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.

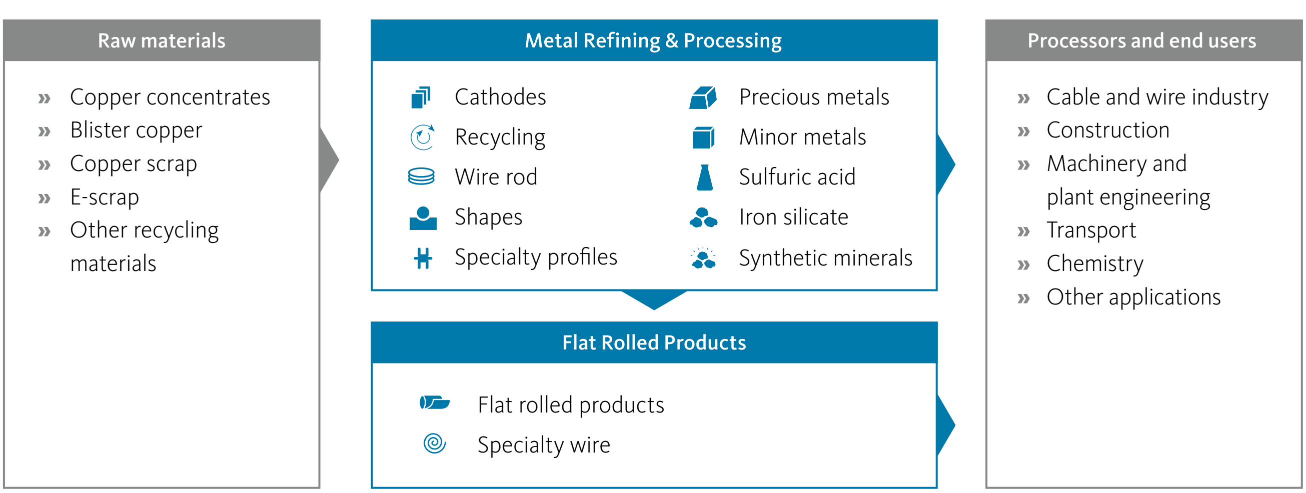
BUSINESS MODEL

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.

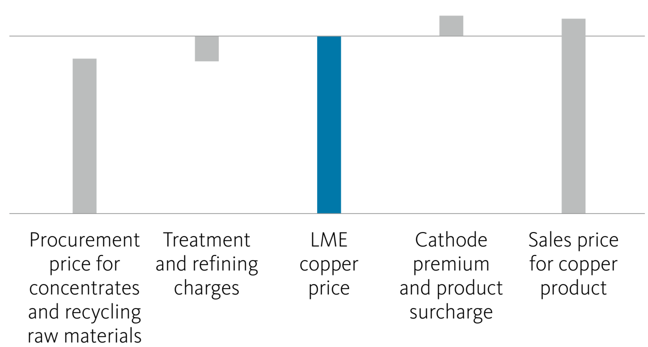
SIGNIFICANT INFLUENCING FACTORS RELEVANT TO THE BUSINESS

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.

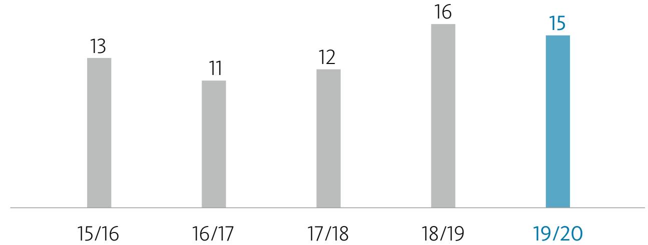
While the last several years of work on lead-free machinable brass (the BlueBrass family) were mainly focused on trials in various markets, we received a number of approvals for serial delivery from different customers in fiscal year 2019/20. Furthermore, we were able to place samples with potential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

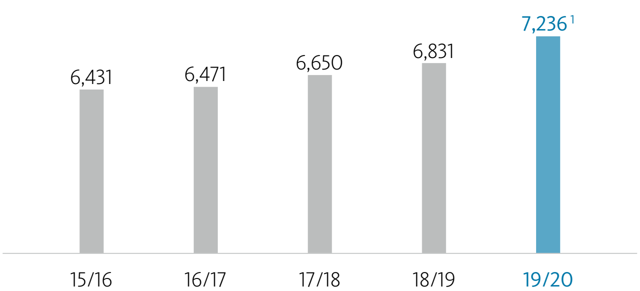


Human resources

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

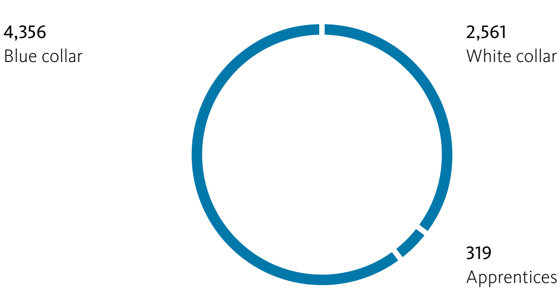
Number as at 9/30



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



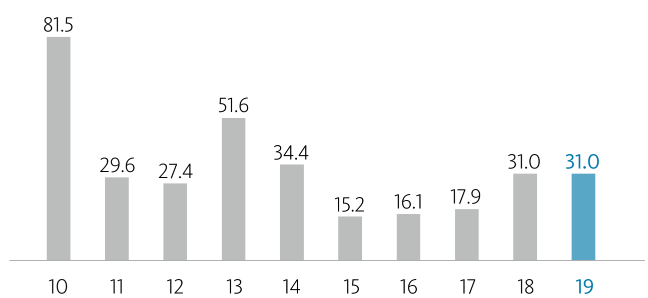
Environmental protection and occupational health

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.

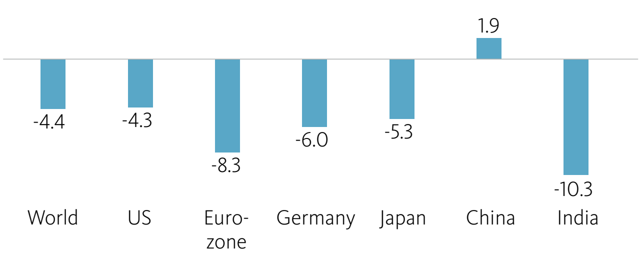
Economic Report

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.

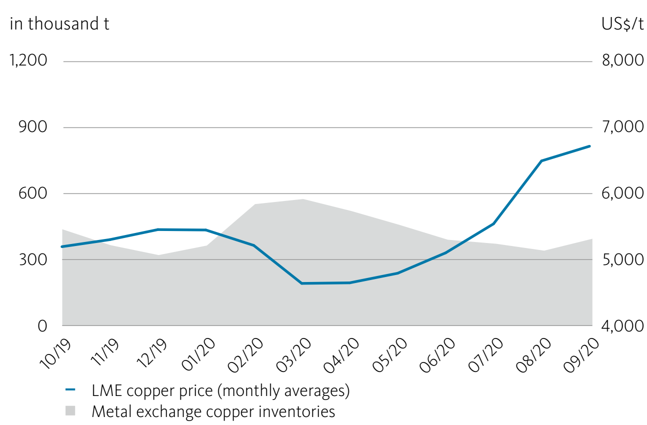
Continuous cast wire rod is still the dominant application for copper. The international market for this wire rod, which receives about 75 % of global cathode output, is expected to decline by about 7 % in 2020, according to CRU (previous year: growth of +1.7 %). We deliver most of our wire rod to Europe. 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	Inven-tories	Fixed assets	Opera-ting	IFRS	Inven-tories	Fixed assets	Opera-ting
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).

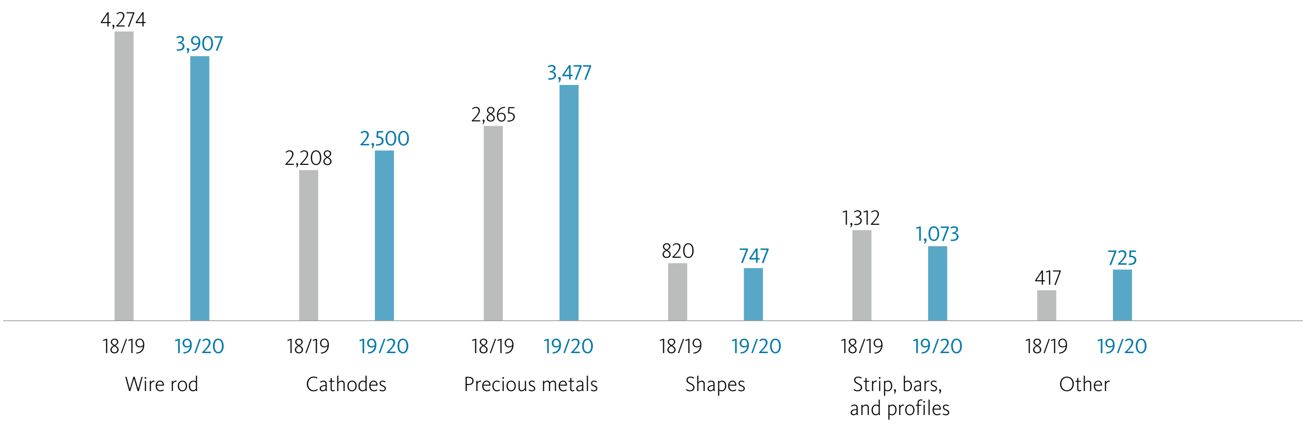
Other operating income decreased significantly by € 29 million, to € 33 million, and included, among other items, income of € 20 million from cost reimbursements (previous year: € 20 million). In the previous year, additional income from the recognition of a receivable of € 20 million that arose in connection 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.

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.

Refer to the Notes to the Financial Statements, page 149 regarding classification of assets held for sale and related liabilities.

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

	9/30/2020					9/30/2019			
		Adjustment effects					Adjustment effects		
iin € million	IFRS	IFRS 5	Inven-tories	Fixed assets	Opera-ting	IFRS	Inven-tories	Fixed assets	Opera-ting
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, pages 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.

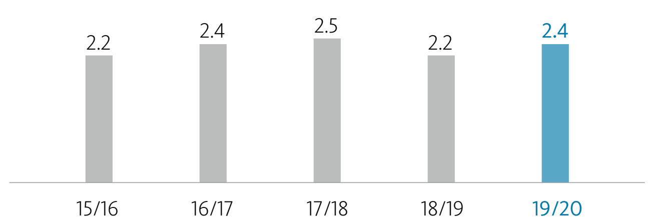
PRODUCTION

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

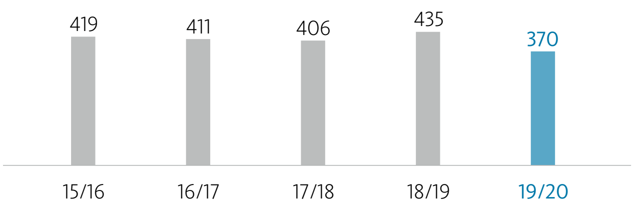


Copper scrap/blister copper input below previous year due to shutdowns

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



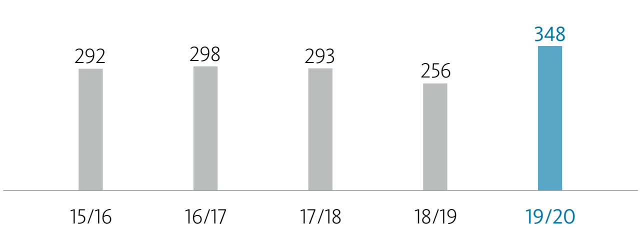
Metallo sites included for four months.

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



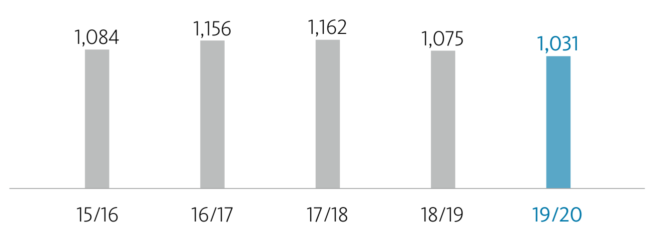
Cathode output slightly down on prior-year level due to shutdowns

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.

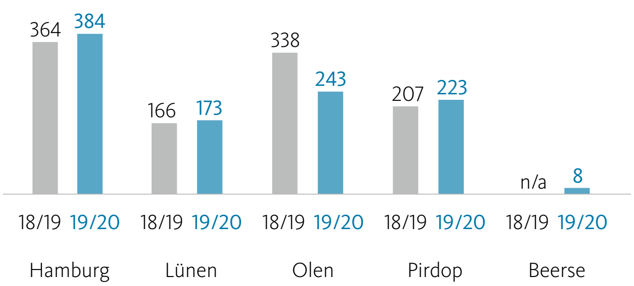
Cathode output in the Group

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.

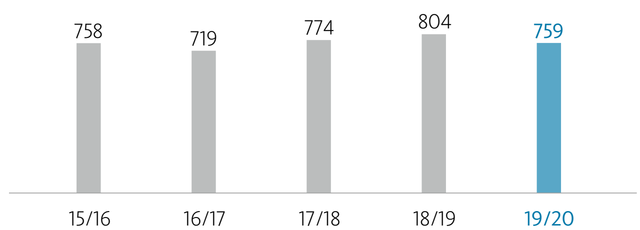
The recovery of our metals depends on the metal contents in the processed copper concentrates and recycling materials. Lower concentrate throughputs due to shutdowns therefore impact the volumes that are recovered. A portion of the metals is sold in the form of intermediate products.

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.

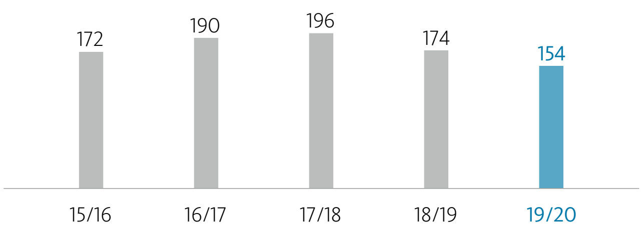
Shapes output considerably below prior-year level

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.

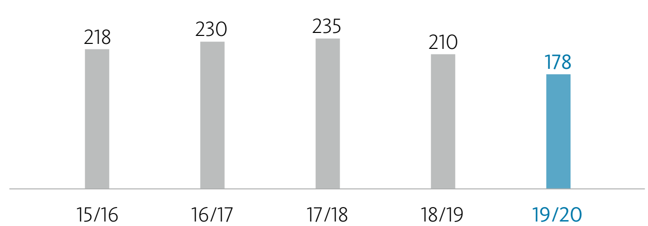
PRODUCTION

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.