a key factor for assessing the copper market. Asia, especially China, remains the central focus. Additional smelter projects are expected to be commissioned there, leading to extra treatment and refining capacities. Over the next five years, Wood Mackenzie expects average annual growth in production capacities of 3.5 %. CRU expects the global output of refined copper for 2021 to rise by 2.9 %.

Good demand for refined copper can be expected again for 2021, as the metal is an essential material for economic development in key sectors such as the electrical and automotive industries and construction. On top of that, significant levels of public funds are flowing into climate-friendly technologies in China and the EU, technologies with strong potential for copper applications, which could further boost demand.

For Europe, Wood Mackenzie forecasts a recovery in demand for refined copper, which should be reflected in an anticipated increase of about 5 %, to 3.4 million t, in 2021. Demand for refined copper in China is expected to show flat growth in 2021 compared to the previous year. Wood Mackenzie expects global demand to rise by 2.8 %, to 23.5 million t, in 2021.

For the global refined copper market, Wood Mackenzie anticipates a production surplus of about 281,000 t for 2021. Because a continued recovery in copper demand can be assumed beyond 2021, we expect a balanced market in the longer term.

Raw material markets

COPPER CONCENTRATES

Under the assumption that no significant influences arise due to the COVID-19 pandemic or strikes, we expect a recovery and an increase in copper concentrate production in 2021. In different countries, new mining projects or mine expansions are starting production. Global mine output is expected to rise by nearly 4 %. Accordingly, we anticipate an increasing supply of copper concentrates on the global market.

For 2020 annual contracts, the benchmark treatment and refining charge (TC/RC) for processing standard copper concentrates was US$ 62.0/t and 6.2 cents/lb. The spot price was below this benchmark for long periods of the year. Due to the recovery of the concentrate supply and Chinese smelters' buying restraint on the market, the spot prices at fiscal year-end indicated slight recovery tendencies. Overall, we expect the concentrate market to be at least balanced in 2021.

At the time this report was prepared, the benchmark negotiations for 2021 annual contracts on the copper concentrate market hadn't been concluded yet. Due to our position on the market, our contract structure, and our supplier diversification, we are confident that we will once again secure a good supply.

RECYCLING

In the course of the year, the copper scrap market experienced supply bottlenecks in spring but was at a high level again starting in the summer. It can be assumed that the efforts revolving around sustainable business activities and consumption will continue to increase in general, in some cases supported by public funding, for instance as part of the EU Green Deal. Based on these developments, the copper price forecast, and a recovering economy, we expect a good supply situation with good refining charges in the future Glossary, page 209.

Business in this area, particularly for copper scrap, is conducted with short timelines and is therefore dependent on a variety of influences that are difficult to forecast. For instance, falling metal prices could lead to a market change with declining refining charges in the short term. Moreover, the ongoing development of Chinese regulations on copper scrap imports is still unclear at the moment. The market development for copper scrap therefore remains difficult to gauge. We are already supplied with material with very good refining charges for the first quarter and beyond. Our broad market position absorbs supply risks.

Product markets

MARKETS FOR COPPER PRODUCTS

Adequate statements about the development of the copper product business in the new fiscal year are only possible to a limited extent since the negotiation season for 2021 sales contracts hasn't ended yet. At the time this report was prepared, product business was recording positive developments in Q1 2020/21. It remains to be seen how our product markets will be influenced by the ongoing coronavirus pandemic.

One factor that is already clear is the copper premium Aurubis has established for European wire rod and shapes customers for the coming calendar year. Aurubis kept this premium stable at US$ 96/t for its European customers (2020: US$ 96/t). The stable copper premium reflects positive expectations regarding demand from our European customers in 2021.

In light of a pickup in sector development in 2021 and a substantial improvement in economic growth in Europe, we expect to conclude the negotiation season for copper products with contracts that are positive for us. Good customer relationships in our key markets support this. We will also continue expanding our business with new customers.

CATHODES

Sales of free cathode volumes on the market are based on the planned processing of our cathode output in the Group.

COPPER WIRE ROD

Wire rod business is somewhat weaker in the first quarter of a new fiscal year due to seasonal factors. For 2021, we expect demand in the different customer industries in Europe to continue recovering after the 2020 decline. The recovery will depend considerably on the ongoing economic trend, which, from today's perspective, continues to be influenced by uncertainties in the key customer industries. For the electrical industry, which closed the year with a 5 to 10 % drop in demand, we expect an upswing of about 5 % in 2021. Demand from the construction and infrastructure sector is comparatively stable in 2020 with an expected single-digit decrease, so we assume there will be a recovery in the coming year. Demand in the automotive supply chain started to recover in Q3 2020. From a current perspective, this has continued in Q4 2020, and we are cautiously optimistic for Q1 2021 as well.

COPPER SHAPES
Since August 2020, this area has shown the first signs of recovery after demand plummeted in summer 2020. Low inventories along the value chain supported a quick recovery in Q4 2020.

FLAT ROLLED PRODUCTS
For the US economy, whose development is crucial for our plant there, we expect a recovery from the 2020 slump in 2021, as described in the section “Overall economic development.”

On the European market for flat rolled products, connector production is one factor that plays a key role in the demand for our products. Sales in this area improved remarkably in the third quarter of 2020, compared to a second quarter with very weak demand from the automotive sector. We expect the recovery to continue in the fourth quarter of 2020 as well as in 2021. These developments, too, could be endangered by the second lockdown in November 2020 and the risk of a no-deal Brexit.

SULFURIC ACID
Sulfuric acid sales are dependent on short-term developments, a fact that is reflected in the duration of the contracts. In addition, sales opportunities are very different from region to region, with varying conditions accordingly. Aurubis supplies the global sulfuric acid market, with a focus on Europe, North America, and North Africa. The relationship between local sales and exports fluctuates depending on market circumstances. Since fiscal year 2018/19, Aurubis has also had a sales office for sulfuric acid in Tampa, Florida.

Following limited price dynamics on the sulfuric acid market during the past fiscal year, CRU doesn’t expect any larger price developments for the rest of 2020, either. Market observer ICIS, on the other hand, indicates that there could be supply bottlenecks in the US in Q4 2020 in connection with Hurricane Laura. While no movement in demand is evident in Europe in Q4, ICIS expects rising demand for sulfuric acid from the Chinese fertilizer sector in the final quarter of the year.

Business and earnings expectations for the Aurubis Group

BUSINESS EXPECTATIONS
In fiscal year 2019/20, we once again implemented a variety of measures to continue bringing to life our strategy of Growth, Efficiency & Responsibility, with which we want to achieve our Vision 2025. Aurubis holds leading market positions in many areas – with the Metallo acquisition in particular, we will continue expanding the area of recycling over the long term. The integration process for the two sites in Berango (Spain) and Beerse (Belgium) is running very successfully, even under the challenging circumstances of the coronavirus. We are confident that we will exceed the targeted synergy potential of € 10 to 15 million in the next three years.

With the Metallo acquisition, we are significantly strengthening our position as a multimetal provider.

We plan to continue growing through internal and external projects in the future as well – our very solid financial stability and our treasury shares establish a good foundation for this.

There has been an intention to sell Segment FRP since fiscal year 2017/18. Although this is still intended and the sale negotiations are at an advanced stage, IFRS 5 is no longer applied to Segment FRP as of Q4 2019/20. From a current perspective, the Executive Board does not assume that it is highly probable that the sale will be completed within the twelve-month period pursuant to IFRS 5 that runs until February 2021.

The following maintenance shutdowns are planned for fiscal year 2020/21:

In August and September 2021, we will carry out a planned maintenance shutdown at our site in Pirdop (Bulgaria). According to our current plans, this will have a roughly € 23 million impact on our operating EBT.

In May and September 2021, we are planning two maintenance shutdowns at our Lünen site, which will have a total negative impact of about € 13 million on our operating EBT, according to current planning.

EARNINGS EXPECTATIONS

Our earnings are subject to quarterly fluctuations because of the nature of our business model. This is due to seasonal factors but may also be caused by disruptions in equipment or operating processes. The first quarter of a fiscal year in particular is shaped by seasonal features, including subdued customer orders and changes in raw material deliveries.

The future development and forecast of Aurubis AG coincide with the general statement on the Aurubis Group.

The outlook for fiscal year 2020/21 is based on the following premises:

- Supported by industry forecasts, we expect copper demand to grow again after the intermittent declines in demand in 2020.
- At the time this report was prepared, the benchmark negotiations for 2021 annual contracts on the copper concentrate market hadn't been concluded yet.
- In fiscal year 2020/21, the market trend for copper scrap and sulfuric acid is difficult to forecast due to the short-term nature of the business.
- The Aurubis copper premium for 2021 has been set at US$ 96/t (previous year: US$ 96/t).
- A significant portion of our revenues is based on the US dollar. We have reduced the resulting risks with our hedging strategy to a large extent.
- We expect an improvement in earnings of at least € 100 million through cost reduction and an improvement in throughput from the Performance Improvement Program (PIP) starting in fiscal year 2022/23. The objective is to counteract both inflation and the weaker economic and market conditions that are expected.
- We expect plant availability for fiscal year 2020/21 to be above that of the previous year overall, especially because of the investments made in our sites within the scope of planned maintenance shutdowns.

Overall, we expect an operating EBT between € 210 and 270 million and an operating ROCE between 8 and 11 % for the Aurubis Group for fiscal year 2020/21.

In Segment Metal Refining & Processing, we expect an operating EBT between € 250 and 330 million and an operating ROCE between 9 and 15 % for fiscal year 2020/21.

In Segment Flat Rolled Products, we expect an operating EBT between € 4 and 12 million and an operating ROCE between 2 and 6 % for fiscal year 2020/21.

Expected financial situation

At the end of fiscal year 2019/20, Aurubis had € 481 million in available cash (September 30, 2019: € 441 million). The company has additional liquidity through lines of credit amounting to € 350 million from a syndicated loan agreement running until 2023. Aurubis therefore has sufficient liquidity that is not at risk from today's perspective.

We expect the stable financial situation from the operating business to continue in the coming fiscal year. We intend to settle the scheduled payments due during fiscal year 2020/21 with the existing liquidity.

GENERAL STATEMENT ON THE FUTURE DEVELOPMENT OF THE AURUBIS GROUP

The Aurubis Group's business trend will continue to be influenced by the COVID-19 pandemic in fiscal year 2020/21. Our employees' health will remain our highest priority. Both the global markets for our input materials and our largely European product markets will once again require our utmost flexibility in 2020/21.

However, because we have already overcome the challenges of the pandemic in 2019/20 very well, we are entering fiscal year 2020/21 with a sense of cautious optimism, with a slightly higher forecast range for operating EBT and a stable ROCE forecast range.

Forward-looking statements

This document contains forward-looking statements about our current forecasts of future events. Words such as "anticipate," "assume," "believe," "predict," "expect," "intend," "can/could," "plan," "project," "should," and similar terms indicate such forward-looking statements. These statements are subject to a number of risks and uncertainties. Some examples include unfavorable developments in the global economic situation, especially impacts of the COVID-19 pandemic; political developments in the US, Europe, and China; a tightening of the raw material supply; and a decline in demand in the main copper sales markets. Further risks include a deterioration of our refinancing options on the credit and finance markets; unavoidable events beyond our control, such as natural disasters, acts of terror, political unrest, and industrial accidents, and their effects on our sales, purchasing, production, and financing activities; changes in exchange rates; a drop in acceptance for our products, resulting in impacts on the establishment of prices and the utilization of processing and production capacities; price increases for energy and raw materials; production interruptions due to material bottlenecks, employee strikes, or supplier bankruptcies; the successful implementation of measures to reduce costs and enhance efficiency; the business outlook for our significant holdings; the successful implementation of strategic cooperation and joint ventures; amendments to laws, ordinances, and official regulations; and the outcomes of legal proceedings and other risks and uncertainties, some of which are described in the Risk and Opportunity Report in this Annual Report. If one of these uncertainties or difficulties occurs, or if the assumptions underlying the forward-looking statements prove to be wrong, the actual results could deviate considerably from the results mentioned or implicitly expressed in these statements. We do not intend, nor do we assume the obligation, to update forward-looking statements continuously, as these statements are based solely on the circumstances on the day of publication.

Legal Disclosures

Declaration on corporate governance pursuant to Section 289f and Section 315d of the German Commercial Code (HGB)

The declaration is printed at the beginning of this Annual Report and is available on the company's website in the "About Aurubis" section under "Corporate Governance."

www.aurubis.com/en/about-aurubis/distribution-page-corporate-governance

Compensation of the Executive Board and Supervisory Board

We explain the basic principles of the compensation system for the Executive Board and Supervisory Board in the Compensation Report of the Corporate Governance Report pages 18–27, which is part of the Combined Management Report. This information is printed in the Annual Report and is available on the company's website in the "About Aurubis" section under "The Group."

https://www.aurubis.com/en/about-aurubis/distribution-page---group

Takeover-related disclosures and explanations

Explanatory report by the Executive Board of Aurubis AG, Hamburg, in accordance with Section 176 (1) sentence 1 of the German Stock Corporation Act (AktG) on disclosures of takeover provisions pursuant to Section 289a (1) and Section 315a (1) of the German Commercial Code (HGB) as at the balance sheet date of September 30, 2020

The following disclosures as at September 30, 2020 are presented in accordance with Section 289a (1) and Section 315a (1) of the German Commercial Code (HGB).

COMPOSITION OF THE SUBSCRIBED CAPITAL

The subscribed capital (share capital) of Aurubis AG amounted to € 115,089,210.88 as at the balance sheet date and was divided into 44,956,723 no-par-value bearer shares, each with a notional value of € 2.56 of the subscribed capital.

Each share grants the same rights and one vote at the Annual General Meeting. There are no different classes of shares.

The profit entitlement for any new shares that are issued can deviate from Section 60 of the German Stock Corporation Act (AktG).

TREASURY SHARES

Please refer to the Aurubis AG notes to the financial statements for information pursuant to Section 160 (1) no. 2 of the German Stock Corporation Act (AktG).

LIMITATIONS RELATED TO VOTING RIGHTS OR THE TRANSFER OF SHARES

According to the Executive Board's knowledge, shareholders' voting rights are not subject to any limitations, with the exception of possible legal prohibitions on voting. Pursuant to Section 71b of the German Stock Corporation Act (AktG), the company is not entitled to voting rights from any of its own shares that it holds.

SHAREHOLDINGS EXCEEDING 10 % OF THE VOTING RIGHTS

One indirect shareholding in Aurubis AG exceeds 10 % of the voting rights as at the balance sheet date (September 30, 2020):

Salzgitter AG, Salzgitter, notified the company in accordance with Section 33 (1) of the German Securities Trading Act (WpHG) on December 12, 2018 that its voting interest in Aurubis AG had exceeded the threshold of 25 % of the voting rights on December 12, 2018 and amounted to 25.0000006 % of the voting rights (representing 11,239,181 votes). Of this total, 25.0000006 % of the voting rights (representing 11,239,181 votes) are attributed to Salzgitter AG via Salzgitter Mannesmann GmbH, Salzgitter.

Accordingly, one direct shareholding in Aurubis AG exceeds 10 % of the voting rights as at the balance sheet date (September 30, 2020). According to the notification of Salzgitter AG, Salzgitter, dated December 12, 2018, Salzgitter Mannesmann GmbH, Salzgitter, held 25.0000006 % of the voting rights (representing 11,239,181 votes) on December 12, 2018. In its analyst conference regarding the first half of 2020, which took place on August 12, 2020, Salzgitter AG published that its shareholding in Aurubis AG amouned to 29.99 %.

SHAREHOLDERS WITH SPECIAL RIGHTS

There were no shareholders with special rights conferring supervisory powers as at the balance sheet date (September 30, 2020).

PARTICIPATING EMPLOYEES

There were no employees that held an interest in share capital and did not directly exercise their supervisory rights as at the balance sheet date (September 30, 2020).

APPOINTMENT AND REMOVAL OF EXECUTIVE BOARD MEMBERS AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The appointment and removal of members of the Executive Board of Aurubis AG are covered by Sections 84 and 85 of the German Stock Corporation Act (AktG) and Section 31 of the German Codetermination Act (MitbestG) in conjunction with Section 6 (1) of the Articles of Association. Amendments to the Articles of Association are subject to the approval of the shareholders at the Annual General Meeting. The resolution at the Annual General Meeting requires, in addition to a simple majority of votes, a majority that must comprise at least three-quarters of the subscribed capital represented in the vote; Section 119 (1) no. 6, Section 133 (1), and Section 179 *et seq.* of the German Stock Corporation Act (AktG) apply. In accordance with Section 11 (9) of the Articles of Association, the Supervisory Board is authorized to pass amendments to the Articles of Association that only relate to their wording. Furthermore, the Supervisory Board is authorized to adjust Section 4 of the Articles of Association after the complete or partial execution of a subscribed capital increase in accordance with the respective claim to the authorized capital and after the authorization expires. It is also empowered to adjust the wording of Section 4 (1) and (3) of the Articles of Association in accordance with the respective issuing of new no-par-value bearer shares to the holders or creditors of convertible bonds and/or bonds with warrants, profit participation rights, or participating bonds (or combinations of these instruments), which are issued by Aurubis or by companies in which it has an indirect or direct majority interest in return for a cash contribution and as a result of the authorization resolved upon at the Annual General Meeting on March 2, 2017 under item 6 of the agenda. It is also empowered to grant a conversion or option right to new no-par-value bearer shares in the company or to establish a conversion obligation. The same applies if the authorization to issue bonds with warrants or convertible bonds is not exercised after the authorization period expires, or if the conditional capital is not utilized after the deadlines for exercising option or conversion rights or for fulfilling conversion or option obligations have expired.

POWER OF THE EXECUTIVE BOARD TO ISSUE SHARES

In accordance with Section 4 (2) of the Articles of Association, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the company's subscribed capital in the period until February 23, 2021 by issuing up to 22,478,361 new no-par-value shares in exchange for a cash contribution and/or a contribution in kind, once or in several installments, by up to € 57,544,604.16. The shareholders shall always be granted a subscription right. The new shares can also be acquired by one or more credit institutions with the obligation of offering them to shareholders for subscription. However, the Executive Board is authorized, subject to the approval of the Supervisory Board, to exclude shareholder subscription rights once or on several occasions. Such exclusion is only possible

a) inasmuch as it is necessary to exclude subscription rights for possible fractional amounts.

b) up to an arithmetical face value totaling € 23,017,840.64 if the new shares are issued for a contribution in kind.

c) for capital increases against cash contributions up to an arithmetical nominal value totaling € 11,508,920.32 or, if this amount is lower, by a total of 10 % of the subscribed capital (the "maximum amount") existing when this authorization was exercised for the first time (in each case taking into account the possible use of other authorizations to exclude the subscription right in accordance with or in commensurate application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG)), if the issuing price for the new shares is not significantly lower than the price of company shares with the same terms on the stock exchange at the time when the issuing price is ultimately fixed.

   The subscribed capital allotted to the shares that are issued or have to be issued to fulfill convertible bonds and/or bonds with warrants that are issued after February 24, 2016 in commensurate application of Section 186 (3) sentence 4 of the

German Stock Corporation Act (AktG), excluding the subscription rights, or that are sold after February 24, 2016 in commensurate application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) must be included in this maximum amount. It shall not be included if authorizations to issue convertible bonds and/or bonds with warrants pursuant to Section 221 (4) sentence 2 and Section 186 (3) sentence 4 of the German Stock Corporation Act or to sell own shares in accordance with Section 71 (1) no. 8 and Section 186 (3) sentence 4 of the German Stock Corporation Act are granted again at the Annual General Meeting after exercising such powers that have led to inclusion.

d) up to an arithmetical face value totaling € 23,017,840.64, inasmuch as it is necessary to grant holders or creditors of bonds with warrants or convertible bonds issued by the company relating to shares a subscription right for new shares to the same extent as they would be entitled after exercising their option or conversion rights.

In the resolution dated February 9, 2016, the Executive Board of Aurubis AG declared within the scope of a voluntary commitment that it would only make use of the authorizations to exclude shareholders' subscription rights for the duration of the authorization provided in Section 4 (2) of the Articles of Association insofar as the shares to be issued may not exceed 20 % of the subscribed capital, neither at the point in time when the authorization becomes effective nor at the time of utilization. At the abovementioned 20 % threshold, hypothetical own shares shall be taken into account until the issue of new stocks, which are sold under exclusion of subscription rights, as well as such shares which are to be issued with a conversion or option right or conversion obligation for the purpose of servicing bonds, provided the bonds are issued excluding the preemptive rights of shareholders. If and to the extent that the shareholders at the Annual General Meeting reissue this authorization to exclude subscription rights after an authorization to exclude subscription rights has been exercised, leading to offsetting against the 20 % limit previously mentioned, the offsetting that has been carried out is no longer included.

This voluntary commitment was made accessible on Aurubis AG's website for the duration of the authorization.

POWER OF THE EXECUTIVE BOARD TO REPURCHASE SHARES

With a resolution of the Annual General Meeting on March 1, 2018, the company was authorized until February 28, 2023 to repurchase its own shares up to a total of 10 % of the current subscribed capital. Together with other own shares held by the company or attributable to it in accordance with Section 71a *et seq.* of the German Stock Corporation Act (AktG), the shares acquired by the company based on this authorization shall at no time exceed 10 % of the company's current subscribed capital. The acquisition of shares for the purpose of trading with own shares is excluded. The Executive Board is empowered to use shares in the company that are purchased on account of this power for all legally permitted purposes, and in particular for the following purposes:

a) Own shares that have been acquired can also be sold in a way other than a sale via the stock exchange or by means of an offer to all of the shareholders, if the shares are sold in return for a cash payment at a price that is not materially lower than the stock market price of the company's shares with the same terms at the time of the sale. The definitive trading price for the purpose of the arrangement previously mentioned shall be the average closing price of the company's shares with the same terms in Xetra trading (or a comparable successor system) over the last five trading days of the Frankfurt Stock Exchange before the commitment to sell the shares was entered into. The shareholders' subscription right is excluded. This authorization shall, however, only apply on the condition that the shares sold excluding the subscription right may not, in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), exceed 10 % of the subscribed capital, either at the time this becomes effective or at the time of exercise of this authorization (the "upper limit"). Shares that are issued during the term of this authorization from authorized capital pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), excluding subscription rights, are to be credited towards this upper limit. Furthermore, this upper limit shall take into account those shares that are issued or are to be issued in order to service convertible bonds and/or bonds with warrants (or profit participation rights, or participating bonds with a conversion right, option right, or conversion obligation, or the company's right to offer), which were issued during the term of this authorization due to an authorization to issue convertible bonds and/or bonds with warrants (or profit participation rights, or participating bonds with a conversion right, option right, or conversion obligation, or the company's right to offer) in commensurate application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), excluding subscription rights. An inclusion that has been carried out is canceled if authorizations to issue new shares from authorized capital in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) or to issue convertible bonds and/or bonds with warrants (or profit participation rights, or participating bonds with a conversion right, option right, or conversion obligation, or the company's right to offer) in commensurate application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) are granted again at the Annual General Meeting after exercising such authorizations that have led to inclusion.

b) Own shares that have been acquired can also be sold in a way other than a sale via the stock exchange or by means of an offer to all of the shareholders. This is provided that such sale is carried out in return for a contribution in kind by a third party, especially in conjunction with the acquisition of business entities, parts of business entities, or participating interests in business entities by the company itself or by a business entity dependent on it or majority-owned by it, and in conjunction with business combinations, or to fulfill conversion rights or obligations of holders and/or creditors relating to conversion or option rights issued by the company or Group entities of the company (or profit participation rights, or participating bonds with a conversion right, option right, or conversion obligation, or the company's right to offer), especially – but not exclusively – due to the authorization to issue convertible bonds and/or bonds with warrants, profit participation rights, and/or participating bonds (or combinations of these instruments) decided under item 6 of the agenda for the Annual General Meeting on March 2, 2017. The shareholders' subscription right is excluded in each case.

c) Own shares that have been acquired can be withdrawn entirely or in part without a further resolution at the Annual General Meeting. They can also be withdrawn in a simplified procedure without a reduction in capital by adjusting the proportionate notional share of the remaining no-par-value shares in the subscribed capital of the company. The withdrawal can be limited to a portion of the acquired shares. If the withdrawal takes place using the simplified procedure, the Executive Board is authorized to adjust the number of no-par-value shares in the Articles of Association.

The own shares collectively sold under the authorization mentioned previously, pursuant to items a) and b) and excluding the subscription right, may not exceed 20 % of the share capital, neither at the time the authorization becomes effective nor at the time it is exercised. The 20 % limit must include (i) new shares that are issued, excluding the subscription right, during the term of this authorization up to the sale of the own shares from authorized capital, without subscription rights, and (ii) those shares that are issued in order to service convertible bonds and/or bonds with warrants (or profit participation rights, or participating bonds with a conversion right, option right, or conversion obligation, or the company's right to offer), if the bonds were issued during the term of this authorization up to the sale of the own shares, excluding shareholder subscription rights. If and to the extent that the shareholders at the Annual General Meeting reissue the relevant authorization to exclude subscription rights after the authorization leading to offsetting against the 20 % limit previously mentioned has been exercised, the offsetting that has already been carried out is no longer included.

The complete text of the resolution dated March 1, 2018 has been included under agenda item 8 in the invitation to the Annual General Meeting 2018 published in the German Federal Gazette on January 22, 2018.

POWER OF THE EXECUTIVE BOARD TO ISSUE CONVERTIBLE BONDS AND SHARES FROM CONDITIONAL CAPITAL

With the resolution passed by the shareholders at the Annual General Meeting on March 2, 2017, the Executive Board was authorized, subject to the approval of the Supervisory Board, to issue bearer or registered convertible bonds and/or bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) – referred to collectively as "bonds" – until March 1, 2022, once or several times, with or without a maturity limit, in the total nominal amount of up to € 1,100,000,000.00, and to grant conversion or option rights to the holders or creditors of such bonds for no-par-value bearer shares in the company representing a proportionate amount of the subscribed capital totaling € 57,544,604.16 as further specified in the terms and conditions of the bonds. The text of the authorization of the Executive Board to issue bonds corresponds to the resolution proposed by the Executive Board and Supervisory Board regarding agenda item 6 of the ordinary Annual General Meeting on March 2, 2017, which was published in the German Federal Gazette on January 17, 2017.

The company's subscribed capital shall be conditionally increased by up to € 57,544,604.16 by issuing up to 22,478,361 new bearer shares without a nominal amount (no-par-value shares), each with a notional interest in the subscribed capital of € 2.56 (Conditional Capital 2017). The conditional capital increase will only be carried out to the extent that the holders or creditors of conversion and/or option rights from convertible bonds, bonds with warrants, profit participation rights, or participating bonds (or a combination of these instruments) that are issued against cash by the company or by its affiliates until March 1, 2022 due to the authorization passed by the shareholders at the Annual General Meeting on March 2, 2017 exercise their conversion or option rights, or to the extent that holders or creditors of the convertible bonds (or profit participation rights or participating bonds with a conversion obligation) issued by the company or by its affiliates until March 1, 2022 due to the authorization passed by the shareholders at the Annual General Meeting on March 2, 2017 fulfill their conversion obligation or shares are offered, and to the extent that own shares or other forms of fulfillment are not utilized for this purpose. The new no-par-value bearer shares shall be entitled to participate in the profits from the beginning of the fiscal year in which they come into existence through the exercise of conversion or option rights, through the fulfillment of conversion or option obligations, or through the exercise of rights to offer. To the extent legally permitted, the Executive Board can, subject to the approval of the Supervisory Board, establish the profit participation of new shares in a way that deviates from Section 60 (2) of the German Stock Corporation Act (AktG).

The complete text of the resolution dated March 2, 2017 has been included under agenda item 6 in the invitation to the Annual General Meeting 2017 published in the German Federal Gazette on January 17, 2017.

SIGNIFICANT CONDITIONAL AGREEMENTS CONCLUDED BY THE COMPANY

Within the scope of various bonds totaling € 502.5 million, every lender has an extraordinary right of cancellation if control over the borrower changes.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

for the period from October 1 to September 30 (IFRS)

in € thousand	Note	12 months 2019/20	12 months 2018/19
Revenues	1	**12,428,542**	**11,897,056**
Changes in inventories of finished goods and work in process	2	117,996	173,080
Own work capitalized	3	22,517	19,992
Other operating income	4	33,407	61,995
Cost of materials	5	-11,198,139	-10,928,470
Gross profit		**1,404,323**	**1,223,653**
Personnel expenses	6	-552,572	-504,986
Depreciation of property, plant, and equipment and amortization of intangible assets	7	-209,826	-140,000
Other operating expenses	8	-266,333	-303,754
Operational result (EBIT)		**375,592**	**274,913**
Result from investments measured using the equity method	9	6,455	4,764
Interest income	10	6,679	3,932
Interest expense	10	-18,832	-20,292
Other financial income	11	88	407
Other financial expenses	11	-2,659	-31
Earnings before taxes (EBT)		**367,323**	**263,693**
Income taxes	12	-101,960	-70,987
Consolidated net income		**265,363**	**192,706**
Consolidated net income attributable to Aurubis AG shareholders	13	265,172	192,578
Consolidated net income attributable to non-controlling interests	13	191	128
Basic earnings per share (in €)		5.95	4.28
Diluted earnings per share (in €)		5.95	4.28

Prior-year figures retrospectively adjusted due to the reclassification of Segment FRP, see Acquisitions and discontinued operations, page 148.

Consolidated Statement of Comprehensive Income

for the period from October 1 to September 30 (IFRS)

in € thousand	12 months 2019/20	12 months 2018/19
Consolidated net income	**265,363**	**192,706**
Items that will be reclassified to profit or loss in the future		
Measurement at market of cash flow hedges	38,602	-5,353
Hedging costs	2,071	-104
Changes deriving from translation of foreign currencies	-639	2,619
Income taxes	-8,554	712
Items that will not be reclassified to profit or loss		
Measurement at market of financial investments	-2,193	-20,187
Remeasurement of the net liability deriving from defined benefit obligations	84,083	-104,369
Income taxes	-27,914	32,865
Financial fixed assets accounted for using the equity method – remeasurement of the net liability deriving from defined benefit obligations, after taxes	70	-549
Other comprehensive income/loss	**85,526**	**-94,366**
Consolidated total comprehensive income	**350,889**	**98,340**
Consolidated total comprehensive income attributable to Aurubis AG shareholders	350,699	98,212
Consolidated total comprehensive income attributable to non-controlling interests	190	128

Prior-year figures retrospectively adjusted due to the reclassification of Segment FRP, see Acquisitions and discontinued operations, page 148.

Consolidated Statement of Financial Position

(IFRS)

Assets

in € thousand	Note	9/30/2020	9/30/2019
Intangible assets	15	171,945	123,259
Property, plant, and equipment	16	1,640,800	1,368,978
Financial fixed assets	17	35,616	14,109
Investments measured using the equity method	18	55,453	53,636
Deferred tax assets	24	8,711	7,800
Non-current financial assets	21	34,619	28,515
Other non-current non-financial assets	21	1,430	1,777
Non-current assets		**1,948,574**	**1,598,074**
Inventories	19	2,463,771	1,993,294
Trade accounts receivable	20	485,282	390,145
Other current financial assets	21	99,252	70,264
Other current non-financial assets	21	44,200	41,444
Cash and cash equivalents	22	481,064	441,461
Assets held for sale		11,360	0
Current assets		**3,584,929**	**2,936,608**
Total assets		**5,533,503**	**4,534,682**

Prior-year figures retrospectively adjusted due to the reclassification of Segment FRP, see Acquisitions and discontinued operations, page 148.

Equity and liabilities

in € thousand	Note	9/30/2020	9/30/2019
Subscribed capital	23	115,089	115,089
Additional paid-in capital	23	343,032	343,032
Treasury shares		-41,304	0
Generated Group equity	23	2,434,664	2,169,448
Accumulated other comprehensive income components	23	-1,042	-30,328
Equity attributable to Aurubis AG shareholders		2,850,439	2,597,241
Non-controlling interests	23	539	539
Equity		**2,850,978**	**2,597,780**
Pension provisions and similar obligations	25	260,396	336,774
Other non-current provisions	26	71,732	65,909
Deferred tax liabilities	24	301,211	181,845
Non-current borrowings	27	555,676	149,832
Other non-current financial liabilities	27	20,807	3,144
Non-current non-financial liabilities	27	1,176	1,271
Non-current liabilities		**1,210,998**	**738,775**
Current provisions	26	77,628	50,399
Trade accounts payable	27	1,144,025	817,732
Income tax liabilities	27	17,886	13,836
Current borrowings	27	27,636	152,889
Other current financial liabilities	27	148,334	122,335
Other current non-financial liabilities	27	48,479	40,936
Liabilities deriving from assets held for sale		7,539	0
Current liabilities		**1,471,527**	**1,198,127**
Total equity and liabilities		**5,533,503**	**4,534,682**

Prior-year figures retrospectively adjusted due to the reclassification of Segment FRP, see Acquisitions and discontinued operations, page 148.

Consolidated Cash Flow Statement

for the period from October 1 to September 30 (IFRS)

in € thousand	12 months 2019/20	12 months 2018/19
Earnings before taxes	**367,323**	**263,693**
Depreciation and amortization of fixed assets (including impairment losses or reversals)	209,653	133,665
Change in allowances on receivables and other assets	1,261	378
Change in non-current provisions	1,200	2,736
Net gains/losses on disposal of fixed assets	2,230	32,123
Measurement of derivatives	15,967	17,467
Other non-cash items	6,314	4,589
Expenses and income included in the financial result	8,269	11,220
Income taxes received/paid	-64,099	-67,006
Gross cash flow	548,118	398,865
Change in receivables and other assets	-49,149	-15,969
Change in inventories (including measurement effects)	-344,988	-33,227
Change in current provisions	23,675	8,501
Change in liabilities (excluding financial liabilities)	281,283	-86,496
Cash inflow from operating activities (net cash flow)	**458,939**	**271,674**
Payments for investments in fixed assets	-229,955	-221,481
Payments for the acquisition of shares in affiliated companies less cash acquired	-332,213	0
Payments from the take-up of loans granted by third parties	-5,359	0
Proceeds from the disposal of fixed assets	328	1,592
Interest received	6,679	3,932
Dividends received	4,888	8,080
Cash outflow from investing activities	**-555,631**	**-207,877**
Proceeds deriving from the take-up of financial liabilities	411,124	144,464
Payments for the redemption of bonds and financial liabilities	-162,953	-160,219
Acquisition of treasury shares	-39,288	0
Interest paid	-15,996	-16,193
Dividends paid	-56,386	-69,828
Cash outflow from financing activities	**136,501**	**-101,776**
Net change in cash and cash equivalents	39,808	-37,979
Changes resulting from movements in exchange rates	-205	217
Cash and cash equivalents at beginning of period	441,461	479,223
Cash and cash equivalents at end of period	**481,064**	**441,461**

Prior-year figures retrospectively adjusted due to the reclassification of Segment FRP, see Acquisitions and discontinued operations, page 148.

Consolidated Statement of Changes in Equity

					Accumulated other comprehensive income components							
in € thousand	Subscribed capital	Additional paid-in capital	Treasury shares	Generated Group equity	Measurement at market of cash flow hedges	Hedging costs	Measurement at market of financial investments	Currency translation differences	Income taxes	Equity attributable to Aurubis AG shareholders	Non-controlling interests	**Total equity**
Balance as at 9/30/2018	**115,089**	**343,032**	**0**	**2,093,708**	**-7,051**	**0**	**15,230**	**9,042**	**-247**	**2,568,803**	**556**	**2,569,359**
Adjustment pursuant to IAS 8	0	0	0	24,520	0	-395	-24,593	0	0	-468	0	-468
Balance as at 10/1/2018	**115,089**	**343,032**	**0**	**2,118,228**	**-7,051**	**-395**	**-9,363**	**9,042**	**-247**	**2,568,335**	**556**	**2,568,891**
Dividends paid	0	0	0	-69,683	0	0	0	0	0	-69,683	-145	-69,828
Acquisition of non-controlling interests	0	0	0	377	0	0	0	0	0	377	0	377
Consolidated total comprehensive income/loss	0	0	0	120,526	-5,353	-104	-20,188	2,619	712	98,212	128	98,340
of which consolidated net income	0	0	0	192,578	0	0	0	0	0	192,578	128	192,706
of which other comprehensive income/loss	0	0	0	-72,052	-5,353	-104	-20,188	2,619	712	-94,366	0	-94,366
Balance as at 9/30/2019	**115,089**	**343,032**	**0**	**2,169,448**	**-12,404**	**-499**	**-29,551**	**11,661**	**465**	**2,597,241**	**539**	**2,597,780**
Balance as at 10/1/2019	**115,089**	**343,032**	**0**	**2,169,448**	**-12,404**	**-499**	**-29,551**	**11,661**	**465**	**2,597,241**	**539**	**2,597,780**
Acquisition of treasury shares	0	0	-41,304	0	0	0	0	0	0	-41,304	0	-41,304
Dividends paid	0	0	0	-56,196	0	0	0	0	0	-56,196	-190	-56,386
Acquisition of non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	0
Consolidated total comprehensive income/loss	0	0	0	321,412	38,602	2,071	-2,193	-639	-8,554	350,699	190	350,889
of which consolidated net income	0	0	0	265,172	0	0	0	0	0	265,172	191	265,363
of which other comprehensive income/loss	0	0	0	56,241	38,602	2,071	-2,193	-639	-8,554	85,528	-1	85,527
Balance as at 9/30/2020	**115,089**	**343,032**	**-41,304**	**2,434,664**	**26,198**	**1,572**	**-31,744**	**11,022**	**-8,089**	**2,850,439**	**539**	**2,850,978**

Prior-year figures retrospectively adjusted due to the reclassification of Segment FRP, see Acquisitions and discontinued operations, page 148.

Notes to the Consolidated Financial Statements

General disclosures

Aurubis AG, headquartered in Hamburg, Germany, is a quoted corporate entity registered with the District Court of Hamburg under Commercial Register number HR B 1775.

As required by Regulation (EC) No. 1606/2002 of the European Parliament and the Council dated July 19, 2002 on the application of international accounting standards, in conjunction with Section 315e (1) of the German Commercial Code (HGB), the accompanying consolidated financial statements as at September 30, 2020 are prepared in accordance with the International Financial Reporting Standards (IFRS) approved and published by the International Accounting Standards Board (IASB), as adopted by the European Union. The interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS-IC) have been taken into account.

The consolidated financial statements were released for publication after they were approved on December 8, 2020.

The consolidated financial statements have been prepared in euros. If nothing to the contrary is indicated, all amounts are shown in thousands of currency units.

Current and non-current assets and liabilities are presented as separate categories in the statement of financial position. In this context, current assets and current liabilities are expected to be realized within twelve months of the balance sheet date or are held primarily for trading purposes.

The preparation of consolidated financial statements in accordance with IFRS furthermore requires the Executive Board and authorized employees to make estimates and assumptions in certain significant areas. These have an impact on the measurement and presentation of the assets and liabilities in the statement of financial position, and on related income and expenses.

Sectors that particularly require the application of estimates and assumptions are presented under
Significant estimates and assumptions, page 144–147.

This report may include slight deviations in disclosed totals due to rounding.

Due to the reclassification of the assets and debts attributed to Segment FRP, the prior-year values have been retrospectively adjusted pursuant to IFRS 5. Additional explanations are available under Acquisitions and discontinued operations, page 148.

Significant accounting principles

SCOPE OF CONSOLIDATION

In addition to the parent company, Aurubis AG, Hamburg, 22 further companies in which Aurubis AG, Hamburg, holds the majority of the voting rights either directly or indirectly, and thus has control, were included in the consolidated financial statements as at the reporting date by way of full consolidation. The reporting date for the consolidated financial statements corresponds to the balance sheet date of Aurubis AG, Hamburg, and all consolidated subsidiaries, with the exception of three consolidated companies. The balance sheet date of these subsidiaries is December 31. These companies prepared interim financial statements for consolidation purposes as at the reporting date of the consolidated financial statements.

Accordingly, the financial statements of all significant subsidiaries which Aurubis AG controls are included in these consolidated financial statements.

Pursuant to IFRS 11.24, in conjunction with IAS 28, Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg, a producer of pre-rolled strip, is accounted for using the equity method. A 50 % investment is held in this entity, which is managed jointly with another partner (joint venture).

CONSOLIDATION PRINCIPLES

The separate financial statements of all companies included in the consolidation are prepared in accordance with the uniform accounting policies that are applied within the Aurubis Group. The financial statements of the main companies included in the consolidated financial statements have been audited by independent auditors.

Capital consolidation is performed as at the acquisition date using the acquisition method, whereby the acquisition cost of the acquired interest is offset against the fair values of acquired assets and liabilities of the subsidiary at that time. Any unallocated difference on the asset side is recognized as goodwill and tested at least annually for impairment. In accordance with IAS 36, goodwill is not amortized on a scheduled basis. Negative goodwill is recognized immediately in profit or loss following a reassessment of the fair values.

Receivables, liabilities, and contingent liabilities, as well as revenues, other income, and expenses between Group companies are eliminated. Profits resulting from transactions between Group companies are eliminated, if material.

In addition to eight German companies, 15 foreign companies are included in the consolidated financial statements. In accordance with the functional currency concept, the financial statements of subsidiaries prepared in foreign currencies were translated into euros, as the euro is Aurubis AG's reporting currency. Transactions in foreign currencies are converted into the functional currency at the exchange rate at the time of the transaction or, in the case of subsequent measurement, at the time of such measurement. Foreign currency transactions are conducted particularly in US dollars. The average US dollar exchange rate during fiscal year 2019/20 was 1.12039 US$/€. The exchange rate as at September 30, 2020 was 1.17080 US$/€. Gains and losses resulting from the fulfillment of such foreign currency transactions, as well as from the conversion of monetary assets and liabilities designated in a foreign currency as at the reporting date, are recorded in profit and loss in the cost of materials unless they have to be accounted for in equity as qualified cash flow hedges or net investments in foreign business operations. In fiscal year 2019/20, foreign currency conversion differences totaling € -1.8 million (previous year: € -0.9 million) were recognized in profit or loss. In accordance with IAS 21, assets and liabilities in the statements of financial position of subsidiaries reporting in a foreign currency are translated at the mid-market rates applicable at the reporting date and the income statement is translated at the average rates for the fiscal year. Any resultant translation differences are recognized directly in equity until the possible disposal of the subsidiary.

Joint ventures are accounted for in accordance with IFRS 11 using the equity method. Profits deriving from upstream/downstream transactions with Group companies are eliminated proportionally.

RECOGNITION OF REVENUES

Revenues are mainly generated from the sale of metals and copper products and are measured in the amount of the consideration that the Group expects to receive from a contract with a customer. The Group recognizes revenues when the authority to exercise control over a product or a service has been transferred to the customer. Bonuses granted in the fiscal year are deducted from revenues. In the case of transport services that generally relate to a specific time period and represent a separate performance obligation, no separation is made on grounds of materiality. Some contracts include rebates and price reductions that are factored into the transaction price.

SHARE-BASED PAYMENT

The recognition and measurement standards of IFRS 2 are to be applied to this compensation component. The component relates to virtual deferred stock with a two-year, forward-looking assessment basis, which is dependent upon the achievement of targets for the operating EBT component and is also based on individual performance. The virtual deferred stock compensation plan does not include dividend payments, and the payout is limited to 150 % of the starting value. To determine the fair value of the limitation of the share price development, the value of a European call option is calculated by applying the Black Scholes formula.

FINANCIAL INSTRUMENTS

A **financial instrument** is a contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

In this connection, financial assets particularly comprise cash and cash equivalents, equity instruments held in other entities (e.g., investments or share portfolios), trade accounts receivable, other loans and receivables granted, as well as primary and derivative financial instruments that are held for trading. Financial liabilities generally establish a contractual obligation to deliver cash or other financial assets. These include in particular bonds and other securitized liabilities, liabilities to banks, trade accounts payable, lease liabilities, and derivative financial instruments. Within the Group, regular way purchases and sales of primary financial instruments are generally recorded as at the settlement date, i.e., at the date of delivery and transfer of title. Derivative financial instruments are recognized as at the trade date. Financial assets and financial liabilities are generally reported gross (i.e., without being netted).

In accordance with IFRS 9, financial instruments are classified as either measured “at amortized cost” (AC), “at fair value through other comprehensive income” (FV OCI), or “at fair value through profit or loss” (FV P&L).

A debt instrument is measured at amortized cost if both of the following conditions are fulfilled:

- It is held as part of a business model whose objective is to hold assets to collect contractual cash flows.
- The contract conditions of the financial asset lead to cash flows, at fixed times, that only represent redemption and interest payments on the outstanding amount of capital (cash flow criterion).

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are fulfilled:

- It is held as part of a business model whose objective is to sell assets after holding them for a certain period of time.
- The contract conditions of the financial asset lead to cash flows, at fixed times, that only represent redemption and interest payments on the outstanding amount of capital (cash flow criterion).

If the criteria mentioned above for classification as AC or FV OCI have not been fulfilled, the debt instruments are measured at fair value through profit or loss (FV P&L).

Notwithstanding the above criteria for classification of debt instruments in the categories AC or FV OCI, a company can irrevocably classify its financial assets as “measured at fair value through profit or loss” upon initial recognition if doing so helps prevent or significantly reduce an accounting anomaly (FV option). The Aurubis Group makes use of the FV option for receivables from supply contracts that are not price-fixed (hybrid contracts).

Equity instruments are normally classified and measured at fair value through profit or loss. Deviating from this, there is an irrevocable option, upon initial recognition of primary equity instruments that are not held for trading, to recognize fair value changes in other comprehensive income (OCI option). Aurubis uses the OCI option and classifies equity instruments that are not classified as “held for trading” in the category “fair value through OCI” (FV OCI).

Primary financial liabilities are either measured at amortized cost or at fair value through profit or loss. They are measured at fair value through profit or loss when they are held for trading or have been designated as “fair value through profit or loss” (FV option) – under certain conditions – upon initial recognition. Aurubis makes use of the FV option and irrevocably designates liabilities from supply contracts that are not price-fixed (hybrid contracts) at “fair value through profit or loss.”

No financial instruments were reclassified into other measurement categories either in fiscal year 2019/20 or in fiscal year 2018/19.

Financial assets are recognized if Aurubis has a contractual right to receive cash and cash equivalents or other financial assets from another company. Financial assets are always initially recognized at fair value. Thereby, in the case of financial assets that will not be measured subsequently at fair value through profit or loss, the transaction costs directly attributable to the purchase have to be taken into account. The fair values recognized in the statement of financial position represent the market prices of the financial assets to the extent that these can be determined directly by reference to an active market. Otherwise, they are measured using normal market procedures (valuation models), applying the market parameters specific to the instrument. Non-interest-bearing financial assets with a term exceeding one year are discounted. For financial assets with a residual term of less than one year, it is assumed that the fair value corresponds to the nominal value. Financial assets designated in foreign currency are measured on initial recognition with the valid rate applicable at the date of the transaction and as at the reporting date with the then applicable mid-market rate. Financial assets are derecognized if the contractual rights to payments from the financial assets no longer exist or all opportunities and risks are essentially transferred. Any financial assets sold without recourse are derecognized.

The **share interests in affiliated companies** and **investments** that are reported under financial fixed assets are measured at fair value through profit or loss. They are generally measured at fair value, which is derived from the stock market price, provided a price quoted in an active market is available. Subsequent gains and losses resulting from measurement at fair value are recognized as other financial income/expenses in the income statement.

Aurubis makes use of the OCI option for equity instruments and accounts for **securities classified as fixed assets** at fair value through other comprehensive income. When these equity instruments are sold, the profits and losses that are unrealized up to this point in other comprehensive income are transferred to revenue reserves and are not disclosed in the income statement.

The non-current receivables reported as **other financial fixed assets** are, if significant, measured at amortized cost for subsequent measurement purposes, applying the effective interest method.

Within the Aurubis Group, **trade accounts receivable** resulting from supply contracts that are not price-fixed are measured at fair value through profit or loss for subsequent measurement purposes. Receivables held for sale within the context of factoring arrangements are measured at fair value through other comprehensive income. On account of their short terms to maturity, remaining trade accounts receivable are measured at nominal value, less any expected credit losses.

Expected credit losses on financial assets measured at amortized cost or at fair value through other comprehensive income are recorded as allowances, i.e., as part of the measurement of these assets in the statement of financial position. A simplified approach for the recognition of impairment losses is applied for trade accounts receivable. Under this approach, the expected credit losses are calculated using a so-called cohort model, which is based on the data for the past three fiscal years. The measurement of the outstanding receivables takes actual historical bad debt losses into account, giving consideration to forward-looking information.

Actual defaults result in derecognition of the receivables affected. A financial asset is considered to be in default if contractual payments cannot be collected and are assumed to be irrecoverable. Any adjustments to the balance of allowances due to an increase or decrease in the amount of expected credit losses are recorded in an allowance account. The decision as to whether a credit default risk is recorded using an allowance account or through direct reduction of the receivables depends on how reliable the assessment of the risk situation is. The default risk for trade accounts receivable is limited in particular by the Aurubis Group's existing commercial credit insurance programs.

Derivative financial instruments that are not included in an effective hedging relationship in accordance with IFRS 9 (hedge accounting) and are therefore "held for trading" must be classified as "measured at fair value through profit or loss."

In addition, delivery contracts are concluded in the Aurubis Group for non-ferrous metals to cover the expected requirement for raw materials and also for the sale of finished products. In the process, physical delivery contracts may be terminated by making compensation payments due to changes in demand. Fixed-price metal delivery contracts are therefore also recognized as derivative financial instruments. Since these are not included in an effective hedging relationship in accordance with IFRS 9, they are similarly classified as "measured at fair value through profit or loss."

To the extent that they are non-current, a large proportion of the **other financial assets** are measured at amortized cost for subsequent measurement purposes, applying the effective interest method.

Cash and cash equivalents have a remaining term on initial recognition of up to three months and are measured at nominal value.

For financial assets that are not accounted for at fair value through profit or loss, **allowances for impairment** need to be recognized on the basis of the expected losses. To calculate these allowances, IFRS 9 provides a three-stage model (general approach). Depending on the counterparty's credit default risk, the model requires different levels of impairment assessment for these various stages.

For cash and cash equivalents and other financial assets that fall within the scope of impairment assessment under IFRS 9, the expected credit loss is primarily determined at the time of their acquisition on the basis of credit default swaps for which losses are calculated that are expected from defaults in the next twelve months. In the case of a significant increase in the default risk, the credit losses expected over the asset's respective term are considered. Because of the short-term nature and the counterparties' high level of creditworthiness, the default risk for the financial assets is low as at the reporting date.

When the company buys back its own shares, these are directly deducted from equity. Neither the purchase nor sale of treasury shares is recorded in profit or loss.

Financial liabilities are recognized if there is a contractual obligation to transfer cash and cash equivalents or other financial assets to another company. Financial liabilities are always initially recognized at fair value. Any directly attributable transaction costs are deducted for all financial liabilities that are not subsequently measured at fair value and are amortized over the term of the liability applying the effective interest method.
Financial liabilities denominated in foreign currency are measured on initial recognition with the valid rate applicable at the date of the transaction and as at the reporting date with the then applicable mid-market rate.

Primary financial liabilities, which include borrowings, trade accounts payable, and other primary financial liabilities, are generally measured at amortized cost. If the interest effect is not insignificant, non-interest-bearing liabilities, or liabilities bearing low interest rates, with a residual term exceeding one year, are discounted. In the case of liabilities with a residual term of less than a year, it is assumed that the fair value corresponds to the settlement amount. Trade accounts payable resulting from supply contracts that are not price-fixed provide an exception. These are measured at fair value through profit or loss (FV option) for subsequent measurement purposes. The fair value changes resulting from the company's own credit risk are now recognized in other comprehensive income.

The Aurubis Group uses **derivative financial instruments** to hedge interest rate and foreign currency risks and to hedge commodity price risks.

Derivative financial instruments are measured at fair value. This represents the market value and can be both positive and negative. If the market value is not available, the fair value is calculated utilizing present value and option price models. As far as possible, relevant market prices and interest rates observed at the reporting date, which are derived from recognized sources, are used as the opening parameters for these models.

Changes in the fair values of derivative financial instruments are recognized either through profit or loss in the income statement or in equity as a component of other comprehensive income. The decisive factor hereby is whether or not the derivative financial instrument is included in an effective hedging relationship. If no **cash flow hedge accounting** relationship exists, the changes in fair values are to be recognized immediately in profit or loss. If, on the other hand, an effective cash flow hedging relationship exists, such changes will be recognized in equity as a component of other comprehensive income.

In order to avoid fluctuations in the income statement due to the different measurement of hedged items and hedging instruments, IFRS 9 includes special regulations relating to hedge accounting. The aim of these hedge accounting regulations is to record the effects of changes in value of hedging instruments and hedged items so that they compensate one another as far as possible.

In addition to documentation, as a prerequisite for the application of the regulations of hedge accounting, IFRS 9 requires proof of an effective hedging relationship. Hedge effectiveness means that changes in fair value (for fair value hedges) or changes in cash flow (for cash flow hedges) of the hedged items are compensated by counteracting changes in the fair value or the cash flows of the hedging instruments, in each case relating to the hedged risk.

The purpose of derivatives that are used as hedging instruments in conjunction with a **cash flow hedge** is to hedge future cash flows. A risk with regard to the amount of future cash flows exists in particular for planned transactions that are highly likely to occur. Derivative financial instruments used in conjunction with cash flow hedge accounting are recognized at fair value. The gain or loss on measurement is split between an effective and an ineffective portion. The effective portion is the portion of the gain or loss on measurement that represents an effective hedge of the cash flow risk. This is recognized directly in equity under a special heading (cash flow hedge reserve), after taking deferred taxes into account. The ineffective portion deriving from measurement is recognized on the other hand in profit or loss in the income statement. The non-designated portion of the derivative is recorded in a separate reserve for hedging costs in other comprehensive income. Within the Aurubis Group, any changes in fair values of foreign currency options are excluded from the hedging relationship. The accounting treatment of the transactions underlying the hedged cash flows remain unchanged. Following the termination of the hedging relationship, the amounts recorded in the reserve are always transferred to the income statement when gains or losses made in connection with the hedged item are recognized in profit or loss or when the underlying transaction is not actually expected to occur anymore.

The Aurubis Group furthermore enters into hedging relationships that do not satisfy the strict requirements of IFRS 9 and cannot therefore be accounted for in accordance with the hedge accounting regulations. Nevertheless, from an economic point of view, these hedging relationships comply with the principles of risk management. Moreover, hedge accounting is also not applied in the case of the monetary assets and liabilities recognized in connection with foreign currency hedging, because the foreign currency translation gains and losses on the hedged items that need to be realized in profit or loss in accordance with IAS 21 are accompanied by gains and losses on the derivative hedging instruments and more or less compensate one another in the income statement.

The **fair value** of financial instruments is determined pursuant to the regulations of IFRS 13 covering measurement at fair value. The fair value of financial instruments quoted in active markets is calculated based on price quotations insofar as these are prices used in routine and current transactions. Where no prices quoted in active markets are available, the Aurubis Group uses measurement procedures to determine the fair value of financial instruments. Consequently, the input parameters applied in measurement procedures are based where possible on observable data derived from the prices of relevant financial instruments traded in active markets. The use of these measurement procedures requires estimates and assumptions on the part of the Aurubis Group, the scope of which depends on the price transparency of the financial instrument and its market, and the complexity of the instrument. Management regularly analyzes the methods and influencing factors used to determine the fair value to ensure that they are appropriate. Additional information about the main estimates and assumptions used to determine the fair value can be found in the section Financial instruments, pages 175-187.

INTANGIBLE ASSETS

If intangible assets are acquired, they are recognized at acquisition cost. Internally generated intangible assets that provide future economic benefits are recognized at their cost of generation if the criteria for their recognition as an asset are fulfilled. They are amortized on a scheduled, straight-line basis over their expected useful lives of generally between three and eight years. As an exception, scheduled amortization charges relating to investments made in connection with a long-term electricity supply contract are recorded under cost of materials over the term of the contract. An additional license acquired for a consideration exists, which will be amortized on a scheduled basis in the future. Furthermore, intangible assets were recognized as part of the purchase price allocation resulting from the acquisition of the Metallo Group in fiscal year 2019/20. These are amortized on a scheduled, straight-line basis over their expected useful life of 18 years. With the exception of goodwill, the consolidated financial statements do not include any intangible assets with indefinite useful lives.

PROPERTY, PLANT, AND EQUIPMENT

Items of property, plant and equipment are recognized as fixed assets if they are used in the business operations for more than one year are recognized. These assets are measured at cost less scheduled depreciation. Such assets also include spare parts and maintenance equipment used for more than one period. Technical minimum stocks are recognized as components of the respective technical equipment and machinery. These stocks are quantities of materials that contain metals and are necessary to establish and ensure a production facility's future functionality for its intended use. Minimum stocks are not subject to scheduled depreciation, as they do not deteriorate or age.

Construction costs include all costs that can be directly attributed to the asset. Borrowing costs that can be directly allocated to the purchase, construction, or production of a qualifying asset are capitalized. Borrowing costs of € 291 thousand (previous year: € 234 thousand) were capitalized in the fiscal year reported, applying a financing cost rate of 1.6 % (previous year: 1.7 %). Scheduled depreciation is charged using the straight-line method. In this context, depreciation periods used correspond to the expected economic useful lives of the assets, as applicable within the Group. The following useful lives were mainly applied:

Buildings	25 to 40 years
Site installations	10 to 25 years
Technical equipment and machinery	5 to 20 years
Technical minimum stock	unlimited useful life
Other equipment, factory and office equipment	3 to 20 years

General overhauls or maintenance measures resulting in the replacement of components are recognized as an asset if it is probable that future economic benefits will flow to the Group and the costs can be measured reliably.

LEASING (IFRS 16)

When a contract is entered into, Aurubis assess whether it is, or includes, a lease. As a general rule, all leases have been recognized by the lessees as a right-of-use asset and a lease liability from October 1, 2019 onwards.

The lease liabilities disclosed as financial liabilities are basically recognized at the present value of future fixed lease payments. Furthermore, any variable payments that are linked to an index and any expected residual value guaran-tees are taken into account. If there is reasonable assurance that an existing purchase or extension option will be exercised, then the purchase price and/or any related lease payments are included when determining the lease liability. Compensation for premature termination of the lease is taken into account if there is reasonable assurance that the claim will be exercised. The lease payments are discounted using the interest rate in the lease or, if there is no such interest rate, using the lessee's incremental borrowing rate. Risk-free interbank interest rates for corresponding terms to maturity in different currencies are used to deter-mine the incremental borrowing rate and are increased to include credit and country risk premiums. For subsequent measurement purposes, the carrying amount is increased by the interest on the lease liability and reduced by the lease payments made. The interest deriving from the winding back of the discount on the lease liability is recorded as interest expense in the financial result. If there is a change in the lease payments, the lease liabilities are remeasured. The remeasurement of the lease liability generally leads to an adjustment to the value of the right-of-use asset. Changes in lease payments arise, for example, in connection with adjustments to the term of the lease or though reassessment of extension or termination options.

The right-of-use assets disclosed under property, plant, and equipment are accounted for at cost less scheduled depreciation on a straight-line basis and, where applicable, less any necessary impairment losses recognized in accordance with IAS 36. The cost includes the present value of the lease payments shown under lease liabilities plus any advance lease payments made, plus any preliminary direct costs and restoration obligations. Any lease incentives received are deducted. The right-of-use assets are generally depreciated over the term of the lease. If the exercise of an existing purchase option can be assumed with reasonable assurance and the purchase price is included in the calculation of the future lease payments, the right-of-use assets are depreciated over the economic useful life of the leased asset.

Lease payments connected with short-term leases, expenses for leases of low-value assets, and variable lease payments that are not linked to an index are recorded in the income statement as current expenses. Moreover, the standards governing leases are not applied to leases of intangible assets. A separation is made into lease and non-lease components to the extent that these can be clearly identified and differentiated.

Leased-out leased assets are recognized at amortized cost under property, plant, and equipment. The resulting earnings are disclosed as revenues. In the case of a finance lease agreement, the leased asset is derecognized and a lease receivable is shown under other financial assets. Aurubis did not act as a lessor in any business relationships in either fiscal year 2019/20 nor in the previous year.

LEASING (IAS 17)

The recognition and measurement requirements under IAS 17, which were applied to leases in the previous year, are explained below.

Leased assets that satisfy the criteria of IAS 17 for a finance lease are recognized as fixed assets. This is the case if all significant risks and rewards of economic ownership lie with the respective Group company. Such items of property, plant, and equipment are recognized at fair value or, if lower, at the present value of the minimum lease payments, and are depreciated using the straight-line method over the term of the lease or, if it is expected that ownership will be transferred at the end of the lease term, over the economic useful life of the respective assets. The future lease installment payment obligations are recognized as a liability at their present value or current market value. The lease installment is divided into an interest component and a redemption component, to ensure that the lease liability bears interest at a constant rate. The non-current portion of the leasing obligation is recorded under non-current financial liabilities and the current portion is recorded under current financial liabilities. The interest component of the leasing rate is recognized in the income statement, leading to a constant interest charge over the term of the leasing agreement.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life, such as goodwill, are not amortized on a scheduled basis but are subjected to an annual impairment test. Furthermore, an assessment is made at every reporting date to determine whether there are any indications that the asset could be impaired. In the same way, items of property, plant, and equipment are tested for impairment if there are any indications of such impairment.

Since the metals contained in the minimum stock can be recovered and the utilization potential of the minimum stock is not subject to wear and tear as it is not used in the production process, an unlimited useful life is assumed. The minimum stocks are therefore not depreciated on a scheduled basis but are instead tested for impairment in conjunction with the respective production facilities if there are any indications of such impairment.

Assets that are amortized or depreciated on a scheduled basis are tested for impairment if events or changes in circumstances indicate that the carrying amount might not be recoverable. Impairment losses are recorded in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell and its value in use. For impairment testing purposes, assets are combined at the lowest level for which cash flows can be separately identified (cash-generating units). With the exception of goodwill, non-monetary assets on which impairment losses were recognized in the past are reviewed as at each reporting date to ascertain whether the impairment losses possibly need to be reversed.

INVENTORIES

Inventories are measured at acquisition or production cost on initial recognition. Production cost includes all direct costs attributable to the production process, as well as a systematically allocated share of the production-related overheads.

The acquisition costs of copper concentrates and raw materials for recycling are determined by deducting the treatment and refining charges negotiated with the supplier from the purchase value of the metal. Treatment and refining charges are deductions that are made due to the processing of ore concentrates and raw materials for recycling into copper and precious metals.

In the smelters, work in process is measured by initially measuring the metal content. The equivalent cost of the processing that is still required for production of the fine metal is deducted from this figure. In this manner, the costs incurred during the production process are successively recognized as a component of the total production cost. This procedure applies to the production of copper, precious metals, and minor metals.

When it comes to the production of copper products, in addition to the metal components, the incurred costs of further processing copper into special formats such as wire rod, shapes, and rolled products are taken into consideration for the measurement of finished goods by way of a calculation surcharge.

Inventories are measured using the average cost method in accordance with IAS 2. In this context, the amount recognized as at the reporting date is measured at the lower of cost and net realizable value. Net realizable value is determined on the basis of quoted commodity exchange or market prices as at the reporting date.

OTHER NON-FINANCIAL ASSETS

Other non-financial assets are recognized at amortized cost. Write-downs are made to the extent that the assets are at risk.

INCOME TAXES

Income taxes comprise both current and deferred taxes. The tax expense and/or tax credit is recorded in profit or loss. If, however, the related source transactions are recognized directly in equity or in other comprehensive income, then the income taxes attributed to them are also directly accounted for in equity or in other comprehensive income.

The Aurubis Group companies are subject to income taxes in many countries around the world. The tax expense and/or tax credit is calculated by applying the tax regulations of the individual countries that are applicable as at the reporting date.

Deferred tax assets and liabilities result from temporary differences between the tax-based carrying amounts of assets and liabilities and those taken into account in the IFRS financial statements or from tax loss carryforwards and tax credits not yet utilized. The calculation of deferred taxes is based on the tax rates expected in the individual countries at the time of realization. These tax rates are generally based on legislation that is valid, or has been enacted, as at the reporting date.

Deferred tax assets deriving from temporary differences, tax loss carryforwards, and tax credits are recognized by the respective company entities to the extent that deferred tax liabilities exist. If deferred tax assets exceed deferred tax liabilities, they are recognized to the extent that it is probable that sufficient taxable income will be available in the future to ensure the utilization of these tax assets. The recoverability of the recognized deferred tax assets is reviewed on an individual basis each year.

Deferred tax liabilities that arise due to temporary differences in connection with investments in subsidiaries and associated companies are recognized unless the point in time for the reversal of the temporary differences can be determined by the Group and it is likely that the temporary differences will not reverse in the foreseeable future due to this determining influence.

Deferred tax assets and liabilities are offset against one another in cases where a legal right of set-off exists and if they relate to income taxes levied on the same company by the same taxation authority.

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations are disclosed as soon as part of a company is classified as held for sale, the business area is a separate, significant line of business, and it is for sale as part of a coordinated overall plan.

In accordance with IFRS 5, assets held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

The consolidated result from discontinued operations is reported in the consolidated income statement separately from expenses and income from continued operations; prior-year figures are shown on a comparable basis. In the consolidated cash flow statement, discontinued operations are included in the cash inflows/outflows from operating, investing, and financing activities. Cash flows from operating, investing, and financing activities for the discontinued business area are presented separately in the Notes to the Financial Statements. Furthermore, assets and liabilities held for sale are separately disclosed in the consolidated statement of financial position in aggregated form.

If, however, a discontinued business area does not fulfill the requirements of IFRS 5.32, assets and liabilities held for sale are separately disclosed in the consolidated statement of financial position in aggregated form. No adjustment is made to prior-year figures. The assets and liabilities disclosed in aggregated form in the statement of financial position are explained in more detail in the Notes to the Financial Statements, broken down by key groups. In this case, no separate disclosure is made in the consolidated income statement.

PROVISIONS

Provisions for pensions and similar obligations are determined in accordance with the projected unit credit method prescribed by IAS 19, based on actuarial reports, applying the “Heubeck-Richttafeln 2018 G” mortality tables. In this connection, the demographic assumptions applied, as well as expected salary and pension trends and the interest rate to be used, are determined on the basis of current estimates as at the reporting date. Accordingly, actuarial gains and losses can result from deviations between the actual parameters as at the reporting date and the assumptions used for the calculation. These actuarial gains and losses – as well as income deriving from plan assets that are not included in net interest – are recognized immediately and completely as they arise and are disclosed as generated Group equity. Past service cost is recognized immediately as an expense in profit or loss.

To determine the net obligation deriving from defined benefit plans, the fair value of the plan assets is deducted from the present value of the pension obligations.

Other provisions are set up for all other uncertain obligations and risks of the Aurubis Group provided that a related obligation to third parties results from a past event, the settlement of which is expected to result in an outflow of cash resources, and the respective amount can be reliably estimated. If the effect of the time value of money is material, non-current provisions are recognized at their present value.

OTHER NON-FINANCIAL LIABILITIES

Other non-financial liabilities are recognized at amortized cost.

Contractual liabilities are recorded when one of the parties has fulfilled its contractual obligation. This primarily applies to advance payments received in respect of customer orders that are recognized under other non-financial liabilities.

Significant estimates and assumptions

Accounting and measurement in the consolidated financial statements are influenced by a large number of estimates and assumptions, which are based on past experience as well as additional factors, including expectations about future events. All estimates and assessments are subject to continuous review and re-evaluation. The use of estimates and assumptions is especially necessary in the following areas:

IMPAIRMENT OF GOODWILL AND OF A LICENSE ACQUIRED FOR A CONSIDERATION

An impairment test is carried out at least annually in line with the accounting policies. In this context, the recoverable amount is calculated on the basis of the value in use Intangible assets, page 156. The calculation of the value in use in particular requires estimates of future cash flows on the basis of calculations made for planning purposes.

In fiscal year 2019/20, the impairment test for the Aurubis Hamburg Copper Products cash-generating unit (CGU) resulted in recognition of an impairment loss for the entire goodwill, amounting to € 17,439 thousand.

As in the previous year, no impairment loss was recognized for other goodwill amounts or for the licenses acquired for a consideration.

FAIR VALUES IN CONJUNCTION WITH BUSINESS COMBINATIONS

Acquired assets, liabilities, and contingent liabilities are recognized at their fair values when accounting for business combinations. Discounted cash flow (DCF)-based procedures, the results of which depend on assumed future cash flows and other assumptions, are often used in this context. The measurement of contingent liabilities depends significantly on the assumptions with respect to the future resource outflows and the probability of their occurrence.

FAIR VALUES OF DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The fair values of financial instruments for which there are no quoted prices in an active market are determined on the basis of financial calculation procedures and are influenced by assumptions specific to the instrument. Estimates have a particularly significant influence when the fair value needs to be determined for financial instruments for which at least one significant parameter is not based on observable market data (Level 3 of the fair value hierarchy). The selection and application of suitable parameters and assumptions require an assessment by management. Extrapolation and interpolation procedures have to be applied in particular when data are derived from uncommon market transactions. Detailed information can be found in the section Financial instruments, pages 175-187.

ACCOUNTING FOR INVENTORIES

Various estimates have to be made in connection with the accounting treatment of inventories. For example, estimation procedures are applied when quantifying inventories as well as in the determination of the metal yield content.

PENSION PROVISIONS AND OTHER PROVISIONS

Within the Aurubis Group, retirement benefits for employees are provided on the basis of both defined benefit plans and defined contribution plans.

Obligations deriving from defined benefit pension plans are measured in accordance with actuarial procedures. These procedures are based on several actuarial assumptions, such as, for example, the assumed interest rate, expected salary and pension developments, employee fluctuations, and life expectancy. For the purposes of determining the assumed interest rate, high-quality corporate bonds with commensurate terms and currencies are used as a source of reference. Deviations of the actual development from the assumptions at the beginning of the reporting period lead to remeasurement of the net liability.

When recognizing other provisions, assumptions are made with regard to the probability of the occurrence and the amount and timing of the outflow of resources, which by their nature are subject to uncertainty.

Other significant estimates relate to the determination of the useful lives of intangible assets and items of property, plant, and equipment, the collectability of receivables, and the measurement of inventory risks within inventories.

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

In accordance with IFRS 5, discontinued operations are measured at the lower of their carrying amount and their fair value less costs to sell.

Changes in accounting and measurement methods due to new standards and interpretations

The following standards were applied for the first time in fiscal year 2019/20.

Standards and interpretations applied for the first time

	Standard/interpretation	Compulsory application in the EU	Adoption by European Commission	Impact
IFRS 9	Prepayment Features with Negative Compensation (Amendments to IFRS 9)	1/1/2019	3/22/2018	No impacts
IFRS 16	Leases	1/1/2019	10/31/2017	A detailed description of the impacts follows the overview in this table.
IAS 19	Amendments: Employee Benefits	1/1/2019	3/13/2019	No impacts
IAS 28	Amendments: Investments in Associates and Joint Ventures	1/1/2019	2/8/2019	No impacts
Various	Annual Improvements to IFRS (2015-17 cycle)	1/1/2019	3/14/2019	No significant effects

IFRS 16

The new accounting standard IFRS 16 “Leases” was published by the IASB in January 2016 and was adopted into European law by the EU on October 31, 2017. IFRS 16 replaces the previous standard IAS 17, as well as the related interpretations IFRIC 4, SIC-15, and SIC-27. Application of IFRS 16 is compulsory for fiscal years beginning on or after January 1, 2019. Aurubis applied IFRS 16 with the modified retrospective method for the first time on October 1, 2019, without adjusting the prior-year figures. Consequently, the figures disclosed for the reporting year can only be compared with prior-year figures to a limited extent. In the transition to IFRS 16, Aurubis has used the simplified approach with regard to maintaining the definition of a lease. Consequently, at the time of first application, the Group applied IFRS 16 to the agreements that had previously been classified as leases under application of IAS 17 and IFRIC 4. The definition of a lease pursuant to IFRS 16 is applied to contracts that were entered into or changed after October 1, 2019.

For lessees, IFRS 16 leads to the recognition of all leases in the form of a right-of-use asset and a lease liability on the basis of the present value of future lease payments. Lease payments are discounted with the interest rate in the lease or, if there is no such interest rate, with the lessee’s incremental borrowing rate. Lessees no longer make a distinction between operating and finance leases no longer has to be made for lessees. The previous expense for operating leases is no longer recognized in the income statement. From now on, it will be replaced by the depreciation charges made in respect of the right-of-use assets as well as interest expenses deriving from the unwinding of discount on lease liabilities.

Furthermore, IFRS 16 leads to a shift in cash flows in the cash flow statement. The lease payments will be shown from now on in the cash flow from financing activities in the future instead of in the cash flow from operating activities, as was previously the case. Aurubis makes use of the options provided to lessees by the standard and recognizes payments of short-term leases and leases for low-value assets directly in expenses and in the cash flow from operating activities. The new requirements were not applied to leases whose term ends within twelve months following the time of first application. These leases are recognized in the same way as short-term leases. Aurubis applies the practical remedy that is available in the standard and does not recognize the initial direct costs when measuring right-of-use assets at the time of initial application.

For lessors, the accounting model prescribed by IFRS 16 does not differ materially from the requirements of IAS 17. For accounting purposes, a distinction must still be made here between finance leases and operating leases.

At the time of the transition on October 1, 2019, the application of IFRS 16 resulted in an increase of both assets and liabilities in the statement of financial position of some € 34.5 million. The key corporate control parameters operating EBT and operating ROCE are only minimally affected by the application of IFRS 16. The weighted average discount rate for lease liabilities at the time of initial application was 3.0 %.

Based on the commitments under operating leases as at September 30, 2019, the reconciliation to the opening balance of lease liabilities as at October 1, 2019 was as follows:

Reconciliation of lease liabilities

in € thousand	10/1/2019
Commitments under operating leases as at 9/30/2019	41,370
Discounting	-5,136
Exercise of options and other factors	-1,713
Lease liabilities recognized for the first time as at 10/1/2019	34,521
Liabilities previously recognized under finance leases as at 9/30/2019	36,444
Lease liabilities recognized as at 10/1/2019	**70,965**

Standards and interpretations not adopted early

	Standard/interpretation	Compulsory application in the EU	Adoption by European Commission	Impact
IAS 1/IAS 8	Definition of Material	1/1/2020	11/29/2019	No impacts
IFRS 3	Amendments: Business Combinations	1/1/2020	4/21/2020	No impacts
IFRS 7/9, IAS 39	Amendments: Interest Rate Benchmark Reform (Phase 1)	1/1/2020	1/15/2020	Based on our current understanding, Aurubis does not expect any material effects.
Framework		1/1/2020	11/29/2019	Based on our current understanding, Aurubis does not expect any material effects.
IFRS 16	Amendments: COVID-19-Related Rent Concessions	6/1/2020	10/9/2020	No impacts
IFRS 4/7/9/ 16, IAS 39	Amendments: Interest Rate Benchmark Reform (Phase 2)	1/1/2021	open	Based on our current understanding, Aurubis does not expect any material effects.
IFRS 3	Amendments: Reference to the Conceptual Framework	1/1/2022	open	Based on our current understanding, Aurubis does not expect any material effects.
IAS 37	Amendments: Onerous Contracts	1/1/2022	open	No impacts
IAS 16	Amendments: Proceeds before Intended Use	1/1/2022	open	No impacts
Various	Annual Improvements to IFRS (2018-20 cycle)	1/1/2022	open	No impacts
IFRS 17	Insurance Contracts	1/1/2023	open	No impacts
IAS 1	Amendments: Classification of Liabilities	1/1/2023	open	No impacts

Acquisitions and discontinued operations

BUSINESS COMBINATIONS

On May 29, 2020, Aurubis AG acquired 100 % of the shares of Metallo Group Holding NV, thus attaining control of the company. Metallo is a recycling and refining company that specializes in recovering non-ferrous metals, primarily from recycling materials with low metal contents. The company has about 540 employees at locations in Belgium and Spain.

The following overview provides a summary of the values of the assets identified and liabilities assumed at the time of purchase, as well as the consideration transferred for the acquisition:

in € million	
Cash and cash equivalents	42
Receivables	48
Inventories	135
Property, plant, and equipment	228
Intangible assets	63
Financial liabilities	85
Provisions	15
Deferred tax assets (net)	50
Net identifiable assets acquired	**366**
plus goodwill	9
Total purchase price	**375**
of which fulfilled with cash	375
less cash and cash equivalents acquired	42
Net cash outflow deriving from the acquisition	**333**

The goodwill of € 9 million resulting from the acquisition comprises the takeover of expertise that enables the processing of additional complex materials in the Aurubis smelter network.

The acquisition-related costs of € 7.7 million that cannot be directly allocated are included in the income statement. € 5.7 million of this amount is included in other operating expenses and € 2.0 million recorded in interest expense.

Metallo contributed € 146.6 million to Group revenues and € -2.6 million to the consolidated net income for the period between the acquisition date and the closing date of the financial statements (four months).

If the acquisition of Metallo had been concluded on October 1, 2019, Metallo would have contributed € 455.7 million to Group revenues for the year and € 15.9 million to the consolidated net income.

For the purpose of preparing this pro forma information, it was assumed that the acquisition had already taken place as at October 1, 2019. This hypothetical purchase price allocation is nevertheless based on the fair values for the acquired assets and liabilities derived within the context of the actual purchase price allocation. The historical result was corrected with pro forma adjustments.

The adjustments represent fair value remeasurements that result from additional depreciation charges on fixed assets for the period from October 1, 2019 to May 31, 2020, and were made in the context of the initial consolidation as at June 1, 2020.

The accounting principles, particularly those related to the measurement of inventories and financial instruments, were not adjusted for the period from October 1, 2019 to May 31, 2020.

The pro forma financial information does not take any synergies or cost savings connected with the transaction into account.

Due to the premises described, the pro forma result shown here does not necessarily correspond to the result that Metallo would have generated if the acquisition had actually been completed on October 1, 2019.

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Aurubis has intended to sell Segment FRP since fiscal year 2017/18. For this reason, the special presentation and measurement requirements specified in IFRS 5 were applied in previous years. Although the company still intends to sell Segment FRP and the sale negotiations are at an advanced stage, application of IFRS 5 to Segment FRP was discontinued in Q4 of the fiscal year reported. From a current perspective, the Executive Board does not assume that it is highly probable that the sale will be completed within the twelve-month period pursuant to IFRS 5 that runs until February 2021. As regards the reconciliation of the consolidated statement of financial position and the consolidated income statement, Segment FRP is thus once again fully included in the consolidated financial statements in accordance with IFRS. Prior-year figures have been adjusted accordingly.

The following overview shows the adjustment of the prior-year figures in the consolidated statement of financial position and the consolidated statement of comprehensive income due to the reclassification of Segment FRP:

in € million	9/30/2019 (after adjustment)	9/30/2019 (as reported)
Assets	**4,535**	**4,532**
Fixed assets	1,506	1,384
Deferred tax assets	8	4
Non-current receivables and other assets	30	28
Inventories	1,993	1,728
Current receivables and other assets	502	405
Cash and cash equivalents	441	421
Investments measured using the equity method	54	0
Assets held for sale	0	561
Equity and liabilities	**4,535**	**4,532**
Equity	2,598	2,593
Deferred tax liabilities	182	170
Non-current provisions	403	356
Non-current liabilities	154	153
Current provisions	50	43
Current liabilities	1,148	1,057
Liabilities deriving from assets held for sale	0	160
Statement of total comprehensive income		
Revenues	11,897	10,763
Gross profit	1,224	1,027
Earnings before taxes (EBT)	264	260
Consolidated net income	193	191

The retrospective reclassification of the FRP business segment, which had been previously treated as a discontinued operation, had an impact of € 1.4 million in the previous year.

With the signing of the term sheet in August 2020, the assets and liabilities of CABLO Metall-Recycling & Handel GmbH were classified as held for sale for the first time. This is included in Segment MRP in the segment reporting. No impairment losses were recognized.

On November 13, 2020, Aurubis AG, CABLO Metall-Recycling & Handel GmbH, and TSR Recycling GmbH & Co. KG signed an agreement to establish a joint venture for cable recycling. The transaction is planned to be concluded in Q1 2021.

The following overview shows the carrying amounts of the assets held for sale and related liabilities:

in € million	9/30/2020	9/30/.2019
Assets		
Fixed assets	3	0
Inventories	3	0
Current receivables and other assets	5	0
Assets held for sale	**11**	**0**
Liabilities		
Deferred tax liabilities	1	0
Current liabilities	6	0
Liabilities deriving from assets held for sale	**7**	**0**

Notes to the income statement

1. REVENUES

Analysis by product group in € thousand	2019/20	2018/19
Wire rod	3,907,356	4,274,054
Precious metals	3,477,041	2,865,272
Copper cathodes	2,499,416	2,208,339
Shapes	746,912	820,359
Strip, bars, and profiles	1,073,027	1,312,026
Other	724,790	417,006
	12,428,542	**11,897,056**

A further breakdown of Aurubis Group revenues by Group segments is provided in the context of segment reporting Segment Reporting, pages 190-193.

As at September 30, 2020, the countervalue attributable to the (partially) unfulfilled performance obligations were attributed was € 979,161 thousand (previous year: € 1,353,710 thousand). This amount is expected to be recognized within the next two fiscal years.

A remeasurement effect of € -15,916 thousand in fiscal year 2019/20 derived from supply contracts for which prices had not been fixed (previous year: € -59,749 thousand).

2. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROCESS

in € thousand	2019/20	2018/19
Finished goods	129,488	56,818
Work in process	-11,492	116,262
	117,996	**173,080**

Changes in inventories of finished goods and work in process were mainly due to the build-up of finished copper products and precious metal inventories.

3. OWN WORK CAPITALIZED

Own work capitalized of € 22,517 thousand (previous year: € 19,992 thousand) primarily includes production costs and purchased materials.

4. OTHER OPERATING INCOME

in € thousand	2019/20	2018/19
Cost reimbursements	19,601	19,837
Income deriving from the reversal of provisions	2,390	406
Income deriving from the recognition of other assets	0	19,874
Income deriving from reversals of impairment losses	0	6,220
Other income	11,416	15,658
	33,407	**61,995**

The entire amount reported as “Income deriving from the recognition of other assets” in the previous year relates to a receivable from the prohibited sale of Segment FRP to Wieland-Werke AG.

5. COST OF MATERIALS

in € thousand	2019/20	2018/19
Raw materials, supplies, and merchandise	10,847,018	10,566,417
Cost of purchased services	351,121	362,053
	11,198,139	**10,928,470**

The cost of materials ratio, represented by the ratio of the cost of materials to revenues and changes in inventories, was 89.3 % (previous year: 90.5 %).

6. PERSONNEL EXPENSES AND EMPLOYEE NUMBERS

in € thousand	2019/20	2018/19
Wages and salaries	445,660	397,124
Social security contributions, pension and other benefit expenses	106,912	107,862
	552,572	**504,986**

Pension expenses include allocations to the provisions for pensions.

The average number of employees in the Group during the year was as follows:

	2019/20	2018/19
Blue collar	4,220	4,207
White collar	2,418	2,288
Apprentices	259	245
Total average	**6,897**	**6,740**

The increase in the number of employees in the Group is primarily due to the acquisition of Metallo during the year reported. For purposes of reporting the annual average figures, the numbers for Metallo employees are included proportionally from the date of inclusion of Metallo in the consolidated financial statements.

Among other components, the total compensation of the Aurubis AG Executive Board members, who were newly appointed from fiscal year 2017/18 onwards, includes a share-based compensation component with a cash settlement.

The following parameters were taken as a basis for the calculation of the fair value of the virtual deferred stock compensation plan:

	9/30/2020
Share price (in €)	58.14
Exercise price (in €)	87.21
Expected volatility (weighed average, in %)	27.00
Expected term (weighed average, in years)	2.00
Expected dividend (in %)	2.15
Risk-free interest rate (based on government bonds, in %)	-0.70
Fair value (in € thousand)	850

The expected volatility is based on an assessment of the historic volatility of the company's share price, especially in the period that corresponds to the expected term.

The personnel expenses deriving from the deferred stock compensation plan amounted to € 660 thousand in the fiscal year reported (previous year: € 117 thousand) and are included in the same amount as provisions at the reporting date.

7. DEPRECIATION AND AMORTIZATION

Depreciation of property, plant, and equipment and amortization of intangible assets totaled € 209,826 thousand (previous year: € 140,000 thousand) for the Group. This comprises depreciation of € 186,538 thousand (previous year: € 137,230 thousand) on property, plant, and equipment and amortization of € 23,288 thousand (previous year: € 2,770 thousand) on intangible assets.

In the year reported, the amortization of intangible assets included impairment losses of € 17,439 thousand (previous year: € 0 thousand) on goodwill of the Copper Products Hamburg cash-generating unit (CGU. In addition, impairment losses of € 24,594 thousand (previous year: € 0 thou-sand) were recognized against property, plant, and equipment in connection with impairment tests performed in response to specific events. In this context, a requirement to recognize impairment losses was identified for CGUs in the Netherlands, Mortara, Buffalo, and Italy.

Scheduled depreciation of property, plant, and equipment in the fiscal year reported includes depreciation of € 12,773 thousand for capitalized leases pursuant to IFRS 16.

The total figure of € 214,800 thousand (previous year: € 144,984 thousand) that is reported for depreciation of property, plant, and equipment and amortization of intangible assets in the tables showing changes in assets includes depreciation on investments in connection with an electricity supply contract of € 4,974 thousand (previous year: € 4,984 thousand), which is disclosed under cost of materials.

A detailed breakdown of the depreciation of property, plant, and equipment and amortization of intangible assets is provided in the summary of changes in the Group's intangible assets and property, plant, and equipment. Intangible assets, page 156, and Property, plant, and equipment, page 158.

8. OTHER OPERATING EXPENSES

in € thousand	2019/20	2018/19
Selling expenses	117,783	112,501
Administrative expenses	92,811	89,604
Other taxes	3,094	2,935
Sundry operating expenses	52,645	98,714
	266,333	**303,754**

The selling expenses mainly comprise freight costs. In the previous year, sundry operating expenses included € 29,871 thousand of previously capitalized project costs in connection with the Future Complex Metallurgy project, which were recognized as an expense because the project was discontinued.

9. RESULT FROM INVESTMENTS MEASURED USING THE EQUITY METHOD

The result from investments measured using the equity method of € 6,455 thousand (previous year: € 4,764 thousand) comprises the 50 % holding in Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg.

10. INTEREST

in € thousand	2019/20	2018/19
Interest income	6,679	3,932
Interest expense	-18,832	-20,292
	-12,153	**-16,360**

The interest income mainly derives from receivables that were the subject of a successfully contested arbitration case, as well as from interest-bearing customer receivables.

The interest expense primarily results from borrowings. Among other items, the interest expense includes the net interest deriving from defined benefit plans, amounting to € 2,842 thousand (previous year: € 4,174 thousand).

11. OTHER FINANCIAL RESULT

in € thousand	2019/20	2018/19
Other financial income	88	407
Other financial expenses	-2,659	-31
	-2,571	**376**

The other financial expenses derive from impairment losses recognized against the carrying amounts of two non-consolidated companies.

12. INCOME TAXES

Income taxes comprise both current income taxes as well as deferred taxes. Tax liabilities and receivables include obligations or claims deriving from domestic and foreign income taxes for previous years and for the current year. Income taxes were made up as follows:

in € thousand	2019/20	2018/19
Current tax expenses/credits	69,394	60,738
Deferred tax expenses/credits	32,566	10,249
Income taxes	**101,960**	**70,987**

Current taxes include tax expenses of € 41 thousand (previous year: € 778 thousand) and deferred taxes include tax credits of € 119 thousand (previous year: € 220 thousand) deriving from earlier fiscal years.

Applicable German tax legislation for fiscal year 2019/20 foresees a corporate income tax rate of 15 %, plus a solidarity surcharge of 5.5 %. The trade tax rate applicable for Aurubis AG amounts to 16.59 %. The tax rates are unchanged from those of the previous year. For the other German Group companies, trade tax rates between 11.08 % and 16.45 % (previous year: 11.09 % and 16.45 %) are applicable. The foreign companies are subject to their respective national income tax rates, which vary between 10 % and 29.58 % (previous year: 10 % and 29.58 %).

In Belgium, the tax rate for fiscal years that end on December 31, 2018 or later is 29.58 % and the tax rate for fiscal years that end on December 31, 2020 or later is 25 %. We therefore determined a rate of 29.58 % as a basis for calculating current taxes, and a rate of 25 % for short-term and long-term deferred taxes.

The Group taxes include tax effects from foreign subsidiaries to a significant degree. As a consequence, the tax rate of the German parent company of 32.41 % (previous year: 32.41 %) is not applied as the Group tax rate for calculation purposes, but a Group-wide mixed tax rate of 23.90 % (previous year: 23.99 %) is used instead. As in the prior year, the main contributions to earnings come from Aurubis AG and Aurubis Bulgaria AD.

The actual income taxes of € 101,960 thousand (previous year: € 70,987 thousand) were € 14,176 thousand higher (previous year: € 7,727 thousand) than the expected income tax expense of € 87,784 thousand (previous year: € 63,260 thousand). The difference between the expected and the actual income tax expense is due to the reasons outlined in the following tax reconciliation:

Reconciliation

in € thousand	2019/20	2018/19
Earnings before taxes (EBT)	**367,323**	**263,693**
Theoretical tax charge at 23.90% (previous year: 23.99%)	**87,784**	**63,260**
Reconciliation effects to derive the actual tax charge:		
– changes in tax rates	-3,020	127
– non-recognition and correction of deferred taxes	7,852	2,239
– taxes for previous years	1,411	3,235
– non-deductible expenses	3,940	2,495
– non-taxable income/trade tax reductions	-770	-454
– notional interest deduction (Belgium)	-12	-10
– outside basis differences	114	-179
– permanent differences	1,491	0
– measurement at equity	-911	247
– impairment of goodwill	3,605	0
– other	476	27
Income taxes	**101,960**	**70,987**

In fiscal year 2019/20, there were effects deriving from changes in tax rates, amounting to € -3,020 thousand (previous year: € 127 thousand), mostly resulting from the change in the tax rate in Belgium.

Effects deriving from the non-recognition and correction of deferred taxes result from write-downs of deferred tax assets on loss carryforwards, and amount to € 7,852 thousand (previous year: € 2,239 thousand).

The effects of € 1,411 thousand from taxes for previous years (previous year: € 3,235 thousand) result from adjustments to previous years' tax returns (previous year: tax impacts deriving from tax field audits that had been completed).

The higher non-deductible expenses compared to the previous year are mainly based on the non-deductible portion of the dividend income.

The effect of the notional interest deduction in accordance with Belgian tax law in the amount of € -12 thousand (previous year: € - 10 thousand) had a lower impact, as was the case in the previous year.

Effects deriving from permanent differences result from different measurement approaches in the time of initial consolidation and from non-consolidated subsidiaries.

As regards the impairment of goodwill, please refer to note 15 in the Notes to the statement of financial position Intangible assets, pages 156–158.

Pursuant to IAS 12.15 (a), deferred taxes may not be recognized at the time of the initial recognition of good-will and for subsequent changes in value.

The recognized deferred tax assets and deferred tax liabilities result from the following recognition and measurement differences in individual items in the statement of financial position, from tax loss carryforwards, and from outside basis differences (OBD):

in € thousand	9/30/2020 Deferred tax assets	9/30/2020 Deferred tax liabilities	9/30/2019 Deferred tax assets	9/30/2019 Deferred tax liabilities
Intangible assets	6,739	14,062	7,675	204
Property, plant, and equipment	5,748	145,119	605	99,371
Investments measured using the equity method	0	1,612	0	2,754
Inventories	16,788	238,469	11,758	196,847
Receivables and other assets	21,508	56,829	11,181	24,783
Pension provisions	56,938	153	82,614	0
Other provisions	9,623	3,181	9,879	18
Liabilities	59,786	11,066	28,179	8,514
Tax loss carryforwards	1,577	0	7,173	0
Tax credits	0	0	170	0
Outside basis differences	0	716	0	788
Offsetting	-169,996	-169,996	-151,434	-151,434
Consolidated statement of financial position	**8,711**	**301,211**	**7,800**	**181,845**

€ 75,660 thousand (previous year: € 43,172 thousand) of the deferred tax assets and € 301,793 thousand (previous year: € 225,289 thousand) of the deferred tax liabilities will be realized within the next twelve months. Deferred tax assets of € 103,047 thousand (previous year: € 116,062 thousand) and deferred tax liabilities of € 169,414 thousand (previous year: € 107,990 thousand) will be realized after more than twelve months. These figures represent the amounts prior to offsetting.

The income taxes to be accounted for in other comprehensive income (OCI) are distributed among the following areas:

in € thousand	9/30/2020 Balance	9/30/2020 Change	9/30/2019 Balance	9/30/2019 Change
Deferred taxes				
Derivatives	-6,308	-9,185	2,877	1,257
Pension provisions	13,383	-27,650	41,033	30,301
Total	**7,075**	**-36,835**	**43,910**	**31,558**
Current taxes	-1,782	630	-2,412	-532

With respect to the change in OCI deriving from pension provisions, please refer to note 25 in the Notes to the statement of financial position Pension provisions and similar obligations, pages 166–169.

The realization of deferred tax assets is considered to be sufficiently probable after taking the Group's forecast development plans and the profit expectations of the subsidiaries into account. Deferred tax assets are recognized in respect of loss carryforwards to the extent that deferred tax liabilities were available or if the companies concerned had positive future earnings forecasts.

Loss carryforwards existed totaling € 106,406 thousand (previous year: € 117,215 thousand). Deferred tax assets of € 1,577 thousand (previous year: € 7,173 thousand) were recognized in respect of income tax losses of € 8,502 thousand (previous year: € 33,232 thousand). No deferred tax assets were set up during the year reported in respect of tax credits (previous year: € 170 thousand).

No deferred tax assets were set up with respect to loss carryforwards of € 97,904 thousand (previous year: € 83,983 thousand), as the possibility of utilizing them is believed to be unlikely from a current perspective. Of the tax loss carryforwards deemed not to be utilizable, an amount of € 35,103 thousand (previous year: € 23,504 thousand) can be carried forward indefinitely, an amount of € 6,176 thousand (previous year: € 6,177 thousand) can be utilized within the next six years and an amount of € 56,625 thousand (previous year: € 54,302 thousand) can be utilized within the next nine years.

Deferred tax liabilities of € 716 thousand (previous year: € 788 thousand) were set up with respect to the differences between the proportional equity of subsidiaries recognized in the consolidated statement of financial position and the investment carrying amounts for these subsidiaries shown in the tax-based records of the respective parent company (so-called outside basis differences) as at the reporting date. No deferred tax liabilities were set up for outside basis differences deriving from undistributed earnings of subsidiaries amounting to € 21,885 thousand (previous year: € 16,535 thousand), since the reversal of these differences is unlikely in the foreseeable future.

13. CONSOLIDATED NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Of the reported consolidated net income for 2019/20 of € 265,363 thousand (previous year: € 192,706 thousand), a share of income of € 191 thousand (previous year: € 128 thousand) is attributable to shareholders other than the shareholders of Aurubis AG, Hamburg. This relates to the non-controlling interests in Aurubis Bulgaria AD, Pirdop.

14. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the consolidated net earnings excluding the non-controlling interests by the weighted average number of shares outstanding during the fiscal year.

in thousand units	Issued shares	Treasury Shares	Shares outstanding
Start of fiscal year	44,957	0	44,957
Acquisition of treasury shares	0	977	-977
Number of shares at 9/30/2020	44,957	977	43,980
Weighted number of shares	**44,957**	374	**44,583**

in € thousand	2019/20	2018/19
Consolidated net income attributable to Aurubis AG shareholders	265,172	192,578
Weighted average number of shares (in thousand units)	44,583	44,957
Basic earnings per share (in €)	**5.95**	**4.28**
Diluted earnings per share (in €)	**5.95**	**4.28**

Diluted earnings per share are determined by augmenting the average number of the shares outstanding during the fiscal year to include the maximum number of potential shares. Potential shares are the maximum number of stock options or shares that could be issued if all conversion rights on convertible bonds were exercised, or other contractual rights that give the shareholder the right to purchase shares. Where applicable, the consolidated net income is increased at the same time by the interest expense incurred on convertible bonds less the corresponding taxes.

Since such financial instruments and other rights existed neither in the reporting year nor in the prior year, the diluted earnings per share for the Aurubis Group correspond to the basic earnings per share.

Notes to the statement of financial position

15. INTANGIBLE ASSETS

The development of the costs of acquisition or generation and the accumulated amortization and impairment-related write-downs of the intangible assets are as follows:

Costs of acquisition or generation

in € thousand	Franchises, industrial property rights, and licenses	Goodwill	Payments on account for intangible assets	Total
10/1/2019	158,166	43,170	7,653	208,990
Assets held for sale	-221	0	0	-221
Changes in the scope of consolidation	63,000	8,656	0	71,655
Additions	2,101	0	3,202	5,303
Disposals	-272	0	0	-272
Transfers	5,924	0	-5,924	0
9/30/2020	**228,698**	**51,826**	**4,931**	**285,455**

Amortization and impairment losses

in € thousand	Franchises, industrial property rights, and licenses	Goodwill	Total
10/1/2019	-61,209	-24,522	-85,731
Assets held for sale	221	0	221
Amortization and impairment losses for the fiscal year	-10,823	-17,439	-28,262
Disposals	262	0	262
Transfers	0	0	0
9/30/2020	**-71,549**	**-41,961**	**-113,510**

Carrying amount

in € thousand	**9/30/2020**	9/30/2019
Intangible assets		
Franchises, industrial property rights, and licenses	157,149	96,958
Goodwill	9,865	18,648
Payments on account for intangible assets	4,931	7,653
	171,945	**123,259**

Costs of acquisition or generation

in € thousand	Franchises, industrial property rights, and licenses	Goodwill	Payments on account for intangible assets	Total
10/1/2018	150,867	43,170	8,806	202,843
Additions	2,792	0	3,721	6,513
Disposals	-366	0	0	-366
Transfers	4,874	0	-4,874	0
9/30/2019	**158,167**	**43,170**	**7,653**	**208,990**

Amortization and impairment losses

in € thousand	Franchises, industrial property rights, and licenses	Goodwill	Total
10/1/2018	-53,819	-24,522	-78,341
Amortization and impairment losses for the fiscal year	-7,754	0	-7,754
Disposals	364	0	364
Transfers	0	0	0
9/30/2019	**-61,209**	**-24,522**	**-85,731**

Carrying amount

in € thousand	9/30/2019	9/30/2018
Intangible assets		
Franchises, industrial property rights, and licenses	96,958	97,047
Goodwill	18,648	18,648
Payments on account for intangible assets	7,653	8,806
	123,259	**124,501**

Intangible assets comprise licenses acquired for a consideration, primarily in connection with a long-term electricity supply contract, as well as goodwill on consolidation arising in the Aurubis Group.

Goodwill amounting to € 8,656 thousand was recognized as a result of the acquisition of Metallo in fiscal year 2019/20.

Aurubis carries out an impairment test on goodwill at least annually. For the impairment test on goodwill, the goodwill acquired in conjunction with a business combination is allocated to the CGU that is expected to benefit from the synergies of the business combination. If the carrying amount of the CGU to which the goodwill was allocated exceeds its recoverable amount, a commensurate impairment loss is recognized on the allocated goodwill.

As at September 30, 2020, the impairment test led to a requirement to recognize an impairment loss of € 17,439 thou-sand, comprising the full amount of goodwill for the Copper Products Hamburg CGU (previous year: no impairment loss).

The recoverable amount is the higher of the fair value less costs to sell and value in use. Aurubis determines the recoverable amount on the basis of the value in use. The value in use is determined by means of discounting future cash flows after taxes with a risk-adjusted discount rate (WACC) after taxes (discounted cash flow method). Due to the calculated cash flows after taxes, a cost of capital after taxes is used as well.

The cash flow estimates cover a planning horizon of four years before transferring to perpetuity. The cash flows were established within the scope of a qualified planning process including use of internal company values based on past experience and extensive market knowledge, and they take into consideration management's assessment and estimates regarding the future development of the regional market.

In addition to the weighted capital costs, the significant assumptions used to calculate the value in use are the forecast earnings trend and the sustainable growth rate of the terminal value at a level of 1 %. The growth rate was derived from future expectations and does not exceed the long-term average growth rates of the respective markets.

The WACC used for discounting purposes amounted to 6.8 % after taxes or 9.7 % before taxes as at September 30, 2020 (previous year: 5.0 % after taxes or 7.2 % before taxes).

As in the prior year, there was no requirement to recognize impairment losses on intangible assets with a limited useful life.

No development costs were capitalized during the fiscal year. Research costs are recognized in profit or loss for the respective periods Research & Development, page 188.

16. PROPERTY, PLANT, AND EQUIPMENT

The costs of acquisition or construction and the accumulated depreciation and impairment losses on property, plant, and equipment are as follows:

Costs of acquisition or construction

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Leased assets	Payments on account for assets under construction	Total
10/1/2019	702,532	2,220,597	112,100	60,029	143,423	3,238,681
Assets held for sale	-5,067	-6,149	-1,732	0	-339	-13,288
Exchange rate differences	-878	-5,669	-651	0	-284	-7,481
Changes due to the initial application of IFRS 16	13,973	77,490	3,087	-60,029	0	34,521
Changes in the scope of consolidation	77,464	141,799	7,168	0	1,386	227,818
Additions	13,260	77,616	13,031	0	103,710	207,617
Disposals	-5,619	-41,258	-4,790	0	-63	-51,731
Transfers	13,018	85,762	6,379	0	-105,159	0
9/30/2020	**808,683**	**2,550,187**	**134,592**	**0**	**142,674**	**3,636,137**

Depreciation and impairment losses

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Leased assets	Payments on account for assets under construction	Total
10/1/2019	-394,061	-1,378,519	-71,101	-24,718	-1,304	-1,869,703
Assets held for sale	3,884	5,101	1,019	0	0	10,004
Exchange rate differences	186	3,361	487	0	156	4,191
Changes due to the initial application of IFRS 16	-5,648	-19,070	0	24,718	0	0
Changes in the scope of consolidation	0	6	0	0	0	6
Depreciation and impairment losses for the fiscal year	-25,495	-143,971	-13,199	0	-3,872	-186,538
Disposals	2,479	39,684	4,541	0	0	46,704
Transfers	0	0	0	0	0	0
9/30/2020	**-418,655**	**-1,493,408**	**-78,253**	**0**	**-5,020**	**-1,995,336**

Carrying amount

in € thousand	9/30/2020	9/30/2019
Property, plant, and equipment		
Land and buildings	390,028	308,471
Technical equipment and machinery	1,056,779	842,078
Other equipment, factory and office equipment	56,339	40,999
Right-of-use assets	0	35,311
Payments on account for assets under construction	137,654	142,119
	1,640,800	**1,368,978**

The adjustments due to IFRS 16 concern the accounting treatment of right-of-use assets deriving from leases in the context of the initial application of IFRS 16 as at the transition date of October 1, 2019. On the one hand, assets previously recognized as “Leased assets” have been reclassified as rights of use to the respective asset classes within property, plant, and equipment. On the other hand, rights of use deriving from operating leases, which were previously not recognized in the balance sheet, have been included for the first time.

Costs of acquisition or construction

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Leased assets	Payments on account for assets under construction	Total
10/1/2018	671,183	2,154,211	97,437	57,757	123,419	3,104,007
Exchange rate differences	511	4,311	422	0	205	5,449
Additions	19,743	44,434	14,037	3,255	135,436	216,905
Disposals	-8,049	-42,912	-5,850	-984	-29,886	-87,681
Transfers	19,144	60,554	6,054	0	-85,751	0
9/30/2019	**702,532**	**2,220,597**	**112,100**	**60,029**	**143,423**	**3,238,681**

Depreciation and impairment losses

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Leased assets	Payments on account for assets under construction	Total
10/1/2018	-387,318	-1,312,249	-67,691	-22,159	-1,320	-1,790,737
Exchange rate differences	-23	-1,669	-305	0	15	-1,982
Appreciation for the fiscal year	6,220	0	0	0	0	6,220
Depreciation and impairment losses for the fiscal year	-19,627	-105,463	-8,603	-3,536	0	-137,230
Disposals	6,687	40,862	5,498	978	0	54,024
9/30/2019	**-394,061**	**-1,378,519**	**-71,101**	**-24,718**	**-1,304**	**-1,869,703**

Carrying amount

in € thousand	9/30/2019	9/30/2018
Property, plant, and equipment		
Land and buildings	308,471	283,865
Technical equipment and machinery	842,078	841,962
Other equipment, factory and office equipment	40,999	29,746
Leased assets deriving from finance leases*	35,311	35,598
Payments on account for assets under construction	142,119	122,100
	1,368,978	**1,313,271**

* Leased assets primarily comprise buildings, as well as technical equipment and machinery.

In addition to scheduled depreciation, depreciation charges in the year reported include impairment losses of € 24,594 thousand (previous year: € 0 thousand), which are recognized against consolidated net income in the line "Depreciation of property, plant, and equipment and amortization of intangible assets." The impairment losses on property, plant, and equipment resulted from impairment tests performed in response to specific events, in this case mainly the difficult market situation for FRP. In the process, a requirement to recognize impairment losses was determined for the three FRP companies Aurubis Netherlands, Aurubis Mortara, and Aurubis Buffalo, as well as Aurubis Italy.

In the impairment test process, the total carrying amounts for a CGU are compared to the respective recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. The recoverable amount was determined based on the value in use for purposes of the impairment test.

Impairment losses

in € thousand	Netherlands CGU	Mortara CGU	Buffalo CGU	Italy CGU	Total
Land and buildings	0	0	0	2,510	**2,510**
Technical equipment and machinery	3,127	480	13,482	1,107	**18,196**
Other equipment, factory and office equipment	8	0	0	71	**79**
Payments on account for assets under construction	151	0	3,658	0	**3,809**
Total	**3,286**	**480**	**17,140**	**3,688**	**24,594**

The value in use was calculated by determining the present value of the expected cash flows (discounted cash flow). The planning process for the expected cash flows covers a planning period of four years. The cash flows were established within the scope of a qualified planning process including use of internal company values based on past experience and extensive market knowledge, and they take into consideration management's assessment and estimates regarding the future development of the regional market.

In addition to the weighted capital costs, the significant assumptions used to calculate the value in use are the forecast earnings trend and the sustainable growth rate of the terminal value at a level of 1 %. The growth rate was derived from future expectations and does not exceed the long-term average growth rates of the respective markets.

The required impairment loss was allocated in accordance with IAS 36.105, whereby external appraisals were used as a basis for the derivation of the fair value less costs of disposal of the main items of property, plant, and equipment. The measurement process for land is based on the comparable value method. The discounted cash flow method was applied to measure the value of the buildings, whereby the asset value method was taken into account for plausibility purposes. The machinery and equipment was measured based on asset value techniques.

The details about leases are provided in the section "Leases" in note 28 in the Notes to the statement of financial position pages 174–175.

No property, plant, and equipment was pledged as security for loans within the Group as at September 30, 2020 and September 30, 2019. Purchase commitments for fixed assets amounted to € 115,307 thousand as at September 30, 2020 (previous year: € 98,367 thousand).

Minimum stocks are recognized in technical equipment and machinery as components of the respective technical equipment and machinery. Minimum stocks are quantities of materials that are necessary to establish and ensure a production facility's continuing functionality for its intended use. A total of € 310,766 thousand was attributable to the technical minimum stock as at September 30, 2020 (previous year: € 291,161 thousand).

17. FINANCIAL FIXED ASSETS

in € thousand	9/30/2020	9/30/2019
Share interests in affiliated companies	9,957	2,666
Investments	131	131
Other financial fixed assets	25,528	11,312
	35,616	**14,109**

The share interests in affiliated companies and investments included in the financial fixed assets in the amount of € 10,088 thousand (previous year: € 2,797 thousand) are classified at fair value in profit or loss pursuant to IFRS 9. The shares are not quoted and there is no active market for them. There is no current intention to sell the share interests.

An overview of the investments included in the financial assets of Aurubis AG, Hamburg, is presented in Investments, pages 198–199.

Other financial fixed assets primarily include securities classified as fixed assets, which mainly comprise a share interest in Salzgitter AG, Salzgitter. For these share interests, Aurubis makes use of the option under IFRS 9 to classify equity instruments as at "fair value through other comprehensive income."

18. INVESTMENTS MEASURED USING THE EQUITY METHOD

Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg, is a joint venture in which Aurubis holds a 50 % interest. It is operated as a joint venture with a partner and has been assigned to Segment FRP. The business purpose of the company is the fabrication and marketing of pre-rolled strip made of copper and copper alloys. Pursuant to IFRS 11.24, in conjunction with IAS 28, Schwermetall Halbzeugwerk GmbH & Co. KG is accounted for using the equity method. The following two tables summarize the financial information of Schwermetall Halbzeugwerk GmbH & Co. KG, prepared in accordance with IFRS, and provide a reconciliation to the investment value that has been recognized. The financial information provided in the table represents the total figures for the company (i.e., 100 %).

SUMMARIZED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME

in € thousand	**2019/20**	2018/19
Assets	**160,187**	**165,022**
Fixed assets	46,104	43,718
Non-current receivables and other assets	14,768	17,813
Inventories	93,218	90,794
Current receivables and other assets	5,330	12,335
Cash and cash equivalents	767	362
Equity and liabilities	**160,187**	**165,022**
Net assets	110,609	106,746
Deferred tax liabilities	3,854	3,828
Non-current provisions	7,105	7,161
Non-current liabilities	11,467	10,151
Current provisions	7,808	7,014
Current liabilities	19,344	30,122
Statement of comprehensive income		
Revenues	317,929	374,526
Gross profit	56,119	55,782
Earnings before taxes (EBT)	15,744	12,653
Consolidated net income	13,247	9,233

RECONCILIATION OF THE COMBINED FINANCIAL INFORMATION

in € thousand	**2019/20**	2018/19
Net assets as at October 1	106,746	114,187
Profit/loss of the period	13,247	9,233
Other comprehensive income/loss	216	-1,328
Distribution	-9,600	-15,346
Net assets as at September 30	110,609	106,746
Share of joint venture (50 %)	55,305	53,373
Elimination of unrealized intra-Group profits	-149	0
Income tax effects	297	263
Carrying amount	**55,453**	**53,636**

19. INVENTORIES

in € thousand	**9/30/2020**	9/30/2019
Raw materials and supplies	1,059,460	762,256
Work in process	858,519	826,015
Finished goods, merchandise	545,792	404,994
Payments on account of inventories	0	29
	2,463,771	**1,993,294**

As at the reporting date, write-downs of € 5,915 thousand were recorded against inventories (previous year: € 34,001 thousand).

20. TRADE ACCOUNTS RECEIVABLE

The trade accounts receivable as at September 30, 2020 and as at September 30, 2019 were due within one year.

The age structure of the trade accounts receivable is as follows:

in € thousand	Carrying amount	of which: neither written down as at the reporting date nor overdue	of which: not written down as at the reporting date and overdue in the following time spans: less than 30 days	between 30 and 180 days	more than 180 days
As at September 30, 2020 Trade accounts receivable	485,282	439,517	39,028	5,473	1,264
As at September 30, 2019 Trade accounts receivable	390,145	347,151	35,003	4,634	3,357

Movements on the allowances for trade accounts receivable that were not covered by commercial credit insurance were as follows:

in € thousand	9/30/2020	9/30/2019
Individual write-downs Balance as at October 1	**3,149**	**3,216**
Changes in the scope of consolidation	-194	0
Changes in allowances during the period	-67	-66
Additions	85	171
Reversals	-153	-230
Exchange rate impacts	1	-7
Balance as at September 30	**2,888**	**3,150**

In addition, expected credit losses of € 170 thousand were accounted for, like last year.

All expenses and income deriving from allowances and write-offs of trade accounts receivable are shown respectively under other operating expenses or other operating income.

As regards the balances of trade accounts receivable that are neither written down nor overdue, there is no indication as at the reporting date that the debtors will not fulfill their payment obligations.

Credit risks from trade accounts receivable were largely hedged by commercial credit insurances.

21. OTHER RECEIVABLES AND OTHER ASSETS

Other receivables and other assets comprise both other financial and other non-financial assets.

Non-current receivables and other assets are made up as follows as at the reporting date:

in € thousand	9/30/2020	9/30/2019
Non-current (with a residual term of more than 1 year)		
Derivative financial instruments belonging to the category "FV P&L"	7,756	14,011
Derivative financial instruments held as hedging instruments in the context of hedge accounting	12,453	0
Other non-current financial assets	14,410	14,504
Non-current financial assets	**34,619**	**28,515**
Other non-current non-financial assets	1,430	1,777
Other non-current non-financial assets	**1,430**	**1,777**

Current receivables and other assets are made up as follows as at the reporting date:

in € thousand	9/30/2020	9/30/2019
Current (with a residual term of less than 1 year)		
Derivative financial instruments belonging to the category "FV P&L"	57,636	23,294
Derivative financial instruments held as hedging instruments in the context of hedge accounting	16,635	46
Receivables from related parties	7,034	5,041
Sundry other current financial assets	17,947	41,883
Other current financial assets	**99,252**	**70,264**
Income tax receivables	9,305	12,689
Sundry other current non-financial assets	34,895	28,755
Other current non-financial assets	**44,200**	**41,444**

The increase in derivative financial instruments belonging to the "FV P&L" category mainly resulted from the measurement of metal forward contracts, as metal prices were rising at the reporting date.

The decrease in sundry other current financial assets is mainly due to payments obtained for receivables resulting from a successfully contested arbitration case.

As in the previous year, the sundry other current non-financial assets mainly comprise VAT receivables of Aurubis Bulgaria AD, Pirdop.

The sundry other current financial assets include a continuing involvement arising from del credere risks with factoring companies and late payment and currency risks deriving from current trade accounts receivable in the amount of € 5,892 thousand (previous year: € 8,241 thousand). The level of continuing involvement corresponds to the maximum risk of loss, mainly based on the assumption that all receivables open on the reporting date that were sold remain outstanding for the entire period for which Aurubis can be held responsible for the late payment risk.

A liability of € 5,882 thousand was recorded in connection with the continuing involvement (previous year: € 8,225 thousand). All trade accounts receivable sold to factoring companies have a term of less than one year, meaning that the fair value of the continuing involvement and the associated liability each correspond to the carrying amount.

All of the receivables covered by three factoring contracts for which the main opportunities and risks were transferred to the purchaser of the receivables were completely derecognized.

In total, outstanding receivables of € 353,829 thousand (previous year: € 356,306 thousand) had been sold to factoring companies as at the reporting date.

As regards other financial assets that are neither written down nor overdue, there is no indication as at the reporting date that the debtors will not fulfill their payment obligations.

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of current account balances with banks, cash in hand, and checks. Cash at banks mainly comprises euro balances.

23. EQUITY

The share capital amounts to € 115,089,210.88 and is divided into 44,956,723 no-par-value shares, each with a notional amount of € 2.56. The share capital is fully paid in.

The Executive Board is empowered, subject to the approval of the Supervisory Board, to increase the share capital by February 23, 2021, by up to € 57,544,604.16 once or in several installments.

The share capital has been conditionally increased by up to € 57,544,604.16 through the issue of 22,478,361 new no-par-value shares with a proportionate notional amount per share of € 2.56 of the share capital (conditional capital increase). It will be used to grant shares to the holders or creditors of conversion and/or option rights from convertible bonds, bonds with warrants, profit participation rights or participating bonds (or combinations of these instruments), which can be issued in the period up to March 1, 2022.

The Executive Board has been authorized by the shareholders represented at the Annual General Meeting to purchase the company's own shares, representing up to 10 % of the share capital, in the period up to September 17, 2021. The goal of the share buyback program is to use these treasury shares for purposes permitted by the shareholders at the Annual General Meeting on March 1, 2018, particularly possible acquisitions or future financing needs. The company held 976,764 treasury shares as at September 30, 2020.

Generated Group equity comprises consolidated net income, the revenue reserves of all Group companies, the accumulated unappropriated earnings of the subsidiaries since their initial consolidation, and the accumulated amounts resulting from consolidation adjustments recognized in profit or loss. In addition, the effects deriving from the remeasurement of the net liability resulting from the defined benefit pension plans (after taxes), which are recorded directly in equity, are also included.

Aurubis AG's legal reserve of € 6,391 thousand, which is not available for distribution, is also included in this amount. The change in generated Group equity from € 2,169,448 thousand as at September 30, 2019, to € 2,434,664 thousand as at September 30, 2020, includes the dividend payment of € 56,196 thousand, positive effects of € 56,241 thousand (after taxes) recognized in equity deriving from the remeasurement of the net liability resulting from the defined benefit pension plans and the consolidated net income for fiscal year 2019/20 of € 265,172 thousand.

Changes in accumulated other comprehensive income totaling € 29,286 thousand (previous year: € -22,313 thousand) mainly comprise gains and losses of € 38,602 thousand (previous year: € -5,353 thousand) deriving from the measurement at market of cash flow hedges, income taxes of € -8,554 thousand (previous year: € 712 thousand), and € -2,193 thousand (previous year: € -20,188 thousand) deriving from measurement at market of financial investments.

An amount of € -2,165 thousand (previous year: € -18,971 thousand) was transferred during the period from other comprehensive income to the consolidated income statement in the context of cash flow hedge accounting and is primarily recorded in the cost of materials.

The non-controlling interests amounting to € 539 thousand (previous year: € 539 thousand) comprise the interests of non-Group shareholders in the equity of a company that is fully consolidated by Aurubis AG, namely Aurubis Bulgaria AD, Pirdop.

The change in non-controlling interests includes a proportional share of the dividend payment, amounting to € 190 thousand. The consolidated result of € 191 thousand in fiscal year 2019/20 had a counteracting effect.

Changes in equity are presented in detail in the consolidated statement of changes in equity,
Consolidated Statement of Changes in Equity, page 135.

PROPOSED APPROPRIATION OF EARNINGS

The separate financial statements of Aurubis AG, Hamburg, have been prepared in accordance with German accounting principles (HGB – German Commercial Code).

Net income for the year of Aurubis AG	**€ 176,505,141.57**
Retained profit brought forward from the prior year	€ 71,395,072.22
Allocations to other revenue reserves	€ 88,200,000.00
Unappropriated earnings	**€ 159,700,213.79**

A proposal will be made to the Annual General Meeting that Aurubis AG's unappropriated earnings of € 159,700,213.79 are used to pay a dividend of € 1.30 per no-par-value share with a dividend entitlement and that € 102,943,474.79 be carried forward. The freely available shares at the balance sheet date, amounting to 43,659,030 (= € 56,756,739), were taken as a basis. If the number of no-par-value shares changes until the Annual General Meeting, an accordingly adjusted proposal on the distribution of profits will be presented at the Annual General Meeting, with an unchanged proposal for a distribution of € 1.30 per no-par-value share with a dividend entitlement since treasury shares are not entitled to a dividend.

A dividend of € 1.25 per share was paid in fiscal year 2019/20, totaling € 56,195,903.75.

ADDITIONAL INFORMATION ON CAPITAL MANAGEMENT

The main purpose of management control is to increase the corporate value of the Aurubis Group, in that a positive contribution to the enterprise as a whole is generated beyond the capital costs. The Group's liquidity sourcing is secured through a combination of the Group's cash flow, external funding, as well as lines of credit available from our banks. Existing credit facilities and lines of credit can compensate for fluctuations in the cash flow development at any time. The objective is to keep the Group's debt structure in equilibrium in the long term. Control and monitoring are carried out on the basis of defined key ratios. Net debt and liquidity are controlled in the medium and short term by means of regular cash flow forecasts.

One of the main key ratios used to determine and compare profitability is operating ROCE (return on capital employed), which reflects the yield on the capital that is utilized in the operating business or for investments. Operating ROCE is defined as the ratio of EBIT (earnings before interest and taxes), including the operating result from investments measured using the equity method, to capital employed as at the reporting date. Capital employed comprises equity and interest-bearing liabilities, less cash and cash equivalents.

Operating ROCE improved to 9.3 % compared to 8.6 % in the comparable prior-year period despite the build-up of higher inventories of input materials to secure the supply for the smelter network.

All external requirements under financial covenants were fulfilled in the fiscal year reported.

24. DEFERRED TAX LIABILITIES

The breakdown of the deferred tax liabilities is presented in Income taxes, pages 152-154.

25. PENSION PROVISIONS AND SIMILAR OBLIGATIONS

Within the Aurubis Group, retirement benefits for eligible employees are provided on the basis of both defined benefit plans and defined contribution plans.

The majority of defined benefit plan commitments in the Aurubis Group relate to Germany and the US. On the one hand, these represent individual contractual direct commitments. On the other hand, the Group provides benefits in the form of defined benefit commitments within collective plans. Both funded and unfunded plans exist.

In Germany, the Group provides eligible employees with pension benefits as well as disability and surviving dependent benefits. These are provided to a great extent through pension and support funds, the assets of which may solely be utilized to satisfy the Aurubis Group's pension obligations.

Generally, the amount of the pension benefit per qualified year of service is determined as a percentage of a pensionable salary. In Germany, pensions are reviewed every three years and adjusted, where necessary, in a manner corresponding to the price index development.

In Germany, the company pension plan for new employees hired after September 29, 2003, was amended and is now based on defined contribution commitments. Processing is carried out by an external pension fund and an insurance company.

Furthermore, a subsidiary in the US grants employees pension, health care, and life insurance benefits for the period after retirement under specific conditions related to age and duration of employment with the company. These retirement benefits are based on collective agreements that only apply to unionized employees. These represent lifelong pension benefits whose level depends on the duration of employment. The amount of the benefits does not depend on the salary. Health care benefits are provided after the employee leaves the company until an established minimum age. While the pension commitments are mainly financed through the specific assets of a separate pension fund, there is no separate fund for the health care and life insurance benefits provided in the US.

Within the Group, actuarial reports were obtained for all benefit obligations. The reports take uniform Group-wide accounting policies into consideration, while nevertheless reflecting special country-specific circumstances.

In addition to the “Heubeck-Richttafeln 2018 G” mortality tables, the following market discount rates, salary, and pension trends were used as a basis to calculate the pension obligations:

%	9/30/2020	9/30/2019
Discount rate	0.80	0.70
Expected income development	2.75	2.75
Expected pension development	1.60	1.60

A discount rate of 2.51 % (previous year: 3.02 %) was assumed as the basis for the measurement of the pension provision of Aurubis Buffalo, Inc., Buffalo. Income and pension trends are not relevant for the calculation of the pension obligations of the US subsidiary.

The net pension provision for defined benefit obligations disclosed in the consolidated statement of financial position as at September 30, 2020 and September 30, 2019 is as follows:

in € thousand	9/30/2020	9/30/2019
Present value of pension commitments	712,171	706,513
of which funded	573,290	547,161
– Fair value of plan assets	451,775	369,739
Net carrying amount on September 30	**260,396**	**336,774**
of which disclosed as assets	0	0
of which disclosed as liabilities	260,396	336,774

The net liability for benefit commitments, taking into account the separate reconciliations for the present value of the defined benefit obligation and the plan assets, is derived as follows:

Development of the present value of the pension obligations

in € thousand	9/30/2020	9/30/2019
Present value of unfunded benefit obligations	159,352	126,761
Present value of funded benefit obligations	547,161	449,173
Present value of the pension commitments as at October 1	**706,513**	**575,934**
Changes in the scope of consolidation	32,215	0
Current service cost	16,082	11,502
Gain deriving from plan settlements	-60	0
Interest cost on the pension obligations	6,315	10,870
Remeasurements	-10,755	123,100
Actuarial gains/losses deriving from demographic assumptions	250	5,741
Actuarial gains/losses deriving from financial assumptions	-5,299	106,751
Actuarial gains/losses deriving from adjustments based on experience	-5,706	10,608
Benefits paid	-21,436	-20,276
Payments for plan settlements	-12,098	0
Exchange rate difference	-4,605	5,383
Present value of the pension commitments as at September 30	**712,171**	**706,513**

Development of the plan assets

in € thousand	2019/20	2018/19
Fair value of the plan assets as at October 1	**369,739**	**348,248**
Changes in the scope of consolidation	28,364	0
Interest income	3,473	6,773
Remeasurement effects	73,328	18,731
Benefits paid	-14,964	-13,268
Payments for plan settlements	-12,098	0
Contributions made by employer	6,522	6,870
Exchange rate difference	-2,589	2,385
Fair value of the plan assets as at September 30	**451,775**	**369,739**

Development of the net liability

in € thousand	2019/20	2018/19
Net liability as at October 1	**336,774**	**227,686**
Changes in the scope of consolidation	3,851	0
Current service cost	16,082	11,502
Gain deriving from plan settlements	-60	0
Net interest result	2,842	4,097
Remeasurement effects	-84,083	104,369
Benefits paid	-6,472	-7,008
Employer contributions to the plan	-6,522	-6,870
Exchange rate difference	-2,016	2,998
Net liability as at September 30	**260,396**	**336,774**

The remeasurement effects are directly recorded in other comprehensive income and are disclosed under generated Group equity. The net interest result is disclosed under interest expense. In contrast, the other components of the pension expenses (current and past service cost and the loss deriving from plan settlements) are recorded in personnel expenses.

In Germany, the defined benefit plans are primarily administered through processes in operation within the pension fund and the benefit fund. In this context, the pension fund is overseen by the German Federal Financial Supervisory Authority (BaFin).

Regulations related to the pension fund's capital investment portfolio are defined by the "Ordinance on the Investment of Restricted Assets of Insurance Undertakings (Investment Ordinance)." The Investment Ordinance regulates the permitted quantitative distribution and mix of capital investments for the pension fund. A large portion of the pension fund's assets are invested in a segmented special fund. The contributions are calculated in accordance with the respective current technical business plan.

The risk capital investments (equity instruments and debt instruments with a rating lower than investment grade) may account for a maximum of 35 % of the carrying amount of the pension fund's coverage assets in accordance with the Investment Ordinance. The percentage of real estate held directly or indirectly via an interest in a limited partnership is currently 20.4 % of the carrying amount of the coverage assets. Derivatives are primarily only used for hedging purposes. The risk of longevity is taken into account by the actuary, after performing a review, by adjusting the biometric parameters where necessary.

The benefit fund is also oriented to the Investment Ordinance with respect to permitted capital investments. The contributions are within the range of the tax-related possibilities.

The plan assets in the Group are made up as follows:

in € thousand	9/30/2020	9/30/2019
Cash and cash equivalents	15,860	5,693
Equity instruments	48,272	72,118
Debt instruments	161,548	118,401
Real estate	169,110	148,178
Reinsurance policies	5,231	4,801
Other current net assets	51,754	20,548
Total plan assets	**451,775**	**369,739**

The debt instruments include non-listed shares of a Schuldschein loan issued by Aurubis AG in the amount of € 26,000 thousand. The plan assets do not include any real estate used internally. The equity and debt instruments held via security funds are allocated to their corresponding investment classes in the overview.

Market prices are generally available for the equity instruments as a result of their respective quotations on an active market.

The debt instruments are also regularly traded on an active market.

Real estate is held directly and indirectly and is located exclusively in Germany. There is no active market from which market prices can be derived. Appraisals were obtained for all of the real estate included in the plan assets.

The company is subject to various risks in connection with the defined benefit plans. The company is subject to general technical insurance risks in particular, such as the risk of longevity, the risk of interest rate changes, the market price risk, and, to a small extent, a risk of inflation.

SENSITIVITY ANALYSIS

The following sensitivity analysis shows the effect of changes in the parameters on the present value of the defined benefit obligations. Each change in a significant actuarial assumption was analyzed separately, i.e., if one parameter varied, the other parameters remained constant. Possible correlation effects between the individual assumptions are not taken into consideration:

		Effect on the obligation			
		9/30/2020		9/30/2019	
in € thousand	Change in parameter	Increase	Decrease	Increase	Decrease
Actuarial interest rate	+/- 50 basis points	-55,542	63,753	-56,688	65,149
Expected income development	+/- 50 basis points	10,669	-10,082	11,912	-11,270
Expected pension development	+/- 50 basis points	39,326	-35,659	41,070	-37,161
Life expectancy	+/- 1 year	34,545	-33,335	36,190	-34,921

The undiscounted future pension payments are expected to fall due within the following time bands:

in € thousand	9/30/2020	9/30/2019
Less than 1 year	23,601	22,649
Between 1 and 5 years	102,453	97,273
More than 5 years	768,367	711,285
Total	**894,421**	**831,207**

The weighted average duration of obligations deriving from defined benefit plans as at September 30, 2020 is 16.6 years (previous year: 18.2 years).

The expense for defined contribution pension plans amounted to € 24,700 thousand in the year reported (previous year: € 25,027 thousand). This includes both voluntary commitments and the employer's contribution made by the Group to statutory pension schemes.

26. OTHER PROVISIONS

	Non-current		Current		Total	
in € thousand	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019
Personnel-related provisions	53,751	52,452	61,158	28,375	114,909	80,827
Provisions for onerous contracts	0	0	784	794	784	794
Environmental provisions	16,271	11,454	1,806	1,550	18,077	13,003
Sundry provisions	1,711	2,003	13,880	19,680	15,590	21,683
	71,732	**65,909**	**77,628**	**50,399**	**149,360**	**116,308**

The individual classes of provisions developed as follows during the fiscal year reported:

in € thousand	Balance as at 10/1/2019	Additions to scope of consoli-dation	Reductions in scope of console-dation	Used	Reversals	Increases	Interest effect	Transfers	Exchange rate difference	**Balance as at 9/30/2020**
Personnel-related provisions	80,827	4,319	-960	-20,068	-75	50,938	1	-21	-52	114,909
Provisions for onerous contracts	794	0	0	-707	-5	899	0	-197	0	784
Environmental provisions	13,003	6,573	-263	-61	-1,917	753	1	0	-12	18,077
Sundry provisions	21,683	0	-282	-12,516	-393	7,174	0	-69	-6	15,590
	116,308	**10,892**	**-1,506**	**-33,352**	**-2,390**	**59,764**	**1**	**-287**	**-70**	**149,360**

The personnel-related provisions include increases of € 31,500 thousand for severance pay in connection with the current cost reduction program. Furthermore, the personnel-related provisions consisted mainly of obligations to employees relating to anniversary bonuses, temporary assistance benefits, and those deriving from early retirement agreements.

Provisions for environmental risks primarily relate to clean-up measures at the Lünen site. The provisions have terms of up to 22 years. The probable costs were determined taking into account past experience in comparable cases, existing appraisals, and the clean-up methods that will be used on the basis of present knowledge.

The decrease in sundry provisions is mainly due to decreased provisions for outstanding invoices.

27. LIABILITIES

Financial liabilities as at the reporting date are as follows:

in € thousand	9/30/2020	9/30/2019
Non-current (with a residual term of more than 1 year)		
Bank borrowings	502,952	116,491
Lease liabilities	52,724	33,341
Non-current borrowings	**555,676**	**149,832**
Derivative financial instruments belonging to the category “FV P&L”	19,702	812
Liabilities to related parties	950	950
Derivative financial instruments held as hedging instruments in the context of hedge accounting	155	1,382
Other non-current financial liabilities	**20,807**	**3,144**
Non-current financial liabilities	**576,483**	**152,976**
Current (with a residual term of less than 1 year)		
Trade accounts payable	1,144,025	817,732
Trade accounts payable	**1,144,025**	**817,732**
Bank borrowings	15,374	149,786
Lease liabilities	12,262	3,103
Current borrowings	**27,636**	**152,889**
Derivative financial instruments belonging to the category “FV P&L”	53,075	26,790
Liabilities to related parties	10,516	589
Derivative financial instruments held as hedging instruments in the context of hedge accounting	23	11,022
Sundry other current financial liabilities	84,720	83,934
Other current financial liabilities	**148,334**	**122,335**
Current financial liabilities	**1,319,995**	**1,092,956**

Sundry other current financial liabilities include personnel obligations such as Christmas bonus payments, outstanding vacation entitlements, and success-based bonus payments, as well as liabilities related to severance pay for employees.

The following table shows the Aurubis Group’s contractually agreed redemption payments for non-derivative financial liabilities and the discounted net cash flows of the derivative financial instruments with negative fair values.

Payments in the amount of € 349,054 thousand (previous year: € 458,119 thousand) deriving from forward foreign exchange transactions with a negative fair value are matched by receipts of € 339,805 thousand as at September 30, 2020 (previous year: € 445,430 thousand). Derivatives with positive fair values qualify as assets and are therefore not included here.

in € thousand	Carrying amount as at 9/30/2020	Payments: less than 1 year	Payments: 1 to 5 years	Payments: more than 5 years
Bank borrowings	518,326	15,374	429,952	73,000
Lease liabilities	64,986	12,262	29,782	22,942
Trade accounts payable	1,144,025	1,144,025	0	0
Liabilities to related parties	11,466	10,516	950	0
Derivatives belonging to the category “FV P&L”	72,777	53,075	19,702	0
Derivatives designated as hedging instruments for hedge accounting purposes	178	23	155	0
Sundry other current financial liabilities	84,720	84,720	0	0
Total	**1,896,478**	**1,319,995**	**480,541**	**95,942**

in € thousand	Carrying amount as at 9/30/2019	Payments: less than 1 year	Payments: 1 to 5 years	Payments: more than 5 years
Bank borrowings	266,277	149,786	113,072	3,419
Liabilities under finance leases	36,444	3,103	13,112	20,229
Trade accounts payable	817,732	817,732	0	0
Liabilities to related parties	1,539	589	950	0
Derivatives of the “held-for-trading” category	27,602	26,790	812	0
Derivatives designated as hedging instruments for hedge accounting purposes	12,404	11,022	1,382	0
Sundry other financial liabilities	83,934	83,934	0	0
Total	**1,245,932**	**1,092,956**	**129,328**	**23,648**

The presentation above shows the financial instruments that were held as at September 30, 2020 and September 30, 2019 respectively, and for which contractual agreements on the payments existed. Foreign currency amounts are translated at the closing rate.

The increase in bank borrowings was due to the placement of a Schuldschein loan to finance the acquisition of Metallo, among other things.

The repayment of a Schuldschein loan of € 127 million in Q2 of the fiscal year had the opposite effect.

Aurubis had no bank borrowings secured by mortgages and fixed assets. Financial assets have not been pledged as collateral for bank borrowings.

Non-financial liabilities as at the reporting date are as follows:

in € thousand	9/30/2020	9/30/2019
Non-current (with a residual term of more than 1 year)		
Non-current non-financial liabilities	1,176	1,271
Non-current non-financial liabilities	**1,176**	**1,271**
Current (with a residual term of less than 1 year)		
Income tax liabilities	17,886	13,836
Income tax liabilities	**17,886**	**13,836**
Other tax liabilities	11,206	11,992
Social security obligations	11,814	8,910
Advance payments received on orders	13,916	12,756
Sundry other current non-financial liabilities	11,543	7,278
Other current non-financial liabilities	**48,479**	**40,936**
Current non-financial liabilities	**66,365**	**54,772**

Other tax liabilities mainly comprise VAT liabilities.

28. LEASES

As part of its business activities, Aurubis leases facilities that are in particular involved in the storage and handling of copper concentrates, as well as ships and rail tank wagons for the transport of concentrates and sulfuric acid. The company also has lease agreements for office buildings, parking lots, containers, and vehicles. The right-of-use assets accounted for in this regard developed as follows, taking the assets recognized as finance leases in accordance with IAS 17 in the previous year as the start-off point:

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Total
Carrying amounts 9/30/2019	8,859	51,170	0	60,029
Changes due to the initial application of IFRS 16	5,114	26,320	3,087	34,521
Assets held for sale	0	-422	-42	-464
Changes in the scope of consolidation	0	-202	3,903	3,701
Additions	1,052	1,530	3,970	6,552
Disposals	-2,480	-20	0	-2,500
Currency exchange rate differences	-38	-2	-19	-59
Carrying amounts 9/30/2020	**12,507**	**78,374**	**10,899**	**101,780**
Accumulated depreciation and write-downs as at 9/30/2019	-5,648	-19,070	0	-24,718
Assets held for sale	0	42	12	54
Changes in the scope of consolidation	0	6	0	6
Depreciation and impairment losses for the fiscal year	-1,751	-8,751	-2,271	-12,773
Disposals	0	6	0	6
Currency exchange rate differences	4	1	4	9
Accumulated depreciation and write-downs as at 9/30/2020	**-7,395**	**-27,766**	**-2,255**	**-37,416**
Carrying amounts as at 9/30/2020	**5,112**	**50,608**	**8,644**	**64,364**

The interest expense for lease liabilities recognized in the income statement amounted to € 2,047 thousand in the fiscal year. Expected future payments for lease liabilities total € 78,842 thousand.

The following table shows the Aurubis Group's contractually agreed undiscounted interest and redemption payments for lease liabilities and their residual terms.

	9/30/2020				9/30/2019			
in € thousand	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**	Less than 1 year	1 to 5 years	More than 5 years	Total
Expected lease payments	**14,171**	**35,648**	**29,023**	**78,842**	**5,063**	**19,411**	**27,389**	**51,863**
Interest portion	1,909	5,866	6,081	13,856	1,960	6,299	7,160	**15,419**
Redemption portion	12,262	29,782	22,942	64,986	3,103	13,112	20,229	**36,444**

In fiscal year 2019/20, expenses of € 5,121 thousand deriving from current lease arrangements and € 1,392 thousand deriving from leases of low-value assets were recorded. Furthermore, expenses of € 2,679 thousand for variable lease payments that were not included in the measurement of lease liabilities were recognized in profit or loss. Depreciation of right-of-use assets amounted to € 12,773 thousand in the fiscal year.

The total cash outflows for leases amounted to € 6,675 thousand in fiscal year 2019/20.

Leases within the Aurubis Group may include extension and termination options. Extension options are included in the calculation of the lease liability if there is reasonable assurance that these will be exercised.

There were no sale-and-leaseback transactions in fiscal year 2019/20.

29. OTHER FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

in € thousand	9/30/2020	9/30/2019
Capital expenditure commitments	115,307	98,367
Warranty obligations	1,230	1,092
Commitments relating to discounted bills of exchange	1,921	2,294
Commitments under leases	8,381	41,370

The capital expenditure commitments mainly relate to property, plant, and equipment.

In addition, commitments exist under leases, amounting to €8,381 thousand, which were not considered for purposes of the measurement of the lease liabilities. These commitments mainly arise from variable lease payments and leases that Aurubis has entered into but which have not yet commenced.

In addition to the commitments already outlined, there are also obligations under long-term contracts.

The securing of our smelter network's supply of raw materials, especially copper concentrates, is of crucial importance. In order to ensure this supply security, we have entered into long-term agreements with terms of five to ten years. Especially in the case of copper concentrates, pricing is based on the metal content of the transactions, as well as on the applicable LME exchange price at the time of the actual delivery. As both the metal contents and the metal prices are very volatile (and therefore difficult to forecast), from our perspective a reliable quantitative disclosure of the commitments deriving from raw material supply sourcing isn't possible.

Furthermore, an agreement is in place with an energy utility for the cost-based procurement of one billion kilowatt hours of electricity per annum over a term of 30 years commencing in 2010. As the cost and price components are also subject to a high level of volatility, reliable quantitative disclosure of the related commitment is also not possible in this case.

In addition, the Group has entered into long-term agreements for the supply of oxygen to various sites. The commitments resulting from these agreements amount to € 68,338 thousand (previous year: € 77,702 thousand).

Obligations under long-term contracts are mainly related to the provision of transport and handling services by various service providers and amount to € 204,857 thousand (previous year: € 228,012 thousand).

30. FINANCIAL INSTRUMENTS

The Aurubis Group is exposed to market risks, liquidity risks, and default risks as a result of the deployment of financial instruments.

MARKET RISKS

Market risks arise as a result of a possible change in risk factors that lead to a decrease in the market value of the transactions affected by these risk factors. The following groups of general risk factors are relevant for the Aurubis Group: currency exchange rate risks, interest rate fluctuation risks, and other price risks.

CURRENCY EXCHANGE RATE RISKS

As a result of its business operations, the Aurubis Group is exposed to currency exchange rate fluctuations. Changes in exchange rates can lead to losses in the value of financial instruments. Foreign currency forward and option contracts are concluded to limit currency risks. These mainly relate to the US dollar. For this purpose, the foreign currency positions from underlying transactions are offset against each other on a daily basis and any remaining open positions are squared by means of foreign exchange derivatives. Aurubis works exclusively with business partners with good credit standing on all foreign exchange hedge transactions.

Furthermore, foreign currency forward and option contracts were concluded in the past fiscal year to hedge future receipts. Provided the criteria for cash flow hedges were fulfilled, the results of these hedge transactions are initially recognized in the accompanying financial statements initially in other comprehensive income in the amount of the effective portion of the hedge.

These results are recognized in profit or loss as soon as the underlying hedged transaction is recognized in profit or loss. Fundamental shifts in currency relationships, in particular between the euro and the US dollar, can, however, only be hedged for a limited time in this context.

Information on the management of exchange rate risks is provided in the Risk Report in the Management Report, page 113.

The foreign currency risk constitutes a cash flow risk and represents the risk position for the following period. This corresponds to the net amount of the nominal volume of the non-derivative and derivative financial instruments held, which are exposed to exchange rate risks. In addition, planned revenue transactions of the following periods are included to the extent that these are taken into account for currency risk management purposes to show the risk position for the following period.

Foreign currency risk

	EUR / USD	
in € thousand	**9/30/2020**	9/30/2019
Risk position deriving from recorded transactions	-394,862	-565,991
Budgeted revenues	673,386	623,279
Forward foreign exchange contracts	-38,175	223,271
Put option transactions	-99,932	-48,673
Net exposure	**140,417**	**231,886**

IFRS 7 requires a sensitivity analysis to be performed for each type of risk to indicate the market risks. The use of sensitivity analyses determines the potential impacts on profit or loss and on equity, as at the reporting date, of a change in the respective risk variable for each type of risk. The impacts for the periods are determined by relating the hypothetical changes in the risk variables to the amount reported as at the reporting date. In doing so, it is assumed that the amount reported as at the reporting date is representative for the entire year.

In order to determine the exchange rate risk, a sensitivity analysis is performed for the foreign currencies that pose a significant risk for the business, in this case the US dollar. For the purpose of the sensitivity analysis for the currencies, it was assumed that the exchange rate of the euro compared with the US dollar would change by +/-10 %, respectively.

If the euro had been 10 % stronger or weaker against the US dollar on September 30, 2020 or September 30, 2019 as compared to the closing rate prevailing on the reporting date, then – from a foreign currency risk perspective – equity and net income for the year would have changed to the extent shown in the following table. All relevant recognized foreign currency items have been included in the calculation, as well as the budgeted revenues of the following period that were considered in the foreign currency risk exposure assessment.

Currency sensitivity

	EUR / USD	
in € thousand	**9/30/2020**	9/30/2019
Closing rate	1.1708	1.0889
Devaluated rate (€ against US$)	**1.0537**	**0.9800**
Effect on earnings	74,832	69,197
of which budgeted revenues	74,821	69,253
of which non-derivative transactions	-23,621	20,922
of which derivative transactions	23,632	-20,978
Effect on equity	-38,561	-27,951
Appreciated rate (€ against US$)	**1.2879**	**1.1978**
Effect on earnings	-61,191	-56,390
of which budgeted revenues	-61,217	-56,662
of which non-derivative transactions	19,361	-16,892
of which derivative transactions	-19,335	17,164
Effect on equity	33,318	22,526

INTEREST RATE FLUCTUATION RISKS

Interest rate fluctuation risks arise due to potential changes in market interest rates and can result in a change in the fair value of fixed-interest financial instruments and interest payment fluctuations for variable interest rate financial instruments. Any interest rate risks that arise are hedged by interest rate swaps. Interest rate fluctuation risks are of significant importance in the financial sector. Provided the criteria for cash flow hedges are fulfilled for the hedging of variable interest payments, the results of these hedge transactions are initially recognized in other comprehensive income in the amount of the effective portion of the hedge transaction. They are recognized in profit or loss as soon as the underlying hedged transaction is recognized in profit or loss in the respective fiscal year. No interest rate hedges were transacted during the fiscal year.

Details of how interest rate fluctuation risks are managed are provided in the Risk Report in the Management Report, pages 111–114.

The table below shows the net exposure for variable interest-bearing risk positions.

Variable interest-bearing risk positions

	Total amount		Less than 1 year	
in € thousand	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019
Loans/time deposits	453,398	412,481	453,398	412,481
Other risk positions	-332,602	-329,801	-332,602	-329,801
of which hedged against the interest rate fluctuation risk	0	0	0	0
Net exposure	**120,796**	**82,680**	**120,796**	**82,680**

In accordance with IFRS 7, interest rate fluctuation risks are presented in a sensitivity analysis, which reflects the effects of a change in market interest rates on interest income, interest expenses and equity.

In the event of an increase (decrease) in all relevant interest rates by 100 basis points (50 basis points), equity and earnings for the year as at September 30, 2020 and September 30, 2019, respectively, would change, as shown by the following table. The same items have been included in the calculation as were considered for the determination of the net exposure presented above.

Interest rate sensitivities

	9/30/2020		9/30/2019	
in € thousand	**+100 BP**	**-50 BP**	+100 BP	-50 BP
Effect on earnings	2,508	-1,817	2,044	-1,728
Effect on equity	0	0	0	0

OTHER PRICE RISKS

As a result of its business operations, the Aurubis Group is exposed to commodity price risks. Among other measures, non-ferrous metals futures contracts are entered into in order to mitigate these price risks. The contracts are mainly focused on the hedging of the copper price. For this purpose, incoming and outgoing metal quantities from underlying transactions are offset against each other on a daily basis and remaining open positions are squared by means of metal exchange transactions. We work exclusively with business partners with good credit standing on all metal hedge transactions.

If price-fixed metal delivery agreements for non-ferrous metals, which are contracted to cover the expected raw material requirement or the expected sale of finished products, are accounted for as derivative financial instruments, then market value changes in these are recognized in profit or loss. Gains and losses from the contrary development of the fair value of the hedged items and the hedge transactions are therefore recognized directly in profit or loss.

Details of metal price risk management processes are provided in the Risk Report in the Management Report, page 113.

The Aurubis Group has secured its electricity consumption by concluding a long-term agreement with an energy utility. Aurubis is exposed to an electricity price risk from the measurement of part of this agreement.

The nominal volumes of the derivative financial instruments covering copper, silver, gold, as well as electricity, coal, and gas, which result from the gross total of the nominal amounts of the individual purchasing and sales contracts, are as follows.

Nominal volumes of the derivatives

in € thousand	**9/30/2020**	9/30/2019
Copper	1,196,483	1,186,827
Silver	115,757	60,977
Gold	485,980	336,154
Electricity, coal, gas	227,596	230,721
	2,025,816	**1,814,679**

In accordance with IFRS 7, commodity price risks are shown in the form of a sensitivity analysis, which reflects the effects of a change in the commodity prices on equity and net income for the period.

In the event of a 10 % increase (decrease) in all relevant commodity prices, equity and earnings for the year would be changed as at September 30, 2020 and September 30, 2019 respectively as shown in the following table. The calculation includes all derivatives for copper, silver, gold, as well as electricity, coal, and gas as at the reporting date.

Commodity price sensitivity

	Copper		Silver		Gold		Electricity, coal, gas	
in € thousand	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019
Price increase								
Effect on earnings	5,808	30,164	3,839	1,947	32,184	18,741	3,132	5,932
Effect on equity	0	0	0	0	0	0	964	0
Price decrease								
Effect on earnings	-5,808	-30,164	-3,839	-1,947	-32,184	-18,741	-3,132	-5,932
Effect on equity	0	0	0	0	0	0	-964	0

The effects on earnings shown in the commodity price sensitivity table for metals are partially or completely compensated through the measurement of the purchase or sales contracts that are not yet fixed, since these positions are provisionally measured at the respective price on the reporting date.

DERIVATIVE FINANCIAL INSTRUMENTS

The Aurubis Group uses derivative financial instruments to hedge exchange rate and other price risks. These are reported according to their residual term under other current/non-current financial assets/liabilities. Provided the criteria for the application of hedge accounting are fulfilled, these are disclosed as cash flow hedges.

Financial derivatives

	Assets				Liabilities			
	9/30/2020		9/30/2019		**9/30/2020**		9/30/2019	
in € thousand	**Carrying amount**	**Nominal volume**	Carrying amount	Nominal volume	**Carrying amount**	**Nominal volume**	Carrying amount	Nominal volume
Foreign exchange forward contracts								
without a hedging relationship	5,813	333,688	11,228	661,713	9,226	346,449	285	121,767
as cash flow hedges	24,365	451,801	0	0	23	2,519	12,403	323,692
Foreign currency options								
without a hedging relationship	0	0	0	0	0	0	0	0
as cash flow hedges	3,964	104,378	46	43,368	0	0	0	0
Metal futures contracts								
without a hedging relationship	51,774	849,029	11,940	523,006	43,452	1,106,279	25,855	1,164,606
as cash flow hedges	0	0	0	0	0	0	0	0
Other transactions								
without a hedging relationship	7,805	40,016	14,137	223,741	20,098	174,855	1,462	6,980
as cash flow hedges	759	5,542	0	0	155	7,183	0	0

The nominal volume of the derivative financial instruments is the sum of the nominal amounts of the individual purchase and sales contracts. By contrast, the fair value is based on the measurement of all contracts at the prices applicable on the measurement date. It indicates the potential impact on income of the prompt settlement of all derivatives as at the reporting date, without considering the hedged transactions.

The impact on earnings of changes in the fair value of financial derivatives that relate to a cash flow hedge is recognized in equity through other comprehensive income in the amount of the effective portion. The hedging costs for these financial derivatives are recorded in other comprehensive income and are disclosed as a separate reserve item. The cumulative amounts recorded in equity are reclassified to the income statement in the period in which the hedged cash flows impact the income statement, and are mainly recorded as a component of the cost of materials.

The ineffective portion of the fair value change is, by contrast, recognized directly in profit or loss. Ineffectiveness results in particular from the credit risk (CRA) and the foreign currency basis spread (CCBS), which are not reflected in the hedged transaction. The average hedging rate for foreign currency forward contracts designated as a hedging instrument was 1.1160 USD/EUR as at September 30, 2019 (previous year: 1.1529 USD/EUR), while the rate applicable for the foreign currency option contracts was 1.1672 USD/EUR (previous year: 1.2377 USD/EUR). The average hedging rate for designated coal derivatives was 54.12 USD/EUR as at September 30, 2020, while the rate for gas derivatives was 16.39 EUR/MWh.

During the fiscal year, ineffective market value changes to hedging instruments, amounting to € 339 thousand, were recognized in profit or loss.

The following overview shows a reconciliation of the other comprehensive income for the fiscal year that results from accounting for hedging relationships:

Cash flow hedges

	2019/20		2018/19	
in € thousand	**Measurement at market of cash flow hedges**	**Hedging costs**	Measurement at market of cash flow hedges	Hedging costs
Balance as at October 1	-12,404	-499	-7,051	-395
Change in fair value	36,437	1,572	-24,323	-499
Reclassification to profit (+) or loss (-)	-2,165	-499	-18,970	-395
Balance as at September 30	**26,198**	**1,572**	**-12,404**	**-499**

The following two tables show when the cash flows deriving from cash flow hedges will occur and when they will influence the income statement:

Cash flow hedges as at September 30, 2020

Occurrence and impact on income statement in € thousand	**Carrying amount**	Nominal volume	less than 1 year	1 to 5 years	more than 5 years
Foreign exchange forward contracts					
Assets	24,365	451,801	321,483	130,318	0
Liabilities	23	2,519	2,519	0	0
Foreign currency options					
Assets	3,964	104,378	38,432	65,946	0
Liabilities	0	0	0	0	0
Other transactions					
Assets	759	5,542	1,243	4,299	0
Liabilities	155	7,183	0	0	7,183

Cash flow hedges as at September 30, 2019

Occurrence and impact on income statement in € thousand	Carrying amount	Nominal volume	less than 1 year	1 to 5 years	more than 5 years
Foreign exchange forward contracts					
Assets	0	0	0	0	0
Liabilities	12,403	323,692	229,276	94,416	0
Foreign currency options					
Assets	46	43,368	43,368	0	0
Liabilities	0	0	0	0	0

LIQUIDITY RISKS

Liquidity risks constitute the risks that the business is unable to settle its own liabilities. The contractually agreed undiscounted interest and redemption payments of the financial liabilities are shown in Liabilities, pages 171–173.

The adequate sourcing of the Group with liquid funds is ensured not only by the Group's cash flow but also by the existing short-term and long-term credit lines with our banks. Fluctuations in cash flow can therefore be compensated for. An autonomous executive committee monitors the development of Aurubis' liquidity position on a timely and regular basis and reports to the Executive Board. Further management measures taken regarding liquidity risks are described in the Risk Report, pages 111–113.

DEFAULT RISKS

Default risks exist for all classes of financial instruments, in particular for trade accounts receivable. The concentration of the credit risk is limited due to the wide-ranging and heterogeneous customer base. The largest individual customer account receivable balances are regularly controlled. The credit risk arising from derivative financial instruments is limited in that the corresponding contracts are only concluded with contractual parties and banks that have a good credit standing.

The customers have been classified according to their credit rating within the context of the credit risk management process, whereby each customer has been given a specific credit limit.

The carrying amounts of the financial assets recognized in the statement of financial position, less any write-downs, represent the maximum potential default risk without taking into account the value of any securities received or other risk-mitigating agreements.

Furthermore, to minimize default risks as far as possible, we monitor the receivables due from our business associates on a regular basis. Apart from instruments that are customary within the market, such as letters of credit and guarantees, we also make particular use of commercial credit insurance to safeguard against potential bad debts. If receivables are sold under factoring agreements, this is done without recourse.

Additional disclosures for financial instruments

		2019/20					
			Measurement in the statement of financial position under IFRS 9				
Carrying amounts, valuations and fair values by measurement category in € thousand	Measurement category under IFRS 9	Carrying amount 9/30/2020	Amortized cost	Fair value through equity	Fair value through profit or loss	Measurement in the statement of financial position under IFRS 16	Fair value 9/30/2020
Assets							
Share interests in affiliated companies	FV P&L	9,957			9,957		9,957
Investments	FV P&L	131			131		131
Securities classified as fixed assets	FV OCI	25,475		25,475			25,475
Other financial fixed assets							
Other loans	AC	53	53				53
Trade accounts receivable	AC	261,415	261,415				261,415
	FV P&L	220,222			220,222		220,222
	FV OCI	3,645		3,645			3,645
Other receivables and financial assets							
Receivables from related parties	AC	7,034	7,034				7,034
Other financial assets	AC	8,616	8,616				8,616
	FV P&L	14,640			14,640		14,640
	n/a	9,100	9,100				n/a
Derivative financial assets							
Derivatives without a hedging relationship	FV P&L	65,392			65,392		65,392
Derivatives with a hedging relationship (hedge accounting)	n/a	29,088		29,088			29,088
Cash and cash equivalents	AC	481,064	481,064				481,064
Liabilities							
Bank borrowings	AC	518,326	518,326				546,829
Lease liabilities	n/a	64,986				64,986	64,986
Trade accounts payable	AC	655,611	655,611				655,611
	FV P&L	488,414			488,414		488,414
Liabilities to related parties	AC	11,466	11,466				11,466
Other non-derivative financial liabilities	AC	80,591	80,591				80,591
	n/a	4,129	4,129				n/a
Derivative financial liabilities							
Derivatives without a hedging relationship	FV P&L	72,777			72,777		72,777
Derivatives with a hedging relationship (hedge accounting)	n/a	178		178			178
Of which aggregated by measurement categories in accordance with IFRS 9:							
Financial assets at amortized cost (AC)		758,182	758,182	0	0		758,182
Financial assets at fair value through other comprehensive income (FV OCI)		29,120	0	29,120	0		29,120
Financial assets at fair value through profit or loss (FV P&L)		310,342	0	0	310,342		310,342
Financial liabilities at amortized cost (AC)		1,265,994	1,265,994	0	0		1,294,497
Financial liabilities at fair value through profit or loss (FV P&L)		561,191	0	0	561,191		561,191

Carrying amounts, valuations and fair values by measurement category in € thousand	Measurement category under IFRS 9	2018/19					
			Measurement in the statement of financial position under IFRS 9				
		Carrying amount 9/30/2019	Amortized cost	Fair value through equity	Fair value through profit or loss	Measurement in the statement of financial position under IAS 17	Fair value 9/30/2019
Assets							
Share interests in affiliated companies	FV P&L	2,666			2,666		2,666
Investments	FV P&L	131			131		131
Securities classified as fixed assets	FV OCI	11,261		11,261			11,261
Other financial fixed assets							
Other loans	AC	51	51				51
Trade accounts receivable	AC	239,301	239,301				239,301
	FV P&L	149,255			149,255		149,255
	FV OCI	1,589		1,589			1,589
Other receivables and financial assets							
Receivables from related parties	AC	5,041	5,041				5,041
Other financial assets	AC	29,004	29,004				29,004
	FV P&L	15,610			15,610		15,610
	n/a	11,773	11,773				n/a
Derivative financial assets							
Derivatives without a hedging relationship	FV P&L	37,305			37,305		37,305
Derivatives with a hedging relationship (hedge accounting)	n/a	46		46			46
Cash and cash equivalents	AC	441,461	441,461				441,461
Liabilities							
Bank borrowings	AC	266,277	266,277				274,661
Liabilities under finance leases	n/a	36,444				36,444	36,444
Trade accounts payable	AC	548,280	548,280				548,280
	FV P&L	269,452			269,452		269,452
Liabilities to related parties	AC	1,539	1,539				1,539
Other non-derivative financial liabilities	AC	75,709	75,709				75,709
	n/a	8,225	8,225				n/a
Derivative financial liabilities							
Derivatives without a hedging relationship	FV P&L	27,602			27,602		27,602
Derivatives with a hedging relationship (hedge accounting)	n/a	12,403		12,403			12,403
Of which aggregated by measurement categories in accordance with IFRS 9:							
Financial assets at amortized cost (AC)		714,858	714,858	0	0		714,858
Financial assets at fair value through other comprehensive income (FV OCI)		12,850	0	12,850	0		12,850
Financial assets at fair value through profit or loss (FV P&L)		204,967	0	0	204,967		204,967
Financial liabilities at amortized cost (AC)		891,805	891,805	0	0		900,189
Financial liabilities at fair value through profit or loss (FV P&L)		297,054	0	0	297,054		297,054

As a general rule, the market value of financial instruments to be recognized at fair value is determined on the basis of quotations on the relevant exchanges. If no such quotations are available, measurement is carried out applying a process that is customary for the market (measurement methods), based on instrument-specific market parameters and interest rates drawn from recognized sources.

If observable input parameters are not available or only partially available, the fair value is calculated on the basis of appropriate measurement methods. In the Aurubis Group, this applies in particular to the extrapolation of market data for electricity, coal, and gas, with due regard to market information about price determination and liquidity considerations. If insufficient market information is available, management's best estimate for a certain input parameter is used to determine the value. Thus, if observable input parameters are not available or only partially available on the market, the measurement process is significantly influenced by the use of estimates and assumptions.

Due to the predominantly short-term nature of cash and cash equivalents, trade accounts receivable and payable, other financial assets, receivables from and payables to related parties, and other non-derivative financial liabilities, an assumption is made that the fair values correspond to the carrying amounts.

An assumption has been made for share interests in non-corporate entities and non-quoted corporate entities that the carrying amount corresponds to the market value. It would only be possible to reliably determine the market value in conjunction with specific sales negotiations.

Pursuant to IFRS 13, the following tables show the measurement methods used to determine the fair value for Level 1, Level 2, and Level 3, as well as the main non-observable parameters that were used for measurement.

In this connection, the individual levels are defined in accordance with IFRS 13 as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Procedures under which all input parameters with a significant effect on the fair value are observable either directly or indirectly in the market
- Level 3: Procedures that use input parameters which have a significant influence on the fair value and are not based on observable market data

Financial instruments from Level 1 measured at fair value

Type	Measurement method
Securities classified as fixed assets	Exchange quotations

Financial instruments from Level 2 measured at fair value

Type	Measurement method and applied input parameters
Foreign exchange forward contracts	Par method, taking into account actively traded forward rates and the currently valid interest rate for discounting purposes as at the reporting date
Foreign currency options	Black-Scholes-Modell. The calculation is based on the exchange rates as at the reporting date, taking into account the expected volatility of the respective exchange rate during the term of the option and customary market interest rates
Metal futures contracts	Discounted cash flow method, taking into account actively traded metal forward rates and customary market interest rates for discounting purposes as at the reporting date
Other transactions	Discounted cash flow method. Expected future cash flows are discounted over the remaining term of the contracts, based on use of current market interest rates

Financial instruments from Level 2 not measured at fair value

Type	Measurement method and applied input parameters
Borrowings	Discounted cash flow method. Expected future cash flows are discounted using currently applicable interest rates for financial liabilities with comparable conditions and residual terms

Financial instruments from Level 3 measured at fair value

Type	Measurement method	Significant non-observable measurement parameters	Interdependence between significant non-observable parameters and fair value
Share interests in affiliated companies and investments	Discounted cash flow method	Future expected cash flows	The fair value is continually reviewed by applying significant, non-observable measurement parameters to determine if any measurement adjustments need to be made
Energy supply contract	Discounted cash flow method	Extrapolation of market data for electricity and coal	The fair value would be higher (lower) if: – the price for electricity increased more (less) than expected – the price for coal increased more (less) than expected
Gas price hedging contract	Discounted cash flow method	Extrapolation of market data for gas	The fair value would be higher (lower) if: – the price for gas increased more (less) than expected

If the parameters used for measurement fall into different levels of the measurement hierarchy, the fair value measurement is fully classified as belonging to the lowest level to which an input parameter is attributed, where this parameter significantly influences the entire fair value.

If there are any reclassifications to other levels in the measurement hierarchy, the Aurubis Group accounts for these as at the beginning of the relevant fiscal year.

The following overview shows the main measurement parameters that provide the basis for those financial instruments that are accounted for at fair value and presented in the Notes to the Consolidated Financial Statements.

Hierarchical classification of fair values of financial instruments in accordance with IFRS 7 as at September 30, 2020

Aggregated by classes in € thousand	9/30/2020	Level 1	Level 2	Level 3
Share interests in affiliated companies	**9,957**	**0**	**0**	**9,957**
Investments	**131**	**0**	**0**	**131**
Securities classified as fixed assets	**25,475**	**25,475**	**0**	**0**
Trade accounts receivable	**223,867**	**0**	**223,867**	**0**
Other financial assets	**14,640**	**0**	**14,640**	**0**
Derivative financial assets				
Derivatives without a hedging relationship	65,392	0	65,392	0
Derivatives with a hedging relationship	29,088	0	29,088	0
Assets	**368,550**	**25,475**	**332,987**	**10,088**
Bank borrowings	**546,829**	**0**	**546,829**	**0**
Trade accounts payable	**488,414**	**0**	**488,414**	**0**
Derivative financial liabilities				
Derivatives without a hedging relationship	72,777	0	60,921	11,856
Derivatives with a hedging relationship	178	0	23	155
Liabilities	**1,108,198**	**0**	**1,096,187**	**12,011**

Hierarchical classification of fair values of financial instruments in accordance with IFRS 7 as at September 30, 2019

Aggregated by classes in € thousand	30.09.2019	Level 1	Level 2	Level 3
Share interests in affiliated companies	**2,666**	**0**	**0**	**2,666**
Investments	**131**	**0**	**0**	**131**
Securities classified as fixed assets	**11,261**	**11,261**	**0**	**0**
Trade accounts receivable	**150,844**		**150,844**	**0**
Other financial assets	**15,610**		**15,610**	**0**
Derivative financial assets				
Derivatives without a hedging relationship	37,305	0	23,294	14,011
Derivatives with a hedging relationship	46	0	46	0
Assets	**217,863**	**11,261**	**189,794**	**16,808**
Bank borrowings	**274,661**	**0**	**274,661**	**0**
Trade accounts payable	**269,452**	**0**	**269,452**	**0**
Derivative financial liabilities				
Derivatives without a hedging relationship	27,602	0	27,602	0
Derivatives with a hedging relationship	12,403	0	12,403	0
Liabilities	**584,118**	**0**	**584,118**	**0**

Certain prior-year figures have been adjusted.

There were no reclassifications between the individual levels in fiscal year 2019/20 or in the previous year.

The following overview shows a reconciliation of the financial instruments measured at fair value and classified in Level 3:

Reconciliation of financial instruments in Level 3 as at September 30, 2020

Aggregated by classes in € thousand	Balance as at 10/1/2019	Changes in the scope of consolidation	Profits (+)/ losses (–) recorded in other comprehensive income	Gains (+)/losses (-) recorded in the income statement	**Balance as at 9/30/2020**	Gains (+)/losses (–) for financial instruments held at the reporting date
Share interests in affiliated companies	2,666	9,658	0	-2,367	9,957	-2,367
Investments	131	0	0	0	131	0
Derivative assets without a hedging relationship	14,011	0	0	-14,011	0	-14,011
Derivative liabilities without a hedging relationship	0	0	0	-11,856	-11,856	-11,856
Derivative liabilities with a hedging relationship	0	0	-155	0	-155	0

Reconciliation of financial instruments in Level 3 as at September 30, 2019

Aggregated by classes in € thousand	Balance as at 10/1/2018	Sales/purchases	Gains (+)/losses (-) recorded in the income statement	**Balance as at 9/30/2019**	Gains (+)/losses (-) for financial instruments held at the reporting date
Share interests in affiliated companies	1,394	1,272	0	**2,666**	0
Investments	141	-10	0	**131**	0
Derivative assets without a hedging relationship	13,270	0	741	**14,011**	741

Gains and losses deriving from derivative financial instruments classified as Level 3 without a hedging relationship relate to part of an energy supply contract and are disclosed in the income statement under "Cost of materials."

The fair value of these financial instruments is partially based on non-observable input parameters, which are largely related to the price of electricity and coal. If the Aurubis Group had taken other possible suitable alternative measurement parameters as a basis for measuring the relevant financial instruments on September 30, 2020, the recorded fair value would have been € 9,317 thousand (previous year: € 12,377 thousand) higher in the case of an increase in the electricity price and a decrease in the coal price by 20 %, respectively, at the end of the term or € 9,317 thousand (previous year: € 8,810 thousand) lower in the case of a decrease in the electricity price and an increase in the coal price by 20 %, respectively, at the end of the term. In order to calculate the maximum impacts which can arise from the relative uncertainty in the determination of the fair values of financial instruments whose measurement is based on non-observable parameters, the Aurubis Group remeasures such financial instruments by incorporating parameters that are at the outer limits of the range of reasonably possible alternatives for non-observable input data. Since it is nevertheless unlikely that a scenario will arise in which all of the non-observable parameters are at the outer limits of the range of reasonably possible alternatives at the same time, the estimated values previously mentioned should exceed the actual uncertainty factors when determining the fair value as at the reporting date. Thus, the disclosures shown do not represent a prediction or an indication of any future changes in the fair value.

OFFSETTING OPTIONS FOR DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

The financial instruments that Aurubis enters into are subject to netting agreements with financial institutions that include a mutual right of offset. However, these agreements do not fulfill the criteria for offsetting in the statement of financial position, as the netting right can only be utilized if one of the contracting parties defaults.

The following table shows the financial assets and liabilities in the Aurubis Group that are subject to offsetting options.

Offsetting options for derivative financial assets and liabilities

in € thousand	**2019/20**	2018/19
Financial assets		
Gross amount of financial assets in the statement of financial position	94,480	37,351
Financial instruments that qualify for offsetting in the statement of financial position	0	0
Net value of financial assets in the statement of financial position	94,480	37,351
Offsettable due to framework agreements	-32,376	-13,608
Total net value of financial assets	**62,104**	**23,743**
Financial liabilities		
Gross amount of financial liabilities in the statement of financial position	-72,955	-40,005
Financial instruments that qualify for offsetting in the statement of financial position	0	0
Net value of financial liabilities in the statement of financial position	-72,955	-40,005
Offsettable due to framework agreements	32,376	13,608
Total net value of financial liabilities	**-40,579**	**-26,397**

Net earnings by measurement category

in € thousand	2019/20	2018/19
Financial assets at amortized cost (AC)	4,261	3,468
Financial assets at fair value through other comprehensive income (FV OCI)	0	402
Financial assets and liabilities at fair value through profit or loss (FV P&L)	-16,204	-3,750
Financial liabilities at amortized cost (AC)	-20,587	6,075
	-32,530	**6,195**

The net income/expense deriving from the financial assets measured at fair value through other comprehensive income relates exclusively to equity instruments. The net income/expense deriving from the financial assets and liabilities measured at fair value through profit or loss mainly include the gains/losses deriving from metal futures contracts on the exchanges, forward foreign exchange contracts, and transactions to hedge electricity and coal price risks. Furthermore, fixed-price metal delivery contracts treated as derivatives are taken into account, as are purchase or sales contracts that are not yet price-fixed, which result in a partial compensation effect since they are measured at the respective price on the reporting date. Dividends, but not interest, are included in the calculation. The foreign currency impact deriving from items accounted for at amortized cost, which is included in the net result in fiscal year 2019/20, amounts to € -15,322 thousand (previous year: € 9,863 thousand).

31. RESEARCH AND DEVELOPMENT

Research and development costs of € 15,154 thousand were recognized in profit or loss for the Aurubis Group for fiscal year 2019/20 (previous year: € 15,880 thousand). Moreover, development costs of € 312 thousand (previous year: € 0 thousand) were capitalized in the fiscal year.

Notes to the cash flow statement

The consolidated cash flow statement reports the cash flows in the Aurubis Group in fiscal year 2019/20 and in the prior-year comparative period. In accordance with IAS 7, a distinction is made between the cash inflow from operating activities, the cash outflow from investing activities, and the cash inflow from financing activities.

Commencing with earnings before taxes, adjustment is made for all non-cash-effective expenses and income, the financial result (consisting of the result from investments measured using the equity method, interest expenses, interest income, and other financial expenses and income), income taxes paid out, and changes in working capital to arrive at the cash inflow from operating activities (net cash flow).

At € 459 million as at September 30, 2020, the net cash flow was significantly above the prior-year level (€ 272 million). This was due to sales of precious metals at higher prices and cathode sales to Asia.

The cash outflow from investing activities totaled € -556 million (previous year: € -208 million). Capital expenditure, which increased year-over-year, included € 333 million net cash outflow from the acquisition of the Metallo Group Acquisitions and discontinued operations, page 148.

After taking payments of € 39 million for the purchase of treasury shares, interest payments totaling € 16 million, and dividend payments of € 56 million into account, the free cash flow amounts to € -208 million (previous year: € -22 million).

Cash and cash equivalents of € 481 million were available to the Group as at September 30, 2020 (€ 441 million as at September 30, 2019). The net financial position as at September 30, 2020 was at € -102 million (previous year: surplus financial funds of € 139 million).

The following table shows the cash-effective and non-cash-effective changes in borrowings.

in € million	Balance as at 10/1/2019	Cash-effective	Additions for leases	Other	**Balance as at 9/30/2020**
Bank borrowings	266	254	0	-2	518
Lease liabilities	36	-7	35	1	65
	302	**247**	**35**	**-1**	**583**

Segment reporting

	Segment Metal Refining & Processing		Segment Flat Rolled Products		Other	
	2019/20	2018/19	**2019/20**	2018/19	**2019/20**	2018/19
in € thousand	**operating**	operating	**operating**	operating	**operating**	operating
Revenues						
Total revenues	11,469,390	10,741,921	1,086,425	1,300,358	20,145	22,522
Inter-segment revenues	136,638	151,884	7,843	12,671	2,937	3,190
Revenues with third parties	11,332,752	10,590,037	1,078,582	1,287,687	17,208	19,332
EBITDA	488,176	434,922	15,495	-12,852	-89,125	-63,256
Depreciation and amortization	-169,939	-123,466	-18,686	-25,805	-3,386	-1,590
EBIT	318,237	311,457	-3,191	-38,657	-92,511	-64,846
Interest income	11,824	16,091	1,392	1,536	3,845	170
Interest expense	-17,150	-23,284	-8,018	-10,613	-4,046	-259
Result from investments measured using the equity method	0	0	12,720	284	0	0
Other financial income	0	5	0	0	0	402
Other financial expenses	-240	0	-1,490	-31	-842	0
Earnings before taxes	312,671	304,268	1,413	-47,481	-93,554	-64,533
Consolidated net income						
Return on capital employed (ROCE) in %	13.8	15.5	3.0	-10.6		
Capital expenditure on intangible assets and property, plant, and equipment	201,683	203,379	18,431	16,219	0	3,821
Average number of employees	4,935	4,628	1,632	1,729	330	383

[1] Prior-year figures were retrospectively adjusted due to the reclassification of Segment FRP, see Acquisitions and discontinued operations, page 148.

Regarding the basic derivation of the ROCE, we refer to the Combined Management Report.

Financial performance, assets, liabilities, and financial position of the Aurubis Group, page 90.

	Total		Reconciliation/ consolidation		Group	
	2019/20	2018/19	**2019/20**	2018/19	**2019/20**	2018/19 [1]
	operating	operating	**IFRS**	IFRS	**IFRS**	IFRS
	12,428,542	11,897,056	0	0	12,428,542	11,897,056
	414,546	358,814	170,872	56,099	585,418	414,913
	-192,011	-150,861	-17,815	10,861	-209,826	-140,000
	222,535	207,954	153,057	66,959	375,592	274,913
	17,061	17,797	-10,382	-13,865	6,679	3,932
	-29,214	-34,156	10,382	13,864	-18,832	-20,292
	12,720	284	-6,265	4,480	6,455	4,764
	0	407	88	0	88	407
	-2,572	-31	-87	0	-2,659	-31
	220,530	192,254	146,793	71,439	367,323	263,693
					265,363	192,706
	220,114	223,419	0	0	220,114	223,419
	6,897	6,740	0	0	6,897	6,740

In fiscal year 2019/20, the Aurubis Group's organizational framework was based on the underlying business model. The Group's structure is made up of two operating segments, which are the basis of segment reporting pursuant to IFRS 8 for fiscal year 2019/20: Segment Metal Refining & Processing and Segment Flat Rolled Products.

Segment Metal Refining & Processing (MRP) processes complex metal concentrates, copper scrap, organic and inorganic metal-bearing recycling raw materials, and industrial residues into metals of the highest quality. From an organizational perspective, Segment MRP includes the Commercial, Supply Chain Management (SCM), and Operations divisions.

The Commercial division combines all market-relevant organizational units (i.e., input material procurement and product sales). SCM brings together Group-wide production planning, logistics management, and sampling, and improves the Group-wide metal flows and inventories. The Operations division is responsible for the ongoing optimization of the integrated smelter network and the production of all basic products and metals, as well as for their further processing into other products, such as continuous cast wire rod and shapes. Among other items, copper cathodes are manufactured at the sites in Hamburg and Lünen (both in Germany), Pirdop (Bulgaria), and Olen and Beerse (both in Belgium). The cathodes produced at the smelters are processed further into wire rod and shapes at the Hamburg (Germany), Olen (Belgium), Emmerich (Germany), and Avellino (Italy) sites. Segment MRP also includes the Metallo Group, the company acquired in 2020 with production sites in Beerse (Belgium) and Berango (Spain).

The second segment, **Segment Flat Rolled Products** (FRP), processes copper and copper alloys – primarily brass, bronze, and high-performance alloys – into flat rolled products and specialty wire, which it then markets. The main production sites are Stolberg (Germany), Pori (Finland), Zutphen (Netherlands), and Buffalo (USA). Furthermore, the segment also includes slitting and service centers in Birmingham (UK), Dolný Kubín (Slovakia), and Mortara (Italy), as well as sales offices worldwide. There has been an intention to sell Segment FRP since fiscal year 2017/18. Although the sale is still intended and the sale negotiations are at an advanced stage, IFRS 5 is no longer applied to Segment FRP as of Q4 of the past fiscal year. From the current perspective, the Executive Board does not overwhelmingly assume that the sale will be completed within the twelve-month period pursuant to IFRS 5 that runs until February 2021.

The operating segments are reported upon in the same manner as they are reported to the chief operating decision makers for internal reporting purposes. The chief operating decision makers are defined as the full Executive Board of Aurubis AG.

The Aurubis Group is divided into two reportable segments, which differ as regards their production processes and their products, and are managed independently. The "Other" column discloses central administrative income and costs that cannot be directly allocated to one of the reportable segments.

The internal reporting is generally based on the accounting policies in accordance with IFRS, which are applied in the consolidated financial statements. For internal management purposes, the IFRS-based results are reconciled to the operating result.

The operating result is derived from the IFRS results of operations by:

- Adjusting for measurement results deriving from the application of IAS 2. In this context, the metal price fluctuations resulting from the application of the average cost method are eliminated. Likewise, non-permanent write-downs or write-ups in the value of metal inventories as at the reporting date are eliminated
- Adjusting for reporting date-related effects deriving from market valuations of metal derivatives that haven't been realized, which concern the main metal inventories at our smelter sites
- Eliminating any non-cash effects deriving from purchase price allocations
- Adjusting by effects deriving from the application of IFRS 5

In comparison to the previous year, the derivation was changed to the extent that non-permanent write-downs and write-ups of all metal inventories as at the reporting date were eliminated. Up until the previous year, this approach had solely been adopted for copper inventories. Furthermore, reporting date-related effects concerning the main metal inventories at our smelter sites, which derive from the measurement at market of metal derivatives that haven't been realized, were not taken into account.

The reconciliation to the IFRS-based consolidated financial statements is shown in the "Reconciliation/consolidation" column. In this connection, a total of € 2,528 thousand (previous year: € 0 thousand) of the earnings before taxes (EBT) derives from consolidation impacts, while € 144,265 thousand (previous year: € 71,439 thousand) derives from reconciliation to the IFRS EBT.

The Group generates most of its revenues with business associates in countries within the European Union. The breakdown of external revenues by region is based on the location of the customers, and is as follows:

in € thousand	2019/20	2018/19
Germany	5,458,580	4,807,774
Other European Union countries	3,406,823	3,868,738
Rest of Europe	520,468	434,782
Asia	1,953,991	1,416,080
Americas	691,181	810,336
Other	397,498	559,346
Group total	**12,428,542**	**11,897,056**

The breakdown of capital expenditure and non-current assets by region is based on the location of the respective assets:

	Capital expenditure		Fixed assets	
in € thousand	2019/20	2018/19	2019/20	2018/19
Germany	147,369	152,691	989,739	933,639
Bulgaria	30,322	33,655	339,870	332,065
Belgium	26,982	21,748	484,248	175,059
Other European countries	6,643	7,537	52,195	64,769
North America	8,798	7,788	37,762	54,449
Group total	**220,114**	**223,419**	**1,903,814**	**1,559,982**

The locations in other European countries are mainly operational sites within the European Union.

SEGMENT DATA

The revenues of the individual segments consist of inter-segment revenues and of revenues with non-group third parties. The total third-party revenues of the individual segments correspond to the consolidated revenues of the Group.

The prices and conditions for products and services exchanged between Group companies and segments correspond to those with third parties.

	Segment Metal Refining & Processing		Segment Flat Rolled Products		Other		Total	
in € thousand	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Wire rod	3,907,356	4,274,054	0	0	0	0	3,907,356	4,274,054
Copper cathodes	2,497,388	2,205,521	2,028	2,818	0	0	2,499,416	2,208,339
Precious metals	3,477,041	2,865,272	0	0	0	0	3,477,041	2,865,272
Shapes	688,629	748,965	58,283	71,394	0	0	746,912	820,359
Strip, bars, and profiles	131,479	194,492	941,548	1,117,534	0	0	1,073,027	1,312,026
Other	630,859	301,733	76,723	95,941	17,208	19,332	724,790	417,006
	11,332,752	**10,590,037**	**1,078,582**	**1,287,687**	**17,208**	**19,332**	**12,428,542**	**11,897,056**

Operating EBIT represents operating earnings before taxes, adjusted for the financial result attributable to the segment. Based on this, operating EBITDA is operating EBIT adjusted for depreciation of property, plant, and equipment and amortization of intangible assets belonging to the segment.

In Segment MRP, amortization included impairment losses of € 17,439 thousand (previous year: € 0 thousand) on goodwill of the Copper Products Hamburg cash-generating unit (CGU) in the reporting year.

Furthermore, impairment losses of € 3,688 thousand, as defined under IAS 36, were recognized against non-current assets (previous year: reversals of impairment loss, amounting to € 6,220 thousand).

The average number of employees for each segment includes all the employees of companies that were consolidated in the accompanying consolidated financial statements.

Other disclosures

DISCLOSURES CONCERNING RELATIONSHIPS TO RELATED PARTIES

In accordance with IAS 24, related parties are regarded as all individual persons and entities that can be influenced by, or that can themselves influence, the company.

The employees' representatives on the Supervisory Board received compensation for their employment at Aurubis AG at a level that is normal for the market.

Within the Aurubis Group, various Group companies purchase different types of products and services from and provide different types of products and services to related companies as part of their normal business activities. Such delivery and service relationships are conducted using market prices. In the case of services, these are charged on the basis of existing contracts.

The following amounts relate to a joint venture accounted for using the equity method:

9/30/2020

in € thousand	Income	Expenses	Receivables	Liabilities
Schwermetall Halbzeugwerk GmbH & Co. KG	35,812	25,216	7	1,262

9/30/2019

in € thousand	Income	Expenses	Receivables	Liabilities
Schwermetall Halbzeugwerk GmbH & Co. KG	100,773	26,583	1,486	469

The following amounts relate to non-consolidated related companies:

9/30/2020

in € thousand	Income	Expenses	Receivables	Liabilities
Joint ventures	60	220	108	23
Subsidiaries	7,404	4,650	6,918	10,181

9/30/2019

in € thousand	Income	Expenses	Receivables	Liabilities
Joint ventures	0	340	48	30
Subsidiaries	8,474	943	2,323	1,040

With the exception of Salzgitter AG, no individual shareholders of Aurubis AG are able to exercise a significant influence on the Aurubis Group.

Salzgitter Group companies account for € 388 thousand in expenses for the fiscal year (previous year: € 977 thousand) and income of € 56 thousand (previous year: € 63 thousand). As at the reporting date, there were related liabilities of € 18 thousand (previous year: € 100 thousand) and receivables of € 2 thousand (previous year: € 1 thousand).

As at the reporting date, no letters of comfort had been issued to related parties.

SUBSEQUENT EVENTS

On November 13, 2020, Aurubis AG, CABLO Metall-Recycling & Handel GmbH, and TSR Recycling GmbH & Co. KG signed an agreement to establish a joint venture for cable recycling. The closing of the transaction is planned for Q1 2021.

320,929 additional treasury shares were acquired after the balance sheet reporting date. This represents a 0.71 % share.

No further significant events occurred after the reporting date.

INFORMATION CONCERNING THE EXECUTIVE BOARD AND SUPERVISORY BOARD

TOTAL COMPENSATION

The **fixed compensation components** consist of the current-fixed compensation, the pension plans, and the fringe benefits.

The system for **variable compensation** includes both annual variable compensation (two-thirds of the annual bonus, due currently) and multiannual variable compensation, which is forward-looking and not currently due. The multiannual compensation consists of both a performance cash plan over three fiscal years and stock deferred (virtual stock – one-third of the annual bonus) over two fiscal years. The ratio of multiannual to annual variable compensation is 60:40.

The total compensation of the active Executive Board members for fiscal year 2019/20 amounts to € 2,007,550 and, in addition to a fixed component in the amount of € 1,453,333, includes fringe benefits of € 62,789 and a variable component of € 491,428. In total, payments for currently due compensation amounted to € 2,007,550 (previous year: € 2,204,788) and payments for compensation not currently due amounted to € 0 (previous year: € 559,500).

In addition, expenditures for pension provisions in the amount of € 730,301 (previous year: € 560,165) as well as for virtual deferred stock in the amount of € 660,397 (previous year: € 117,392) were recognized as an expense.

Former members of the Executive Board and their surviving dependents received a total of € 2,566,683; € 31,068,407 has been provided for their pension entitlements.

Total compensation includes a share-based compensation component with a cash settlement and a Performance Cash Plan.

The recognition and measurement standards of IFRS 2 are to be applied to the share-based compensation component with a cash settlement. This component involves virtual deferred stock. The resulting obligation equates to the fair value of the virtual stock. The expenses amounted to € 660 thousand in the year reported (previous year: € 117 thousand). The carrying amount of the provisions as at the fiscal year-end amounted to € 850 thousand (previous year: € 190 thousand).

Furthermore, expenses of € 635 thousand for the performance cash plan were recognized (previous year: € 490 thousand). The carrying amount of the provisions as at the fiscal year-end was € 1,295 thousand (previous year: € 660 thousand).

The compensation of the Supervisory Board for fiscal year 2019/20 amounted in total to € 1,544,000.

Details of the individual compensation of the members of the Executive Board and the Supervisory Board are presented and explained in the compensation report.

REPORTABLE SECURITIES TRANSACTIONS

DIRECTORS' DEALINGS

In accordance with Art. 19 Market Abuse Regulation (EU No. 596/2014), the members of the Executive Board and the Supervisory Board must disclose the acquisition and sale of shares in the company. This does not apply if the total transactions per person do not exceed € 20,000 per calendar year.

No members of the Supervisory Board or Executive Board informed the company that he/she had acquired or sold no-par-value shares in the company in the period from October 1, 2019 to September 30, 2020.

DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The declaration required under Section 161 of the German Stock Corporation Act (AktG) has been issued by the Executive Board and the Supervisory Board and has been made permanently accessible to the shareholders on the company's website.

It is also available online at www.aurubis.com/en/about-aurubis/corporate-governance.

NOTIFICATION PURSUANT TO SECTION 160 (1) NO. 8 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The voting rights notifications, which were issued by shareholders in accordance with Section 33 (1) of the German Securities Trading Act (WpHG), covering transactions that exceed or fall below the relevant notification thresholds and which were received prior to preparation of the financial statements of Aurubis AG, are made available in the separate financial statements of Aurubis AG.

They are also available online at www.aurubis.com/en/about-aurubis/corporate-governance.

DISCLOSURES CONCERNING AUDITORS' FEES

The following fees were recorded as expenses for fiscal year 2019/20 and the prior year for services rendered by the global Deloitte network:

in € thousand	2019/20	2018/19
Financial statement auditing services	1,062	914
Other assurance services	21	0
Other services	0	9
Total	**1,083**	**923**

This year's costs for the audit of the financial statements do not include € 148 thousand for the audit of the Metallo companies, which is being carried out by PricewaterhouseCoopers.

The following fees related to services rendered by auditor Deloitte GmbH Wirtschaftsprüfungsgesellschaft:

in € thousand	2019/20	2018/19
Financial statement auditing services	736	623
Other assurance services	2	0
Total	**738**	**623**

Investments

pursuant to Section 313 (2) of the German Commercial Code (HGB) as at September 30, 2020

	Company name and registered office	% of capital held directly and indirectly	Held directly by
1	Aurubis AG		
	Fully consolidated companies		
2	Aurubis Belgium NV/SA, Brussels	100	1
3	Aurubis Finland Oy, Pori	100	2
4	Aurubis Holding USA LLC, Buffalo	100	2
5	Aurubis Buffalo Inc., Buffalo	100	4
6	Aurubis Netherlands BV, Zutphen	100	2
7	Aurubis Mortara S.p.A., Mortara	100	2
8	Cumerio Austria GmbH, Vienna	100	1
9	Aurubis Bulgaria AD, Pirdop	99.86	8
10	Aurubis Engineering EAD, Sofia	100	8
11	Aurubis Italia Srl, Avellino	100	1
12	Aurubis Stolberg GmbH & Co. KG, Stolberg	100	1
13	Aurubis UK Ltd., Smethwick	100	12
14	Aurubis Slovakia s.r.o., Dolný Kubín	100	12
15	CABLO Metall-Recycling & Handel GmbH, Fehrbellin	100	1
16	Peute Baustoff GmbH, Hamburg	100	1
17	RETORTE GmbH Selenium Chemicals & Metals, Röthenbach	100	1
18	E.R.N. Elektro-Recycling Nord GmbH, Hamburg	100	1
19	Aurubis Product Sales GmbH, Hamburg	100	1
20	Deutsche Giessdraht GmbH, Emmerich	100	1
21	Metallo Group Holding NV, Beerse	100	1
22	Metallo Belgium NV, Beerse	100	21
23	Metallo Spain S.L.U., Berango	100	22
	Companies accounted for using the equity method		
24	Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg	50	12

	Company name and registered office	% of capital held directly and indirectly	Held directly by
	Non-consolidated companies		
25	Azeti GmbH, Berlin	100	1
26	Aurubis Holding Sweden AB, Stockholm	100	2
27	Aurubis Sweden AB, Finspång	100	26
28	Aurubis Stolberg Verwaltungs-GmbH, Stolberg	100	1
29	Aurubis Stolberg Asset GmbH & Co. KG, Stolberg	100	12
30	Aurubis Stolberg Asset Verwaltungs-GmbH, Stolberg	100	12
31	Hüttenbau-Gesellschaft Peute mbH i.L., Hamburg	100	1
32	Aurubis Hong Kong Ltd., Hong Kong	100	2
33	Aurubis Metal Products (Shanghai) Co. Ltd., Shanghai	100	32
34	Aurubis Russia LLC, St. Petersburg	100	2
35	Retorte do Brasil, Joinville	51	17
36	Schwermetall Halbzeugwerk GmbH, Stolberg	50	12
37	JoSeCo GmbH, Kirchheim/Swabia	50	17
38	Aurubis Middle East FZE, Dubai	100	19
39	Aurubis Turkey Kimya, Istanbul	100	9
40	Aurubis America Holding Inc., Tampa	100	1
41	Aurubis Tampa LLC, Tampa	100	40

Hamburg, December 8, 2020

The Executive Board

Roland Harings Chairman	Dr. Heiko Arnold Member	Dr. Thomas Bünger Member	Rainer Verhoeven Member

Responsibility Statement

We confirm to the best of our knowledge that, in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group, and that the Combined Management Report provides a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Hamburg, December 8, 2020

The Executive Board

Roland Harings Chairman	Dr. Heiko Arnold Member	Dr. Thomas Bünger Member	Rainer Verhoeven Member

Independent Auditor's Report

To Aurubis AG, Hamburg/Germany

Report on the audit of the consolidated financial statements and of the combined management report

AUDIT OPINIONS

We have audited the consolidated financial statements of Aurubis AG, Hamburg/Germany, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 September 2020, and the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 October 2019 to 30 September 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report for the Parent and the Group of Aurubis AG, Hamburg/Germany, for the financial year from 1 October 2019 to 30 September 2020. In accordance with the German legal requirements, we have not audited the content of the group statement on corporate governance pursuant to Section 315d German Commercial Code (HGB) combined with the statement on corporate governance pursuant to Section 289f German Commercial Code (HGB) referred to in "Legal Disclosures" section of the combined management report, and the separate non-financial group report pursuant to Sections 315b (3) and 315c German Commercial Code (HGB) combined with the separate non-financial report pursuant to Sections 289b (3) and 289c to 289e German Commercial Code (HGB) referred to in "Separate Non-Financial Report" section of the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 30 September 2020 and of its financial performance for the financial year from 1 October 2019 to 30 September 2020, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the contents of the group statement on corporate governance combined with the statement on corporate governance and of the separate non-financial group report combined with the separate non-financial report specified above.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISA). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2019 to 30 September 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

❶ Accounting of Major Corporate Transactions in relation to the Acquisition of Metallo in the Consolidated Financial Statements
❷ Financial Instruments – Hedge Accounting
❸ Adjustment of EBT and ROCE for Special Items

Our presentation of these key audit matters has been structured as follows:

ⓐ description (including reference to corresponding information in the consolidated financial statements and in the combined management report)
ⓑ auditor's response

❶ ACCOUNTING OF MAJOR CORPORATE TRANSACTIONS IN RELATION TO THE ACQUISITION OF METALLO IN THE CONSOLIDATED FINANCIAL STATEMENTS

ⓐ By a purchase agreement dated 22 May 2019, Aurubis acquired 100% of the shares in Metallo Group Holding NV with registered office in Beerse/Belgium (Metallo) against a purchase price of mEUR 375. The business combination is accounted for by Aurubis in accordance with IFRS 3. Any assets, liabilities and contingent liabilities measured at fair value as part of acquiring the Metallo business are based on values assigned in the purchase price allocation performed by Aurubis using an independent expert's valuation report prepared on 17 July 2020. The purchase price was subsequently allocated into property, plant and equipment (mEUR 228), inventories (mEUR 135) and intangible fixed assets (mEUR 63). Taking into account the other net assets measured at fair value results in goodwill of mEUR 9. This matter was a key audit matter in the scope of our audit due to the transaction's complexity and the related risk of material misstatements of assets, liabilities, financial position and financial performance as well as assumptions and estimates made by the executive directors in performing the purchase price allocation. The Groups's disclosures regarding the Metallo Group acquisition are contained in the section "Acquisitions and discontinued operations" of the notes to the consolidated financial statements.

ⓑ Within the scope of our audit, by relying, inter alia, on the agreements concluded under company law and the requirements of competition authorities as well as the criteria defined in IFRS 10, we reconstructed the executive directors' assessment that Aurubis has control over Metallo as from 29 May 2020 and must include it in its consolidated financial statements. Within the scope of our audit of the purchase price allocation, in addition to assessing the valuation of the consideration paid by Aurubis, we assessed the method applied by the external expert consulted by the executive directors regarding the identification of the assets acquired as well as the conceptual evaluation of the valuation techniques taking into account the requirements under IFRS 3. By consulting our internal valuation specialists, we obtained an understanding of and assessed the valuation methods applied taking into account the requirements under IFRS 13. We analysed the assumptions and estimates subject to the executive directors' judgement, such as growth rates, capital costs or residual usage terms, which were used for determining the fair values of the transferred identifiable assets as well as the assumed liabilities and contingent liabilities at the time of the acquisition, as to whether they comply with general and industry-specific market expectations. We reconstructed the calculation of the techniques underlying the valuations, evaluated the expected future cash flows used for plausibility and compared the fair values with the assumptions and expectations of professional external market participants at the time of the acquisition. Furthermore, we examined whether the accounting policies that correspond to the Aurubis accounting principles have been applied consistently by the Metallo companies and whether any tax effects arising from the business combination have been recognised. We obtained an understanding of and assessed the presentation of the initial consolidation in the consolidation system. Moreover, we examined the disclosures in the notes to the consolidated financial statements regarding the Metallo Group acquisition based on the relevant requirements of IFRS 3.

❷ FINANCIAL INSTRUMENTS – HEDGE ACCOUNTING

ⓐ The Aurubis group companies have concluded a large number of contracts for various derivative financial instruments. These serve to hedge risks in connection with foreign exchange rates and commodity prices arising from ordinary business activities based on the hedging policy defined by the executive directors and documented in the relevant internal guidelines. The aim of using derivative financial instruments is to mitigate volatility in relation to earnings and cash flows resulting from changes in exchange rates – mainly in respect to foreign currency selling and purchasing –, in interest rates underlying the floating-rate financing facilities, and in the copper price in the context of purchasing and selling metal.

The nominal volume of the concluded derivative instruments totals bEUR 3.4 as at 30 September 2020. The fair values of the derivative financial instruments are determined using measurement policies that take into account the market information (market values) at the measurement date. The positive market values of the derivative financial instruments used for hedging purposes total mEUR 94.4 net as at 30 September 2020; the negative market values amount to mEUR 72.7. To the extent the financial instruments used by Aurubis Group constitute effective hedging instruments for future cash flows as part of hedging relationships pursuant to the provisions of IFRS 9, fair value changes are directly recognised in equity over the duration of the hedging relationship until maturity of the hedged cash flows (effective portion). As at the balance sheet date, the cumulative expenses and income before income taxes recognised directly in equity amounted to mEUR 26.2. In our opinion and in light of the high complexity and number of transactions as well as the extensive requirements concerning accounting and disclosures to be made in the notes to the consolidated financial statements these matters were considered significant in our audit.

The information provided by the Group concerning the recognition of derivative financial instruments are included in note 27 "Financial Instruments" of the notes to the consolidated financial statements as well as in the reporting on opportunities and risks of the combined management report.

ⓑ Within the scope of our audit and in consultation with our internal specialists from the Financial Risk function, we reviewed, inter alia, the contractual and financial basis, and obtained an understanding of the recognition, including the effects on equity and earnings from the various hedging instruments. In concert with these specialists, we reviewed the Company's system of internal control as regards derivative financial instruments, including internal monitoring of compliance with the hedging policy, and the controls on design, implementation and effectiveness. Moreover, in auditing the fair value measurement of the financial instruments, we also reconstructed the measurement methods on the basis of market data for a representative set of samples. We analysed the methods applied as well as their appropriate systemic implementation to assess the effectiveness of the hedging relationships. Our assessment of the completeness of the recognised transactions and the assessment of the fair values of the recognised transactions were based on confirmations from banks and brokers. As regards the expected cash flows and the assessment of the effectiveness of the hedges, we evaluated the levels of hedging carried out in the past on a mainly retrospective basis. We have audited the completeness and accuracy of the disclosures made in the notes to the group financial statements.

❸ ADJUSTMENT OF EBT AND ROCE FOR SPECIAL ITEMS

ⓐ For Aurubis Group's controlling and analysis purposes, operating EBT (Earnings before Taxes) and operating ROCE (Return on Capital Employed), each adjusted for special items, are used. The adjustments are presented within column "reconciliation/consolidation" in the segment reporting of the consolidated financial statements of Aurubis AG by, if applicable, firstly, eliminating the items of discontinued operations and, secondly, removing the following impacts on valuation: valuation results from applying IAS 2 as well as valuation of metalderivates of main metals of the smelting companies and non-cash effective effects from purchase price allocations. In the consolidated financial statements, EBT adjustments of mEUR -171 related to inventories and mEUR 25 related to fixed assets from valuation effects are presented. Operating EBT and operating ROCE are used by the executive directors within the scope of their capital market communication as the central key financial performance indicators. Moreover, both ratios are deployed to measure the degree of target achievement for the annual performance-based remuneration of the Aurubis Group employees. As these key performance indicators are determined on the basis of the internal requirements of Aurubis Group, which implies a risk that discretion is exercised unilaterally by the executive directors, the adjustments of operating EBT and operating ROCE were classified as key audit matters as part of our audit.

The disclosures of the Group for the derivation and presentation of financial ratios are presented in the "Economic Development of Aurubis Group" section of the combined management report as well as in the segment reporting in the notes to the consolidated financial statements.

ⓑ Firstly, we examined the systematic and consistent adjustment of these ratios. We reconstructed, inter alia, how the operating EBT and operating ROCE are determined and reviewed the consistency of the adjustments identified by the executive directors with the internal requirements. Related to this, by using the knowledge obtained in the audit and the information provided to us by the executive directors, we examined whether the adjustments made are consistent with the related disclosures in the combined management report, in particular, those contained in the remuneration report and the explanations in the segment reporting.

OTHER INFORMATION

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises:

- the group statement on corporate governance pursuant to Section 315d German Commercial Code (HGB) combined with the statement on corporate governance pursuant to Section 289f German Commercial Code (HGB) referred to in "Legal Disclosures" section of the combined management report,
- the separate non-financial group report pursuant to Sections 315b (3) and 315c German Commercial Code (HGB) combined with the separate non-financial report pursuant to Sections 289b (3) and 289c to 289e German Commercial Code (HGB) referred to in "Separate Non-Financial Report" section of the combined management report,
- the corporate governance report pursuant to No. 3.10 of the German Corporate Governance Code 2017,
- the executive directors' confirmation regarding the consolidated financial statements and the combined management report pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 German Commercial Code (HGB), respectively,
- the supervisory board report, and
- all the remaining parts of the annual report,
- but no the consolidated financial statements, not the disclosures in the group management report audited covering the content and not our appendant auditor's report.

The supervisory board is responsible for the supervisory board report. The executive directors and the supervisory board are responsible for the declaration pursuant to Section 161 of the German Stock Corporation Act on the German Corporate Governance Code, which is part of the group statement on corporate governance combined with the statement on corporate governance. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report 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 that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB), and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 German Commercial Code (HGB) and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the ISA will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, 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 audit opinions. 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 controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive 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 the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able 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 present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB).
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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 the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

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

Other legal and regulatory requirements

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the annual general meeting on 27 February 2020. We were engaged by the supervisory board on 27 February 2020. We have been the group auditor of Aurubis AG, Hamburg/Germany, without interruption since the financial year 2018/2019.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Annika Deutsch.

Hamburg/Germany, 8 December 2020

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Christian Dinter	Signed: Annika Deutsch
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Glossary

Explanation of technical terms

Aurubis Operating System (AOS): Management system for achieving continuous and sustainable process improvement.

Blister copper: Unrefined porous copper. During solidification, dissolved gases form small blisters in the copper. Blister copper is also purchased as a raw material.

CDP: (Formerly Carbon Disclosure Project) non-profit organization with the objective of encouraging companies and towns to publish their environmental data.

Closing the loop: For Aurubis, “closing the loop” means turning customers into suppliers. In the process, copper scrap or production waste that accumulates in the value chain through our customers’ production processes is directly delivered back to us by the customers. This helps us close material cycles.

Complex materials: Both primary and secondary raw materials are becoming more complex, meaning their copper content is decreasing and the levels of other elements and impurities contained in them are increasing.

Compliance: Compliance means conforming to certain rules. Apart from laws, directives, and other standards, it also refers to internal corporate guidelines (e.g., codes of conduct).

Continuous cast shapes: Products manufactured from endless strands produced in a continuous casting process. Continuous cast shapes are processed into sheets, foils, profiles, and tubes by rolling and extrusion.

Continuous cast wire rod: Semifinished product produced in a continuous process and used for the fabrication of copper wire.

Converter slag: Hardened melt that forms in the converter during the smelting process. Like natural stone, it can be further processed.

Copper cathodes: Quality product of the copper tankhouse (copper content: 99.99 %) and the first marketable product in copper production.

Copper concentrates: A product resulting from the processing (enriching) of copper ores, the Aurubis Group’s main raw material. Since copper is found almost exclusively in ores, in compound form, and in low concentrations (usually below 1 % copper content), the ores are enriched in processing facilities into concentrates (copper content of 25 to 40 %) after being mined.

Copper premium: Surcharge for high-quality cathodes, which are used for the production of continuous cast wire rod and continuous cast shapes, among other products.

EMAS: Eco-Management and Audit Scheme (also known as the EU eco-audit). EMAS was developed by the EU and is a joint system comprising environmental management and environmental auditing for organizations that want to improve their environmental performance.

ESG: Environmental, social, and corporate governance. ESG refers to the dimensions of corporate responsibility and is generally used in the context of sustainability-related investments.

ESG-linked Schuldschein loan (bonded loan): A Schuldschein loan (bonded loan) with components linked to sustainability criteria. See “ESG.”

Global Reporting Initiative (GRI): This organization publishes the GRI Standards, which are the standards and indicators for sustainability reporting. The GRI Standards are established internationally as a framework for voluntary sustainability reporting.

ILO Core Labour Standards: The Core Labour Standards of the International Labour Organization (ILO) of the United Nations comprise four basic principles: upholding freedom of association and the right to collective bargaining, eliminating forced labor, abolishing child labor, and eliminating discrimination in respect of employment and occupation. These are found in the eight fundamental ILO Conventions, which are referred to as the ILO Core Labour Standards.

Iron silicate: A by-product of copper production in the refining process. Formed using sand from iron that is chemically bonded to copper concentrates and recycling raw materials. Mainly used in the construction industry as granules/sand or in lump form.

ISO 14001: An international standard that establishes the criteria for setting up and monitoring companies’ environmental management systems. A company can receive proof of a functioning environmental management system (certification) through an external expert.

ISO 45001: An international, intersectoral standard that regulates the requirements for and implementation of companies' occupational health and safety management systems. It replaces the OHSAS 18001 standard.

ISO 50001: An international standard that establishes criteria for initiating, operating, and continuously improving an energy management system. The objective of the standard is to steadily improve companies' energy-related performance. Energy-intensive companies have to be certified in accordance with EMAS or ISO 50001 to be eligible to receive concessions on the levies under the German Renewable Energies Act.

KPI: Key performance indicator; a parameter that can be used to measure a company's performance in a certain area.

KRS: Kayser Recycling System, a modern recycling plant in Lünen for the treatment of a wide range of copper-bearing secondary raw materials.

Life cycle analysis: Observes and calculates the ecological impacts of a product during its entire lifetime, from the raw material source to disposal.

Location-based: Method for calculating indirect CO_2 emissions (Scope 2). CO_2 emissions that are related to the production of bought-in electricity or energy of other kinds are measured using average emission factors for the region where the company is located. See also "market-based."

London Bullion Market Association (LBMA): An important trading market for gold and silver independent of the exchanges. The gold and silver ingots traded through the LBMA have to fulfill certain quality requirements.

London Metal Exchange (LME): The most important metal exchange in the world, with the highest turnover.

LTIFR: Lost time injury frequency rate (accident frequency).

Market-based: Method for calculating indirect CO_2 emissions (Scope 2). CO_2 emissions that are related to the production of bought-in electricity or energy of other kinds are measured using the data of the energy supplier or the purchased product. The emission factor is therefore directly related to the type of energy source. See also "location-based."

Materiality analysis: A materiality analysis serves to establish the content of non-financial reports or sustainability reports in general, or is used as the foundation for developing sustainability strategies. During the analysis, the sustainability topics that are especially relevant for the company in question are identified.

Metal gain: Metal yield that a smelter can extract beyond the paid metal content in the raw input materials.

OHSAS 18001: An internationally recognized standard that regulates the requirements for and implementation of companies' occupational health and safety management systems. It is being replaced by the ISO 45001 standard.

Primary copper production: Production of copper from copper concentrates.

Product surcharge: Fee for the processing of copper cathodes into copper products.

REACH: The REACH regulation has been in force in the European Union since 2007. REACH stands for "Registration, Evaluation, Authorisation and Restriction of Chemicals." The objective of the regulation is to record all material flows in the EU.

Recycling materials: Materials in a closed-loop economy. They arise as residues from production processes or during the preprocessing of end-of-life products and rejects.

Secondary copper production: Production of copper from recycling materials.

Settlement: Official cash selling rate on the LME. Price basis in annual sales agreements.

Spot market: Daily business, market for prompt deliveries.

Sustainable finance: This term refers to the inclusion of environmental, social, and corporate governance-related criteria in investment decisions in the financial sector. The objective of sustainable finance is to promote long-term investments in sustainable business activities and projects.

Tankhouse: An electrochemical process, the last refining stage in metal recovery, takes place in the tankhouse. For copper, anodes and cathodes are hung in a sulfuric acid solution (electrolyte) and connected to an electric current. Copper and baser elements (e.g., nickel) are then dissolved from the anode in the electrolyte. Copper from the solution is deposited on the cathode with a purity of 99.99 %. Precious metals (e.g., silver and gold) and insoluble components settle as "anode slimes" on the bottom of the tankhouse cell.

Treatment and refining charges (TC/RCs), refining charges (RCs): Surcharges on the purchase price of metals, charged for turning these raw materials into the commodity exchange product – copper cathodes – and other metals.

UN Guiding Principles on Business and Human Rights: A global instrument for preventing and handling the risk of negative impacts on human rights in connection with business activities.
www.unglobalcompact.org/library/2

Waste Electrical and Electronic Equipment (WEEE): The purpose of the EU's WEEE directive 2002/96/EC for waste electrical and electronic equipment is to responsibly handle the increasing volumes of electronic scrap. The WEEE End Processor Standard is a voluntary standard for the treatment and/or processing of precious metal-bearing WEEE fractions. Aurubis supported the development of this standard and has been certified in accordance with it since 2015.

Explanation of financial terms

Capital employed: The sum of equity, provisions for pension liabilities, and financial liabilities, less cash and cash equivalents.

EBIT: Earnings before interest and taxes are an indicator of a company's operative earning power, ignoring its capital structure.

EBITDA: Earnings before interest, taxes, depreciation, and amortization are an indicator of a company's operative earning power, ignoring its capital structure and propensity to invest.

EBT: Earnings before taxes are an indicator of a company's earning power.

Free cash flow: The generated surplus of cash and cash equivalents, taking into account cash-related changes in working capital, and after deducting capital expenditure. It is available for a company's dividend and interest payments, as well as for the redemption of financial liabilities.

Net borrowings: Consist of long- and short-term financial liabilities, less cash and cash equivalents.

Net cash flow: The generated surplus of cash and cash equivalents after taking into account cash-related changes in working capital. It is available for payments in conjunction with a company's investing and financing activities.

ROCE: Return on capital employed is the ratio of EBIT to capital employed as at the balance sheet date. It describes the efficiency with which capital was utilized during the reporting period.

Imprint

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Financial Calendar

February 5, 2021	Quarterly Report on the First 3 Months 2020/21
February 11, 2021	Annual General Meeting
May 10, 2021	Interim Report on the First 6 Months 2020/21
August 5, 2021	Quarterly Report on the First 9 Months 2020/21
December 3, 2021	Annual Report 2020/21

Our fiscal year starts on October 1 and ends on September 30.

5-Year Overview

Aurubis Group (IFRS)

		2019/20	2018/19	2017/18	2016/17	2015/16
Results						
Revenues	€ million	12,429	11,897	11,694	9,880	9,475
EBITDA	€ million	585	415	502	545	312
Operating EBITDA[1]	€ million	415	359	462	440	358
EBIT	€ million	376	275	369	424	177
Operating EBIT[1]	€ million	223	208	332	308	229
EBT	€ million	367	264	368	408	159
Operating EBT[1, 2]	€ million	221	192	329	298	213
Consolidated net income	€ million	265	193	294	318	124
Operating consolidated net income[1]	€ million	167	138	265	236	165
Net cash flow	€ million	459	272	203	480	239
Capital expenditure (incl. finance leases)	€ million	237	224	182	175	143
Operating ROCE[2]	%	9.3	8.6	15.0	15.1	10.9
Consolidated statement of financial position						
Total assets	€ million	5,534	4,535	4,503	4,361	4,027
Fixed assets	€ million	1,904	1,560	1,528	1,489	1,450
Depreciation and amortization	€ million	210	140	133	121	135
Equity	€ million	2,851	2,598	2,566	2,366	1,991
Aurubis shares						
Market capitalization	€ million	2,614	1,838	2,708	3,081	2,242
Earnings per share	€	5.95	4.28	6.52	7.80	2.71
Operating earnings per share[1]	€	3.73	3.08	5.87	5.21	3.64
Dividend per share[3]	€	1.30	1.25	1.55	1.45	1.25

[1] Values have been “operationally” adjusted for measurement effects deriving from the application of IAS 2. In consequence, metal price fluctuations resulting from the use of the average cost method, as well as non-permanent write-downs or write-ups of metal inventory values as at the reporting date, are eliminated. Adjustments are also made for reporting date-related effects deriving from market valuations of metal derivatives that haven’t been realized, which concern the main metal inventories at our smelter sites. Furthermore, items of property, plant, and equipment included in fixed assets have been adjusted for measurement impacts deriving from purchase price allocations from FY 2010/11 onwards.

[2] Corporate control parameter.

[3] The 2019/20 figure represents the proposed dividend.

aurubis.com

Metals for Progress

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