Notes to the Consolidated Financial Statements

General disclosures

Aurubis AG, headquartered in Hamburg, Germany, is a quoted corporate entity registered with the District Court of Hamburg under Commercial Register number HR B 1775.

As required by Regulation (EC) No. 1606/2002 of the European Parliament and the Council dated July 19, 2002 on the application of international accounting standards, in conjunction with Section 315e (1) of the German Commercial Code (HGB), the accompanying consolidated financial statements as at September 30, 2020 are prepared in accordance with the International Financial Reporting Standards (IFRS) approved and published by the International Accounting Standards Board (IASB), as adopted by the European Union. The interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS-IC) have been taken into account.

The consolidated financial statements were released for publication after they were approved on December 8, 2020.

The consolidated financial statements have been prepared in euros. If nothing to the contrary is indicated, all amounts are shown in thousands of currency units.

Current and non-current assets and liabilities are presented as separate categories in the statement of financial position. In this context, current assets and current liabilities are expected to be realized within twelve months of the balance sheet date or are held primarily for trading purposes.

The preparation of consolidated financial statements in accordance with IFRS furthermore requires the Executive Board and authorized employees to make estimates and assumptions in certain significant areas. These have an impact on the measurement and presentation of the assets and liabilities in the statement of financial position, and on related income and expenses.

Sectors that particularly require the application of estimates and assumptions are presented under
Significant estimates and assumptions, page 144–147.

This report may include slight deviations in disclosed totals due to rounding.

Due to the reclassification of the assets and debts attributed to Segment FRP, the prior-year values have been retrospectively adjusted pursuant to IFRS 5. Additional explanations are available under Acquisitions and discontinued operations, page 148.

Significant accounting principles

SCOPE OF CONSOLIDATION

In addition to the parent company, Aurubis AG, Hamburg, 22 further companies in which Aurubis AG, Hamburg, holds the majority of the voting rights either directly or indirectly, and thus has control, were included in the consolidated financial statements as at the reporting date by way of full consolidation. The reporting date for the consolidated financial statements corresponds to the balance sheet date of Aurubis AG, Hamburg, and all consolidated subsidiaries, with the exception of three consolidated companies. The balance sheet date of these subsidiaries is December 31. These companies prepared interim financial statements for consolidation purposes as at the reporting date of the consolidated financial statements.

Accordingly, the financial statements of all significant subsidiaries which Aurubis AG controls are included in these consolidated financial statements.

Pursuant to IFRS 11.24, in conjunction with IAS 28, Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg, a producer of pre-rolled strip, is accounted for using the equity method. A 50 % investment is held in this entity, which is managed jointly with another partner (joint venture).

CONSOLIDATION PRINCIPLES

The separate financial statements of all companies included in the consolidation are prepared in accordance with the uniform accounting policies that are applied within the Aurubis Group. The financial statements of the main companies included in the consolidated financial statements have been audited by independent auditors.

Capital consolidation is performed as at the acquisition date using the acquisition method, whereby the acquisition cost of the acquired interest is offset against the fair values of acquired assets and liabilities of the subsidiary at that time. Any unallocated difference on the asset side is recognized as goodwill and tested at least annually for impairment. In accordance with IAS 36, goodwill is not amortized on a scheduled basis. Negative goodwill is recognized immediately in profit or loss following a reassessment of the fair values.

Receivables, liabilities, and contingent liabilities, as well as revenues, other income, and expenses between Group companies are eliminated. Profits resulting from transactions between Group companies are eliminated, if material.

In addition to eight German companies, 15 foreign companies are included in the consolidated financial statements. In accordance with the functional currency concept, the financial statements of subsidiaries prepared in foreign currencies were translated into euros, as the euro is Aurubis AG's reporting currency. Transactions in foreign currencies are converted into the functional currency at the exchange rate at the time of the transaction or, in the case of subsequent measurement, at the time of such measurement. Foreign currency transactions are conducted particularly in US dollars. The average US dollar exchange rate during fiscal year 2019/20 was 1.12039 US$/€. The exchange rate as at September 30, 2020 was 1.17080 US$/€. Gains and losses resulting from the fulfillment of such foreign currency transactions, as well as from the conversion of monetary assets and liabilities designated in a foreign currency as at the reporting date, are recorded in profit and loss in the cost of materials unless they have to be accounted for in equity as qualified cash flow hedges or net investments in foreign business operations. In fiscal year 2019/20, foreign currency conversion differences totaling € -1.8 million (previous year: € -0.9 million) were recognized in profit or loss. In accordance with IAS 21, assets and liabilities in the statements of financial position of subsidiaries reporting in a foreign currency are translated at the mid-market rates applicable at the reporting date and the income statement is translated at the average rates for the fiscal year. Any resultant translation differences are recognized directly in equity until the possible disposal of the subsidiary.

Joint ventures are accounted for in accordance with IFRS 11 using the equity method. Profits deriving from upstream/downstream transactions with Group companies are eliminated proportionally.

RECOGNITION OF REVENUES

Revenues are mainly generated from the sale of metals and copper products and are measured in the amount of the consideration that the Group expects to receive from a contract with a customer. The Group recognizes revenues when the authority to exercise control over a product or a service has been transferred to the customer. Bonuses granted in the fiscal year are deducted from revenues. In the case of transport services that generally relate to a specific time period and represent a separate performance obligation, no separation is made on grounds of materiality. Some contracts include rebates and price reductions that are factored into the transaction price.

SHARE-BASED PAYMENT

The recognition and measurement standards of IFRS 2 are to be applied to this compensation component. The component relates to virtual deferred stock with a two-year, forward-looking assessment basis, which is dependent upon the achievement of targets for the operating EBT component and is also based on individual performance. The virtual deferred stock compensation plan does not include dividend payments, and the payout is limited to 150 % of the starting value. To determine the fair value of the limitation of the share price development, the value of a European call option is calculated by applying the Black Scholes formula.

FINANCIAL INSTRUMENTS

A **financial instrument** is a contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

In this connection, financial assets particularly comprise cash and cash equivalents, equity instruments held in other entities (e.g., investments or share portfolios), trade accounts receivable, other loans and receivables granted, as well as primary and derivative financial instruments that are held for trading. Financial liabilities generally establish a contractual obligation to deliver cash or other financial assets. These include in particular bonds and other securitized liabilities, liabilities to banks, trade accounts payable, lease liabilities, and derivative financial instruments. Within the Group, regular way purchases and sales of primary financial instruments are generally recorded as at the settlement date, i.e., at the date of delivery and transfer of title. Derivative financial instruments are recognized as at the trade date. Financial assets and financial liabilities are generally reported gross (i.e., without being netted).

In accordance with IFRS 9, financial instruments are classified as either measured “at amortized cost” (AC), “at fair value through other comprehensive income” (FV OCI), or “at fair value through profit or loss” (FV P&L).

A debt instrument is measured at amortized cost if both of the following conditions are fulfilled:

- It is held as part of a business model whose objective is to hold assets to collect contractual cash flows.
- The contract conditions of the financial asset lead to cash flows, at fixed times, that only represent redemption and interest payments on the outstanding amount of capital (cash flow criterion).

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are fulfilled:

- It is held as part of a business model whose objective is to sell assets after holding them for a certain period of time.
- The contract conditions of the financial asset lead to cash flows, at fixed times, that only represent redemption and interest payments on the outstanding amount of capital (cash flow criterion).

If the criteria mentioned above for classification as AC or FV OCI have not been fulfilled, the debt instruments are measured at fair value through profit or loss (FV P&L).

Notwithstanding the above criteria for classification of debt instruments in the categories AC or FV OCI, a company can irrevocably classify its financial assets as "measured at fair value through profit or loss" upon initial recognition if doing so helps prevent or significantly reduce an accounting anomaly (FV option). The Aurubis Group makes use of the FV option for receivables from supply contracts that are not price-fixed (hybrid contracts).

Equity instruments are normally classified and measured at fair value through profit or loss. Deviating from this, there is an irrevocable option, upon initial recognition of primary equity instruments that are not held for trading, to recognize fair value changes in other comprehensive income (OCI option). Aurubis uses the OCI option and classifies equity instruments that are not classified as "held for trading" in the category "fair value through OCI" (FV OCI).

Primary financial liabilities are either measured at amortized cost or at fair value through profit or loss. They are measured at fair value through profit or loss when they are held for trading or have been designated as "fair value through profit or loss" (FV option) – under certain conditions – upon initial recognition. Aurubis makes use of the FV option and irrevocably designates liabilities from supply contracts that are not price-fixed (hybrid contracts) at "fair value through profit or loss."

No financial instruments were reclassified into other measurement categories either in fiscal year 2019/20 or in fiscal year 2018/19.

Financial assets are recognized if Aurubis has a contractual right to receive cash and cash equivalents or other financial assets from another company. Financial assets are always initially recognized at fair value. Thereby, in the case of financial assets that will not be measured subsequently at fair value through profit or loss, the transaction costs directly attributable to the purchase have to be taken into account. The fair values recognized in the statement of financial position represent the market prices of the financial assets to the extent that these can be determined directly by reference to an active market. Otherwise, they are measured using normal market procedures (valuation models), applying the market parameters specific to the instrument. Non-interest-bearing financial assets with a term exceeding one year are discounted. For financial assets with a residual term of less than one year, it is assumed that the fair value corresponds to the nominal value. Financial assets designated in foreign currency are measured on initial recognition with the valid rate applicable at the date of the transaction and as at the reporting date with the then applicable mid-market rate. Financial assets are derecognized if the contractual rights to payments from the financial assets no longer exist or all opportunities and risks are essentially transferred. Any financial assets sold without recourse are derecognized.

The **share interests in affiliated companies** and **investments** that are reported under financial fixed assets are measured at fair value through profit or loss. They are generally measured at fair value, which is derived from the stock market price, provided a price quoted in an active market is available. Subsequent gains and losses resulting from measurement at fair value are recognized as other financial income/expenses in the income statement.

Aurubis makes use of the OCI option for equity instruments and accounts for **securities classified as fixed assets** at fair value through other comprehensive income. When these equity instruments are sold, the profits and losses that are unrealized up to this point in other comprehensive income are transferred to revenue reserves and are not disclosed in the income statement.

The non-current receivables reported as **other financial fixed assets** are, if significant, measured at amortized cost for subsequent measurement purposes, applying the effective interest method.

Within the Aurubis Group, **trade accounts receivable** resulting from supply contracts that are not price-fixed are measured at fair value through profit or loss for subsequent measurement purposes. Receivables held for sale within the context of factoring arrangements are measured at fair value through other comprehensive income. On account of their short terms to maturity, remaining trade accounts receivable are measured at nominal value, less any expected credit losses.

Expected credit losses on financial assets measured at amortized cost or at fair value through other comprehensive income are recorded as allowances, i.e., as part of the measurement of these assets in the statement of financial position. A simplified approach for the recognition of impairment losses is applied for trade accounts receivable. Under this approach, the expected credit losses are calculated using a so-called cohort model, which is based on the data for the past three fiscal years. The measurement of the outstanding receivables takes actual historical bad debt losses into account, giving consideration to forward-looking information.

Actual defaults result in derecognition of the receivables affected. A financial asset is considered to be in default if contractual payments cannot be collected and are assumed to be irrecoverable. Any adjustments to the balance of allowances due to an increase or decrease in the amount of expected credit losses are recorded in an allowance account. The decision as to whether a credit default risk is recorded using an allowance account or through direct reduction of the receivables depends on how reliable the assessment of the risk situation is. The default risk for trade accounts receivable is limited in particular by the Aurubis Group's existing commercial credit insurance programs.

Derivative financial instruments that are not included in an effective hedging relationship in accordance with IFRS 9 (hedge accounting) and are therefore "held for trading" must be classified as "measured at fair value through profit or loss."

In addition, delivery contracts are concluded in the Aurubis Group for non-ferrous metals to cover the expected requirement for raw materials and also for the sale of finished products. In the process, physical delivery contracts may be terminated by making compensation payments due to changes in demand. Fixed-price metal delivery contracts are therefore also recognized as derivative financial instruments. Since these are not included in an effective hedging relationship in accordance with IFRS 9, they are similarly classified as "measured at fair value through profit or loss."

To the extent that they are non-current, a large proportion of the **other financial assets** are measured at amortized cost for subsequent measurement purposes, applying the effective interest method.

Cash and cash equivalents have a remaining term on initial recognition of up to three months and are measured at nominal value.

For financial assets that are not accounted for at fair value through profit or loss, **allowances for impairment** need to be recognized on the basis of the expected losses. To calculate these allowances, IFRS 9 provides a three-stage model (general approach). Depending on the counterparty's credit default risk, the model requires different levels of impairment assessment for these various stages.

For cash and cash equivalents and other financial assets that fall within the scope of impairment assessment under IFRS 9, the expected credit loss is primarily determined at the time of their acquisition on the basis of credit default swaps for which losses are calculated that are expected from defaults in the next twelve months. In the case of a significant increase in the default risk, the credit losses expected over the asset's respective term are considered. Because of the short-term nature and the counterparties' high level of creditworthiness, the default risk for the financial assets is low as at the reporting date.

When the company buys back its own shares, these are directly deducted from equity. Neither the purchase nor sale of treasury shares is recorded in profit or loss.

Financial liabilities are recognized if there is a contractual obligation to transfer cash and cash equivalents or other financial assets to another company. Financial liabilities are always initially recognized at fair value. Any directly attributable transaction costs are deducted for all financial liabilities that are not subsequently measured at fair value and are amortized over the term of the liability applying the effective interest method.
Financial liabilities denominated in foreign currency are measured on initial recognition with the valid rate applicable at the date of the transaction and as at the reporting date with the then applicable mid-market rate.

Primary financial liabilities, which include borrowings, trade accounts payable, and other primary financial liabilities, are generally measured at amortized cost. If the interest effect is not insignificant, non-interest-bearing liabilities, or liabilities bearing low interest rates, with a residual term exceeding one year, are discounted. In the case of liabilities with a residual term of less than a year, it is assumed that the fair value corresponds to the settlement amount. Trade accounts payable resulting from supply contracts that are not price-fixed provide an exception. These are measured at fair value through profit or loss (FV option) for subsequent measurement purposes. The fair value changes resulting from the company's own credit risk are now recognized in other comprehensive income.

The Aurubis Group uses **derivative financial instruments** to hedge interest rate and foreign currency risks and to hedge commodity price risks.

Derivative financial instruments are measured at fair value. This represents the market value and can be both positive and negative. If the market value is not available, the fair value is calculated utilizing present value and option price models. As far as possible, relevant market prices and interest rates observed at the reporting date, which are derived from recognized sources, are used as the opening parameters for these models.

Changes in the fair values of derivative financial instruments are recognized either through profit or loss in the income statement or in equity as a component of other comprehensive income. The decisive factor hereby is whether or not the derivative financial instrument is included in an effective hedging relationship. If no **cash flow hedge accounting** relationship exists, the changes in fair values are to be recognized immediately in profit or loss. If, on the other hand, an effective cash flow hedging relationship exists, such changes will be recognized in equity as a component of other comprehensive income.

In order to avoid fluctuations in the income statement due to the different measurement of hedged items and hedging instruments, IFRS 9 includes special regulations relating to hedge accounting. The aim of these hedge accounting regulations is to record the effects of changes in value of hedging instruments and hedged items so that they compensate one another as far as possible.

In addition to documentation, as a prerequisite for the application of the regulations of hedge accounting, IFRS 9 requires proof of an effective hedging relationship. Hedge effectiveness means that changes in fair value (for fair value hedges) or changes in cash flow (for cash flow hedges) of the hedged items are compensated by counteracting changes in the fair value or the cash flows of the hedging instruments, in each case relating to the hedged risk.

The purpose of derivatives that are used as hedging instruments in conjunction with a **cash flow hedge** is to hedge future cash flows. A risk with regard to the amount of future cash flows exists in particular for planned transactions that are highly likely to occur. Derivative financial instruments used in conjunction with cash flow hedge accounting are recognized at fair value. The gain or loss on measurement is split between an effective and an ineffective portion. The effective portion is the portion of the gain or loss on measurement that represents an effective hedge of the cash flow risk. This is recognized directly in equity under a special heading (cash flow hedge reserve), after taking deferred taxes into account. The ineffective portion deriving from measurement is recognized on the other hand in profit or loss in the income statement. The non-designated portion of the derivative is recorded in a separate reserve for hedging costs in other comprehensive income. Within the Aurubis Group, any changes in fair values of foreign currency options are excluded from the hedging relationship. The accounting treatment of the transactions underlying the hedged cash flows remain unchanged. Following the termination of the hedging relationship, the amounts recorded in the reserve are always transferred to the income statement when gains or losses made in connection with the hedged item are recognized in profit or loss or when the underlying transaction is not actually expected to occur anymore.

The Aurubis Group furthermore enters into hedging relationships that do not satisfy the strict requirements of IFRS 9 and cannot therefore be accounted for in accordance with the hedge accounting regulations. Nevertheless, from an economic point of view, these hedging relationships comply with the principles of risk management. Moreover, hedge accounting is also not applied in the case of the monetary assets and liabilities recognized in connection with foreign currency hedging, because the foreign currency translation gains and losses on the hedged items that need to be realized in profit or loss in accordance with IAS 21 are accompanied by gains and losses on the derivative hedging instruments and more or less compensate one another in the income statement.

The **fair value** of financial instruments is determined pursuant to the regulations of IFRS 13 covering measurement at fair value. The fair value of financial instruments quoted in active markets is calculated based on price quotations insofar as these are prices used in routine and current transactions. Where no prices quoted in active markets are available, the Aurubis Group uses measurement procedures to determine the fair value of financial instruments. Consequently, the input parameters applied in measurement procedures are based where possible on observable data derived from the prices of relevant financial instruments traded in active markets. The use of these measurement procedures requires estimates and assumptions on the part of the Aurubis Group, the scope of which depends on the price transparency of the financial instrument and its market, and the complexity of the instrument. Management regularly analyzes the methods and influencing factors used to determine the fair value to ensure that they are appropriate. Additional information about the main estimates and assumptions used to determine the fair value can be found in the section Financial instruments, pages 175-187.

INTANGIBLE ASSETS

If intangible assets are acquired, they are recognized at acquisition cost. Internally generated intangible assets that provide future economic benefits are recognized at their cost of generation if the criteria for their recognition as an asset are fulfilled. They are amortized on a scheduled, straight-line basis over their expected useful lives of generally between three and eight years. As an exception, scheduled amortization charges relating to investments made in connection with a long-term electricity supply contract are recorded under cost of materials over the term of the contract. An additional license acquired for a consideration exists, which will be amortized on a scheduled basis in the future. Furthermore, intangible assets were recognized as part of the purchase price allocation resulting from the acquisition of the Metallo Group in fiscal year 2019/20. These are amortized on a scheduled, straight-line basis over their expected useful life of 18 years. With the exception of goodwill, the consolidated financial statements do not include any intangible assets with indefinite useful lives.

PROPERTY, PLANT, AND EQUIPMENT

Items of property, plant and equipment are recognized as fixed assets if they are used in the business operations for more than one year are recognized. These assets are measured at cost less scheduled depreciation. Such assets also include spare parts and maintenance equipment used for more than one period. Technical minimum stocks are recognized as components of the respective technical equipment and machinery. These stocks are quantities of materials that contain metals and are necessary to establish and ensure a production facility's future functionality for its intended use. Minimum stocks are not subject to scheduled depreciation, as they do not deteriorate or age.

Construction costs include all costs that can be directly attributed to the asset. Borrowing costs that can be directly allocated to the purchase, construction, or production of a qualifying asset are capitalized. Borrowing costs of € 291 thousand (previous year: € 234 thousand) were capitalized in the fiscal year reported, applying a financing cost rate of 1.6 % (previous year: 1.7 %). Scheduled depreciation is charged using the straight-line method. In this context, depreciation periods used correspond to the expected economic useful lives of the assets, as applicable within the Group. The following useful lives were mainly applied:

Buildings	25 to 40 years
Site installations	10 to 25 years
Technical equipment and machinery	5 to 20 years
Technical minimum stock	unlimited useful life
Other equipment, factory and office equipment	3 to 20 years

General overhauls or maintenance measures resulting in the replacement of components are recognized as an asset if it is probable that future economic benefits will flow to the Group and the costs can be measured reliably.

LEASING (IFRS 16)

When a contract is entered into, Aurubis assess whether it is, or includes, a lease. As a general rule, all leases have been recognized by the lessees as a right-of-use asset and a lease liability from October 1, 2019 onwards.

The lease liabilities disclosed as financial liabilities are basically recognized at the present value of future fixed lease payments. Furthermore, any variable payments that are linked to an index and any expected residual value guaran-tees are taken into account. If there is reasonable assurance that an existing purchase or extension option will be exercised, then the purchase price and/or any related lease payments are included when determining the lease liability. Compensation for premature termination of the lease is taken into account if there is reasonable assurance that the claim will be exercised. The lease payments are discounted using the interest rate in the lease or, if there is no such interest rate, using the lessee's incremental borrowing rate. Risk-free interbank interest rates for corresponding terms to maturity in different currencies are used to deter-mine the incremental borrowing rate and are increased to include credit and country risk premiums. For subsequent measurement purposes, the carrying amount is increased by the interest on the lease liability and reduced by the lease payments made. The interest deriving from the winding back of the discount on the lease liability is recorded as interest expense in the financial result. If there is a change in the lease payments, the lease liabilities are remeasured. The remeasurement of the lease liability generally leads to an adjustment to the value of the right-of-use asset. Changes in lease payments arise, for example, in connection with adjustments to the term of the lease or though reassessment of extension or termination options.

The right-of-use assets disclosed under property, plant, and equipment are accounted for at cost less scheduled depreciation on a straight-line basis and, where applicable, less any necessary impairment losses recognized in accordance with IAS 36. The cost includes the present value of the lease payments shown under lease liabilities plus any advance lease payments made, plus any preliminary direct costs and restoration obligations. Any lease incentives received are deducted. The right-of-use assets are generally depreciated over the term of the lease. If the exercise of an existing purchase option can be assumed with reasonable assurance and the purchase price is included in the calculation of the future lease payments, the right-of-use assets are depreciated over the economic useful life of the leased asset.

Lease payments connected with short-term leases, expenses for leases of low-value assets, and variable lease payments that are not linked to an index are recorded in the income statement as current expenses. Moreover, the standards governing leases are not applied to leases of intangible assets. A separation is made into lease and non-lease components to the extent that these can be clearly identified and differentiated.

Leased-out leased assets are recognized at amortized cost under property, plant, and equipment. The resulting earnings are disclosed as revenues. In the case of a finance lease agreement, the leased asset is derecognized and a lease receivable is shown under other financial assets. Aurubis did not act as a lessor in any business relationships in either fiscal year 2019/20 nor in the previous year.

LEASING (IAS 17)

The recognition and measurement requirements under IAS 17, which were applied to leases in the previous year, are explained below.

Leased assets that satisfy the criteria of IAS 17 for a finance lease are recognized as fixed assets. This is the case if all significant risks and rewards of economic ownership lie with the respective Group company. Such items of property, plant, and equipment are recognized at fair value or, if lower, at the present value of the minimum lease payments, and are depreciated using the straight-line method over the term of the lease or, if it is expected that ownership will be transferred at the end of the lease term, over the economic useful life of the respective assets. The future lease installment payment obligations are recognized as a liability at their present value or current market value. The lease installment is divided into an interest component and a redemption component, to ensure that the lease liability bears interest at a constant rate. The non-current portion of the leasing obligation is recorded under non-current financial liabilities and the current portion is recorded under current financial liabilities. The interest component of the leasing rate is recognized in the income statement, leading to a constant interest charge over the term of the leasing agreement.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life, such as goodwill, are not amortized on a scheduled basis but are subjected to an annual impairment test. Furthermore, an assessment is made at every reporting date to determine whether there are any indications that the asset could be impaired. In the same way, items of property, plant, and equipment are tested for impairment if there are any indications of such impairment.

Since the metals contained in the minimum stock can be recovered and the utilization potential of the minimum stock is not subject to wear and tear as it is not used in the production process, an unlimited useful life is assumed. The minimum stocks are therefore not depreciated on a scheduled basis but are instead tested for impairment in conjunction with the respective production facilities if there are any indications of such impairment.

Assets that are amortized or depreciated on a scheduled basis are tested for impairment if events or changes in circumstances indicate that the carrying amount might not be recoverable. Impairment losses are recorded in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell and its value in use. For impairment testing purposes, assets are combined at the lowest level for which cash flows can be separately identified (cash-generating units). With the exception of goodwill, non-monetary assets on which impairment losses were recognized in the past are reviewed as at each reporting date to ascertain whether the impairment losses possibly need to be reversed.

INVENTORIES

Inventories are measured at acquisition or production cost on initial recognition. Production cost includes all direct costs attributable to the production process, as well as a systematically allocated share of the production-related overheads.

The acquisition costs of copper concentrates and raw materials for recycling are determined by deducting the treatment and refining charges negotiated with the supplier from the purchase value of the metal. Treatment and refining charges are deductions that are made due to the processing of ore concentrates and raw materials for recycling into copper and precious metals.

In the smelters, work in process is measured by initially measuring the metal content. The equivalent cost of the processing that is still required for production of the fine metal is deducted from this figure. In this manner, the costs incurred during the production process are successively recognized as a component of the total production cost. This procedure applies to the production of copper, precious metals, and minor metals.

When it comes to the production of copper products, in addition to the metal components, the incurred costs of further processing copper into special formats such as wire rod, shapes, and rolled products are taken into consideration for the measurement of finished goods by way of a calculation surcharge.

Inventories are measured using the average cost method in accordance with IAS 2. In this context, the amount recognized as at the reporting date is measured at the lower of cost and net realizable value. Net realizable value is determined on the basis of quoted commodity exchange or market prices as at the reporting date.

OTHER NON-FINANCIAL ASSETS

Other non-financial assets are recognized at amortized cost. Write-downs are made to the extent that the assets are at risk.

INCOME TAXES

Income taxes comprise both current and deferred taxes. The tax expense and/or tax credit is recorded in profit or loss. If, however, the related source transactions are recognized directly in equity or in other comprehensive income, then the income taxes attributed to them are also directly accounted for in equity or in other comprehensive income.

The Aurubis Group companies are subject to income taxes in many countries around the world. The tax expense and/or tax credit is calculated by applying the tax regulations of the individual countries that are applicable as at the reporting date.

Deferred tax assets and liabilities result from temporary differences between the tax-based carrying amounts of assets and liabilities and those taken into account in the IFRS financial statements or from tax loss carryforwards and tax credits not yet utilized. The calculation of deferred taxes is based on the tax rates expected in the individual countries at the time of realization. These tax rates are generally based on legislation that is valid, or has been enacted, as at the reporting date.

Deferred tax assets deriving from temporary differences, tax loss carryforwards, and tax credits are recognized by the respective company entities to the extent that deferred tax liabilities exist. If deferred tax assets exceed deferred tax liabilities, they are recognized to the extent that it is probable that sufficient taxable income will be available in the future to ensure the utilization of these tax assets. The recoverability of the recognized deferred tax assets is reviewed on an individual basis each year.

Deferred tax liabilities that arise due to temporary differences in connection with investments in subsidiaries and associated companies are recognized unless the point in time for the reversal of the temporary differences can be determined by the Group and it is likely that the temporary differences will not reverse in the foreseeable future due to this determining influence.

Deferred tax assets and liabilities are offset against one another in cases where a legal right of set-off exists and if they relate to income taxes levied on the same company by the same taxation authority.

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations are disclosed as soon as part of a company is classified as held for sale, the business area is a separate, significant line of business, and it is for sale as part of a coordinated overall plan.

In accordance with IFRS 5, assets held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

The consolidated result from discontinued operations is reported in the consolidated income statement separately from expenses and income from continued operations; prior-year figures are shown on a comparable basis. In the consolidated cash flow statement, discontinued operations are included in the cash inflows/outflows from operating, investing, and financing activities. Cash flows from operating, investing, and financing activities for the discontinued business area are presented separately in the Notes to the Financial Statements. Furthermore, assets and liabilities held for sale are separately disclosed in the consolidated statement of financial position in aggregated form.

If, however, a discontinued business area does not fulfill the requirements of IFRS 5.32, assets and liabilities held for sale are separately disclosed in the consolidated statement of financial position in aggregated form. No adjustment is made to prior-year figures. The assets and liabilities disclosed in aggregated form in the statement of financial position are explained in more detail in the Notes to the Financial Statements, broken down by key groups. In this case, no separate disclosure is made in the consolidated income statement.

PROVISIONS

Provisions for pensions and similar obligations are determined in accordance with the projected unit credit method prescribed by IAS 19, based on actuarial reports, applying the "Heubeck-Richttafeln 2018 G" mortality tables. In this connection, the demographic assumptions applied, as well as expected salary and pension trends and the interest rate to be used, are determined on the basis of current estimates as at the reporting date. Accordingly, actuarial gains and losses can result from deviations between the actual parameters as at the reporting date and the assumptions used for the calculation. These actuarial gains and losses – as well as income deriving from plan assets that are not included in net interest – are recognized immediately and completely as they arise and are disclosed as generated Group equity. Past service cost is recognized immediately as an expense in profit or loss.

To determine the net obligation deriving from defined benefit plans, the fair value of the plan assets is deducted from the present value of the pension obligations.

Other provisions are set up for all other uncertain obligations and risks of the Aurubis Group provided that a related obligation to third parties results from a past event, the settlement of which is expected to result in an outflow of cash resources, and the respective amount can be reliably estimated. If the effect of the time value of money is material, non-current provisions are recognized at their present value.

OTHER NON-FINANCIAL LIABILITIES

Other non-financial liabilities are recognized at amortized cost.

Contractual liabilities are recorded when one of the parties has fulfilled its contractual obligation. This primarily applies to advance payments received in respect of customer orders that are recognized under other non-financial liabilities.

Significant estimates and assumptions

Accounting and measurement in the consolidated financial statements are influenced by a large number of estimates and assumptions, which are based on past experience as well as additional factors, including expectations about future events. All estimates and assessments are subject to continuous review and re-evaluation. The use of estimates and assumptions is especially necessary in the following areas:

IMPAIRMENT OF GOODWILL AND OF A LICENSE ACQUIRED FOR A CONSIDERATION

An impairment test is carried out at least annually in line with the accounting policies. In this context, the recoverable amount is calculated on the basis of the value in use Intangible assets, page 156. The calculation of the value in use in particular requires estimates of future cash flows on the basis of calculations made for planning purposes.

In fiscal year 2019/20, the impairment test for the Aurubis Hamburg Copper Products cash-generating unit (CGU) resulted in recognition of an impairment loss for the entire goodwill, amounting to € 17,439 thousand.

As in the previous year, no impairment loss was recognized for other goodwill amounts or for the licenses acquired for a consideration.

FAIR VALUES IN CONJUNCTION WITH BUSINESS COMBINATIONS

Acquired assets, liabilities, and contingent liabilities are recognized at their fair values when accounting for business combinations. Discounted cash flow (DCF)-based procedures, the results of which depend on assumed future cash flows and other assumptions, are often used in this context. The measurement of contingent liabilities depends significantly on the assumptions with respect to the future resource outflows and the probability of their occurrence.

FAIR VALUES OF DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The fair values of financial instruments for which there are no quoted prices in an active market are determined on the basis of financial calculation procedures and are influenced by assumptions specific to the instrument. Estimates have a particularly significant influence when the fair value needs to be determined for financial instruments for which at least one significant parameter is not based on observable market data (Level 3 of the fair value hierarchy). The selection and application of suitable parameters and assumptions require an assessment by management. Extrapolation and interpolation procedures have to be applied in particular when data are derived from uncommon market transactions. Detailed information can be found in the section Financial instruments, pages 175-187.

ACCOUNTING FOR INVENTORIES

Various estimates have to be made in connection with the accounting treatment of inventories. For example, estimation procedures are applied when quantifying inventories as well as in the determination of the metal yield content.

PENSION PROVISIONS AND OTHER PROVISIONS

Within the Aurubis Group, retirement benefits for employees are provided on the basis of both defined benefit plans and defined contribution plans.

Obligations deriving from defined benefit pension plans are measured in accordance with actuarial procedures. These procedures are based on several actuarial assumptions, such as, for example, the assumed interest rate, expected salary and pension developments, employee fluctuations, and life expectancy. For the purposes of determining the assumed interest rate, high-quality corporate bonds with commensurate terms and currencies are used as a source of reference. Deviations of the actual development from the assumptions at the beginning of the reporting period lead to remeasurement of the net liability.

When recognizing other provisions, assumptions are made with regard to the probability of the occurrence and the amount and timing of the outflow of resources, which by their nature are subject to uncertainty.

Other significant estimates relate to the determination of the useful lives of intangible assets and items of property, plant, and equipment, the collectability of receivables, and the measurement of inventory risks within inventories.

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

In accordance with IFRS 5, discontinued operations are measured at the lower of their carrying amount and their fair value less costs to sell.

Changes in accounting and measurement methods due to new standards and interpretations

The following standards were applied for the first time in fiscal year 2019/20.

Standards and interpretations applied for the first time

	Standard/interpretation	Compulsory application in the EU	Adoption by European Commission	Impact
IFRS 9	Prepayment Features with Negative Compensation (Amendments to IFRS 9)	1/1/2019	3/22/2018	No impacts
IFRS 16	Leases	1/1/2019	10/31/2017	A detailed description of the impacts follows the overview in this table.
IAS 19	Amendments: Employee Benefits	1/1/2019	3/13/2019	No impacts
IAS 28	Amendments: Investments in Associates and Joint Ventures	1/1/2019	2/8/2019	No impacts
Various	Annual Improvements to IFRS (2015-17 cycle)	1/1/2019	3/14/2019	No significant effects

IFRS 16

The new accounting standard IFRS 16 “Leases” was published by the IASB in January 2016 and was adopted into European law by the EU on October 31, 2017. IFRS 16 replaces the previous standard IAS 17, as well as the related interpretations IFRIC 4, SIC-15, and SIC-27. Application of IFRS 16 is compulsory for fiscal years beginning on or after January 1, 2019. Aurubis applied IFRS 16 with the modified retrospective method for the first time on October 1, 2019, without adjusting the prior-year figures. Consequently, the figures disclosed for the reporting year can only be compared with prior-year figures to a limited extent. In the transition to IFRS 16, Aurubis has used the simplified approach with regard to maintaining the definition of a lease. Consequently, at the time of first application, the Group applied IFRS 16 to the agreements that had previously been classified as leases under application of IAS 17 and IFRIC 4. The definition of a lease pursuant to IFRS 16 is applied to contracts that were entered into or changed after October 1, 2019.

For lessees, IFRS 16 leads to the recognition of all leases in the form of a right-of-use asset and a lease liability on the basis of the present value of future lease payments. Lease payments are discounted with the interest rate in the lease or, if there is no such interest rate, with the lessee’s incremental borrowing rate. Lessees no longer make a distinction between operating and finance leases no longer has to be made for lessees. The previous expense for operating leases is no longer recognized in the income statement. From now on, it will be replaced by the depreciation charges made in respect of the right-of-use assets as well as interest expenses deriving from the unwinding of discount on lease liabilities.

Furthermore, IFRS 16 leads to a shift in cash flows in the cash flow statement. The lease payments will be shown from now on in the cash flow from financing activities in the future instead of in the cash flow from operating activities, as was previously the case. Aurubis makes use of the options provided to lessees by the standard and recognizes payments of short-term leases and leases for low-value assets directly in expenses and in the cash flow from operating activities. The new requirements were not applied to leases whose term ends within twelve months following the time of first application. These leases are recognized in the same way as short-term leases. Aurubis applies the practical remedy that is available in the standard and does not recognize the initial direct costs when measuring right-of-use assets at the time of initial application.

For lessors, the accounting model prescribed by IFRS 16 does not differ materially from the requirements of IAS 17. For accounting purposes, a distinction must still be made here between finance leases and operating leases.

At the time of the transition on October 1, 2019, the application of IFRS 16 resulted in an increase of both assets and liabilities in the statement of financial position of some € 34.5 million. The key corporate control parameters operating EBT and operating ROCE are only minimally affected by the application of IFRS 16. The weighted average discount rate for lease liabilities at the time of initial application was 3.0 %.

Based on the commitments under operating leases as at September 30, 2019, the reconciliation to the opening balance of lease liabilities as at October 1, 2019 was as follows:

Reconciliation of lease liabilities

in € thousand	10/1/2019
Commitments under operating leases as at 9/30/2019	41,370
Discounting	-5,136
Exercise of options and other factors	-1,713
Lease liabilities recognized for the first time as at 10/1/2019	34,521
Liabilities previously recognized under finance leases as at 9/30/2019	36,444
Lease liabilities recognized as at 10/1/2019	**70,965**

Standards and interpretations not adopted early

	Standard/interpretation	Compulsory application in the EU	Adoption by European Commission	Impact
IAS 1/IAS 8	Definition of Material	1/1/2020	11/29/2019	No impacts
IFRS 3	Amendments: Business Combinations	1/1/2020	4/21/2020	No impacts
IFRS 7/9, IAS 39	Amendments: Interest Rate Benchmark Reform (Phase 1)	1/1/2020	1/15/2020	Based on our current understanding, Aurubis does not expect any material effects.
Framework		1/1/2020	11/29/2019	Based on our current understanding, Aurubis does not expect any material effects.
IFRS 16	Amendments: COVID-19-Related Rent Concessions	6/1/2020	10/9/2020	No impacts
IFRS 4/7/9/16, IAS 39	Amendments: Interest Rate Benchmark Reform (Phase 2)	1/1/2021	open	Based on our current understanding, Aurubis does not expect any material effects.
IFRS 3	Amendments: Reference to the Conceptual Framework	1/1/2022	open	Based on our current understanding, Aurubis does not expect any material effects.
IAS 37	Amendments: Onerous Contracts	1/1/2022	open	No impacts
IAS 16	Amendments: Proceeds before Intended Use	1/1/2022	open	No impacts
Various	Annual Improvements to IFRS (2018-20 cycle)	1/1/2022	open	No impacts
IFRS 17	Insurance Contracts	1/1/2023	open	No impacts
IAS 1	Amendments: Classification of Liabilities	1/1/2023	open	No impacts

Acquisitions and discontinued operations

BUSINESS COMBINATIONS

On May 29, 2020, Aurubis AG acquired 100 % of the shares of Metallo Group Holding NV, thus attaining control of the company. Metallo is a recycling and refining company that specializes in recovering non-ferrous metals, primarily from recycling materials with low metal contents. The company has about 540 employees at locations in Belgium and Spain.

The following overview provides a summary of the values of the assets identified and liabilities assumed at the time of purchase, as well as the consideration transferred for the acquisition:

in € million	
Cash and cash equivalents	42
Receivables	48
Inventories	135
Property, plant, and equipment	228
Intangible assets	63
Financial liabilities	85
Provisions	15
Deferred tax assets (net)	50
Net identifiable assets acquired	**366**
plus goodwill	9
Total purchase price	**375**
of which fulfilled with cash	375
less cash and cash equivalents acquired	42
Net cash outflow deriving from the acquisition	**333**

The goodwill of € 9 million resulting from the acquisition comprises the takeover of expertise that enables the processing of additional complex materials in the Aurubis smelter network.

The acquisition-related costs of € 7.7 million that cannot be directly allocated are included in the income statement. € 5.7 million of this amount is included in other operating expenses and € 2.0 million recorded in interest expense.

Metallo contributed € 146.6 million to Group revenues and € -2.6 million to the consolidated net income for the period between the acquisition date and the closing date of the financial statements (four months).

If the acquisition of Metallo had been concluded on October 1, 2019, Metallo would have contributed € 455.7 million to Group revenues for the year and € 15.9 million to the consolidated net income.

For the purpose of preparing this pro forma information, it was assumed that the acquisition had already taken place as at October 1, 2019. This hypothetical purchase price allocation is nevertheless based on the fair values for the acquired assets and liabilities derived within the context of the actual purchase price allocation. The historical result was corrected with pro forma adjustments.

The adjustments represent fair value remeasurements that result from additional depreciation charges on fixed assets for the period from October 1, 2019 to May 31, 2020, and were made in the context of the initial consolidation as at June 1, 2020.

The accounting principles, particularly those related to the measurement of inventories and financial instruments, were not adjusted for the period from October 1, 2019 to May 31, 2020.

The pro forma financial information does not take any synergies or cost savings connected with the transaction into account.

Due to the premises described, the pro forma result shown here does not necessarily correspond to the result that Metallo would have generated if the acquisition had actually been completed on October 1, 2019.

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Aurubis has intended to sell Segment FRP since fiscal year 2017/18. For this reason, the special presentation and measurement requirements specified in IFRS 5 were applied in previous years. Although the company still intends to sell Segment FRP and the sale negotiations are at an advanced stage, application of IFRS 5 to Segment FRP was discontinued in Q4 of the fiscal year reported. From a current perspective, the Executive Board does not assume that it is highly probable that the sale will be completed within the twelve-month period pursuant to IFRS 5 that runs until February 2021. As regards the reconciliation of the consolidated statement of financial position and the consolidated income statement, Segment FRP is thus once again fully included in the consolidated financial statements in accordance with IFRS. Prior-year figures have been adjusted accordingly.

The following overview shows the adjustment of the prior-year figures in the consolidated statement of financial position and the consolidated statement of comprehensive income due to the reclassification of Segment FRP:

in € million	9/30/2019 (after adjustment)	9/30/2019 (as reported)
Assets	**4,535**	**4,532**
Fixed assets	1,506	1,384
Deferred tax assets	8	4
Non-current receivables and other assets	30	28
Inventories	1,993	1,728
Current receivables and other assets	502	405
Cash and cash equivalents	441	421
Investments measured using the equity method	54	0
Assets held for sale	0	561
Equity and liabilities	**4,535**	**4,532**
Equity	2,598	2,593
Deferred tax liabilities	182	170
Non-current provisions	403	356
Non-current liabilities	154	153
Current provisions	50	43
Current liabilities	1,148	1,057
Liabilities deriving from assets held for sale	0	160
Statement of total comprehensive income		
Revenues	11,897	10,763
Gross profit	1,224	1,027
Earnings before taxes (EBT)	264	260
Consolidated net income	193	191

The retrospective reclassification of the FRP business segment, which had been previously treated as a discontinued operation, had an impact of € 1.4 million in the previous year.

With the signing of the term sheet in August 2020, the assets and liabilities of CABLO Metall-Recycling & Handel GmbH were classified as held for sale for the first time. This is included in Segment MRP in the segment reporting. No impairment losses were recognized.

On November 13, 2020, Aurubis AG, CABLO Metall-Recycling & Handel GmbH, and TSR Recycling GmbH & Co. KG signed an agreement to establish a joint venture for cable recycling. The transaction is planned to be concluded in Q1 2021.

The following overview shows the carrying amounts of the assets held for sale and related liabilities:

in € million	9/30/2020	9/30/.2019
Assets		
Fixed assets	3	0
Inventories	3	0
Current receivables and other assets	5	0
Assets held for sale	**11**	**0**
Liabilities		
Deferred tax liabilities	1	0
Current liabilities	6	0
Liabilities deriving from assets held for sale	**7**	**0**

Notes to the income statement

1. REVENUES

Analysis by product group in € thousand	2019/20	2018/19
Wire rod	3,907,356	4,274,054
Precious metals	3,477,041	2,865,272
Copper cathodes	2,499,416	2,208,339
Shapes	746,912	820,359
Strip, bars, and profiles	1,073,027	1,312,026
Other	724,790	417,006
	12,428,542	**11,897,056**

A further breakdown of Aurubis Group revenues by Group segments is provided in the context of segment reporting Segment Reporting, pages 190-193.

As at September 30, 2020, the countervalue attributable to the (partially) unfulfilled performance obligations were attributed was € 979,161 thousand (previous year: € 1,353,710 thousand). This amount is expected to be recognized within the next two fiscal years.

A remeasurement effect of € -15,916 thousand in fiscal year 2019/20 derived from supply contracts for which prices had not been fixed (previous year: € -59,749 thousand).

2. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROCESS

in € thousand	2019/20	2018/19
Finished goods	129,488	56,818
Work in process	-11,492	116,262
	117,996	**173,080**

Changes in inventories of finished goods and work in process were mainly due to the build-up of finished copper products and precious metal inventories.

3. OWN WORK CAPITALIZED

Own work capitalized of € 22,517 thousand (previous year: € 19,992 thousand) primarily includes production costs and purchased materials.

4. OTHER OPERATING INCOME

in € thousand	2019/20	2018/19
Cost reimbursements	19,601	19,837
Income deriving from the reversal of provisions	2,390	406
Income deriving from the recognition of other assets	0	19,874
Income deriving from reversals of impairment losses	0	6,220
Other income	11,416	15,658
	33,407	**61,995**

The entire amount reported as “Income deriving from the recognition of other assets” in the previous year relates to a receivable from the prohibited sale of Segment FRP to Wieland-Werke AG.

5. COST OF MATERIALS

in € thousand	2019/20	2018/19
Raw materials, supplies, and merchandise	10,847,018	10,566,417
Cost of purchased services	351,121	362,053
	11,198,139	**10,928,470**

The cost of materials ratio, represented by the ratio of the cost of materials to revenues and changes in inventories, was 89.3 % (previous year: 90.5 %).

6. PERSONNEL EXPENSES AND EMPLOYEE NUMBERS

in € thousand	2019/20	2018/19
Wages and salaries	445,660	397,124
Social security contributions, pension and other benefit expenses	106,912	107,862
	552,572	**504,986**

Pension expenses include allocations to the provisions for pensions.

The average number of employees in the Group during the year was as follows:

	2019/20	2018/19
Blue collar	4,220	4,207
White collar	2,418	2,288
Apprentices	259	245
Total average	**6,897**	**6,740**

The increase in the number of employees in the Group is primarily due to the acquisition of Metallo during the year reported. For purposes of reporting the annual average figures, the numbers for Metallo employees are included proportionally from the date of inclusion of Metallo in the consolidated financial statements.

Among other components, the total compensation of the Aurubis AG Executive Board members, who were newly appointed from fiscal year 2017/18 onwards, includes a share-based compensation component with a cash settlement.

The following parameters were taken as a basis for the calculation of the fair value of the virtual deferred stock compensation plan:

	9/30/2020
Share price (in €)	58.14
Exercise price (in €)	87.21
Expected volatility (weighed average, in %)	27.00
Expected term (weighed average, in years)	2.00
Expected dividend (in %)	2.15
Risk-free interest rate (based on government bonds, in %)	-0.70
Fair value (in € thousand)	850

The expected volatility is based on an assessment of the historic volatility of the company's share price, especially in the period that corresponds to the expected term.

The personnel expenses deriving from the deferred stock compensation plan amounted to € 660 thousand in the fiscal year reported (previous year: € 117 thousand) and are included in the same amount as provisions at the reporting date.

7. DEPRECIATION AND AMORTIZATION

Depreciation of property, plant, and equipment and amortization of intangible assets totaled € 209,826 thousand (previous year: € 140,000 thousand) for the Group. This comprises depreciation of € 186,538 thousand (previous year: € 137,230 thousand) on property, plant, and equipment and amortization of € 23,288 thousand (previous year: € 2,770 thousand) on intangible assets.

In the year reported, the amortization of intangible assets included impairment losses of € 17,439 thousand (previous year: € 0 thousand) on goodwill of the Copper Products Hamburg cash-generating unit (CGU. In addition, impairment losses of € 24,594 thousand (previous year: € 0 thou-sand) were recognized against property, plant, and equipment in connection with impairment tests performed in response to specific events. In this context, a requirement to recognize impairment losses was identified for CGUs in the Netherlands, Mortara, Buffalo, and Italy.

Scheduled depreciation of property, plant, and equipment in the fiscal year reported includes depreciation of € 12,773 thousand for capitalized leases pursuant to IFRS 16.

The total figure of € 214,800 thousand (previous year: € 144,984 thousand) that is reported for depreciation of property, plant, and equipment and amortization of intangible assets in the tables showing changes in assets includes depreciation on investments in connection with an electricity supply contract of € 4,974 thousand (previous year: € 4,984 thousand), which is disclosed under cost of materials.

A detailed breakdown of the depreciation of property, plant, and equipment and amortization of intangible assets is provided in the summary of changes in the Group's intangible assets and property, plant, and equipment. Intangible assets, page 156, and Property, plant, and equipment, page 158.

8. OTHER OPERATING EXPENSES

in € thousand	2019/20	2018/19
Selling expenses	117,783	112,501
Administrative expenses	92,811	89,604
Other taxes	3,094	2,935
Sundry operating expenses	52,645	98,714
	266,333	**303,754**

The selling expenses mainly comprise freight costs. In the previous year, sundry operating expenses included € 29,871 thousand of previously capitalized project costs in connection with the Future Complex Metallurgy project, which were recognized as an expense because the project was discontinued.

9. RESULT FROM INVESTMENTS MEASURED USING THE EQUITY METHOD

The result from investments measured using the equity method of € 6,455 thousand (previous year: € 4,764 thousand) comprises the 50 % holding in Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg.

10. INTEREST

in € thousand	2019/20	2018/19
Interest income	6,679	3,932
Interest expense	-18,832	-20,292
	-12,153	**-16,360**

The interest income mainly derives from receivables that were the subject of a successfully contested arbitration case, as well as from interest-bearing customer receivables.

The interest expense primarily results from borrowings. Among other items, the interest expense includes the net interest deriving from defined benefit plans, amounting to € 2,842 thousand (previous year: € 4,174 thousand).

11. OTHER FINANCIAL RESULT

in € thousand	2019/20	2018/19
Other financial income	88	407
Other financial expenses	-2,659	-31
	-2,571	**376**

The other financial expenses derive from impairment losses recognized against the carrying amounts of two non-consolidated companies.

12. INCOME TAXES

Income taxes comprise both current income taxes as well as deferred taxes. Tax liabilities and receivables include obligations or claims deriving from domestic and foreign income taxes for previous years and for the current year. Income taxes were made up as follows:

in € thousand	2019/20	2018/19
Current tax expenses/credits	69,394	60,738
Deferred tax expenses/credits	32,566	10,249
Income taxes	**101,960**	**70,987**

Current taxes include tax expenses of € 41 thousand (previous year: € 778 thousand) and deferred taxes include tax credits of € 119 thousand (previous year: € 220 thousand) deriving from earlier fiscal years.

Applicable German tax legislation for fiscal year 2019/20 foresees a corporate income tax rate of 15 %, plus a solidarity surcharge of 5.5 %. The trade tax rate applicable for Aurubis AG amounts to 16.59 %. The tax rates are unchanged from those of the previous year. For the other German Group companies, trade tax rates between 11.08 % and 16.45 % (previous year: 11.09 % and 16.45 %) are applicable. The foreign companies are subject to their respective national income tax rates, which vary between 10 % and 29.58 % (previous year: 10 % and 29.58 %).

In Belgium, the tax rate for fiscal years that end on December 31, 2018 or later is 29.58 % and the tax rate for fiscal years that end on December 31, 2020 or later is 25 %. We therefore determined a rate of 29.58 % as a basis for calculating current taxes, and a rate of 25 % for short-term and long-term deferred taxes.

The Group taxes include tax effects from foreign subsidiaries to a significant degree. As a consequence, the tax rate of the German parent company of 32.41 % (previous year: 32.41 %) is not applied as the Group tax rate for calculation purposes, but a Group-wide mixed tax rate of 23.90 % (previous year: 23.99 %) is used instead. As in the prior year, the main contributions to earnings come from Aurubis AG and Aurubis Bulgaria AD.

The actual income taxes of € 101,960 thousand (previous year: € 70,987 thousand) were € 14,176 thousand higher (previous year: € 7,727 thousand) than the expected income tax expense of € 87,784 thousand (previous year: € 63,260 thousand). The difference between the expected and the actual income tax expense is due to the reasons outlined in the following tax reconciliation:

Reconciliation

in € thousand	2019/20	2018/19
Earnings before taxes (EBT)	**367,323**	**263,693**
Theoretical tax charge at 23.90% (previous year: 23.99%)	**87,784**	**63,260**
Reconciliation effects to derive the actual tax charge:		
– changes in tax rates	-3,020	127
– non-recognition and correction of deferred taxes	7,852	2,239
– taxes for previous years	1,411	3,235
– non-deductible expenses	3,940	2,495
– non-taxable income/trade tax reductions	-770	-454
– notional interest deduction (Belgium)	-12	-10
– outside basis differences	114	-179
– permanent differences	1,491	0
– measurement at equity	-911	247
– impairment of goodwill	3,605	0
– other	476	27
Income taxes	**101,960**	**70,987**

In fiscal year 2019/20, there were effects deriving from changes in tax rates, amounting to € -3,020 thousand (previous year: € 127 thousand), mostly resulting from the change in the tax rate in Belgium.

Effects deriving from the non-recognition and correction of deferred taxes result from write-downs of deferred tax assets on loss carryforwards, and amount to € 7,852 thousand (previous year: € 2,239 thousand).

The effects of € 1,411 thousand from taxes for previous years (previous year: € 3,235 thousand) result from adjustments to previous years' tax returns (previous year: tax impacts deriving from tax field audits that had been completed).

The higher non-deductible expenses compared to the previous year are mainly based on the non-deductible portion of the dividend income.

The effect of the notional interest deduction in accordance with Belgian tax law in the amount of € -12 thousand (previous year: € -10 thousand) had a lower impact, as was the case in the previous year.

Effects deriving from permanent differences result from different measurement approaches in the time of initial consolidation and from non-consolidated subsidiaries.

As regards the impairment of goodwill, please refer to note 15 in the Notes to the statement of financial position Intangible assets, pages 156–158.

Pursuant to IAS 12.15 (a), deferred taxes may not be recognized at the time of the initial recognition of good-will and for subsequent changes in value.

The recognized deferred tax assets and deferred tax liabilities result from the following recognition and measurement differences in individual items in the statement of financial position, from tax loss carryforwards, and from outside basis differences (OBD):

in € thousand	9/30/2020 Deferred tax assets	9/30/2020 Deferred tax liabilities	9/30/2019 Deferred tax assets	9/30/2019 Deferred tax liabilities
Intangible assets	6,739	14,062	7,675	204
Property, plant, and equipment	5,748	145,119	605	99,371
Investments measured using the equity method	0	1,612	0	2,754
Inventories	16,788	238,469	11,758	196,847
Receivables and other assets	21,508	56,829	11,181	24,783
Pension provisions	56,938	153	82,614	0
Other provisions	9,623	3,181	9,879	18
Liabilities	59,786	11,066	28,179	8,514
Tax loss carryforwards	1,577	0	7,173	0
Tax credits	0	0	170	0
Outside basis differences	0	716	0	788
Offsetting	-169,996	-169,996	-151,434	-151,434
Consolidated statement of financial position	**8,711**	**301,211**	**7,800**	**181,845**

€ 75,660 thousand (previous year: € 43,172 thousand) of the deferred tax assets and € 301,793 thousand (previous year: € 225,289 thousand) of the deferred tax liabilities will be realized within the next twelve months. Deferred tax assets of € 103,047 thousand (previous year: € 116,062 thousand) and deferred tax liabilities of € 169,414 thousand (previous year: € 107,990 thousand) will be realized after more than twelve months. These figures represent the amounts prior to offsetting.

The income taxes to be accounted for in other comprehensive income (OCI) are distributed among the following areas:

in € thousand	9/30/2020 Balance	9/30/2020 Change	9/30/2019 Balance	9/30/2019 Change
Deferred taxes				
Derivatives	-6,308	-9,185	2,877	1,257
Pension provisions	13,383	-27,650	41,033	30,301
Total	**7,075**	**-36,835**	**43,910**	**31,558**
Current taxes	-1,782	630	-2,412	-532

With respect to the change in OCI deriving from pension provisions, please refer to note 25 in the Notes to the statement of financial position Pension provisions and similar obligations, pages 166–169.

The realization of deferred tax assets is considered to be sufficiently probable after taking the Group's forecast development plans and the profit expectations of the subsidiaries into account. Deferred tax assets are recognized in respect of loss carryforwards to the extent that deferred tax liabilities were available or if the companies concerned had positive future earnings forecasts.

Loss carryforwards existed totaling € 106,406 thousand (previous year: € 117,215 thousand). Deferred tax assets of € 1,577 thousand (previous year: € 7,173 thousand) were recognized in respect of income tax losses of € 8,502 thousand (previous year: € 33,232 thousand). No deferred tax assets were set up during the year reported in respect of tax credits (previous year: € 170 thousand).

No deferred tax assets were set up with respect to loss carryforwards of € 97,904 thousand (previous year: € 83,983 thousand), as the possibility of utilizing them is believed to be unlikely from a current perspective. Of the tax loss carryforwards deemed not to be utilizable, an amount of € 35,103 thousand (previous year: € 23,504 thousand) can be carried forward indefinitely, an amount of € 6,176 thousand (previous year: € 6,177 thousand) can be utilized within the next six years and an amount of € 56,625 thousand (previous year: € 54,302 thousand) can be utilized within the next nine years.

Deferred tax liabilities of € 716 thousand (previous year: € 788 thousand) were set up with respect to the differences between the proportional equity of subsidiaries recognized in the consolidated statement of financial position and the investment carrying amounts for these subsidiaries shown in the tax-based records of the respective parent company (so-called outside basis differences) as at the reporting date. No deferred tax liabilities were set up for outside basis differences deriving from undistributed earnings of subsidiaries amounting to € 21,885 thousand (previous year: € 16,535 thousand), since the reversal of these differences is unlikely in the foreseeable future.

13. CONSOLIDATED NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Of the reported consolidated net income for 2019/20 of € 265,363 thousand (previous year: € 192,706 thousand), a share of income of € 191 thousand (previous year: € 128 thousand) is attributable to shareholders other than the shareholders of Aurubis AG, Hamburg. This relates to the non-controlling interests in Aurubis Bulgaria AD, Pirdop.

14. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the consolidated net earnings excluding the non-controlling interests by the weighted average number of shares outstanding during the fiscal year.

in thousand units	Issued shares	Treasury Shares	Shares outstanding
Start of fiscal year	44,957	0	44,957
Acquisition of treasury shares	0	977	-977
Number of shares at 9/30/2020	44,957	977	43,980
Weighted number of shares	**44,957**	374	**44,583**

in € thousand	2019/20	2018/19
Consolidated net income attributable to Aurubis AG shareholders	265,172	192,578
Weighted average number of shares (in thousand units)	44,583	44,957
Basic earnings per share (in €)	**5.95**	**4.28**
Diluted earnings per share (in €)	**5.95**	**4.28**

Diluted earnings per share are determined by augmenting the average number of the shares outstanding during the fiscal year to include the maximum number of potential shares. Potential shares are the maximum number of stock options or shares that could be issued if all conversion rights on convertible bonds were exercised, or other contractual rights that give the shareholder the right to purchase shares. Where applicable, the consolidated net income is increased at the same time by the interest expense incurred on convertible bonds less the corresponding taxes.

Since such financial instruments and other rights existed neither in the reporting year nor in the prior year, the diluted earnings per share for the Aurubis Group correspond to the basic earnings per share.

Notes to the statement of financial position

15. INTANGIBLE ASSETS

The development of the costs of acquisition or generation and the accumulated amortization and impairment-related write-downs of the intangible assets are as follows:

Costs of acquisition or generation

in € thousand	Franchises, industrial property rights, and licenses	Goodwill	Payments on account for intangible assets	Total
10/1/2019	158,166	43,170	7,653	208,990
Assets held for sale	-221	0	0	-221
Changes in the scope of consolidation	63,000	8,656	0	71,655
Additions	2,101	0	3,202	5,303
Disposals	-272	0	0	-272
Transfers	5,924	0	-5,924	0
9/30/2020	**228,698**	**51,826**	**4,931**	**285,455**

Amortization and impairment losses

in € thousand	Franchises, industrial property rights, and licenses	Goodwill	Total
10/1/2019	-61,209	-24,522	-85,731
Assets held for sale	221	0	221
Amortization and impairment losses for the fiscal year	-10,823	-17,439	-28,262
Disposals	262	0	262
Transfers	0	0	0
9/30/2020	**-71,549**	**-41,961**	**-113,510**

Carrying amount

in € thousand	9/30/2020	9/30/2019
Intangible assets		
Franchises, industrial property rights, and licenses	157,149	96,958
Goodwill	9,865	18,648
Payments on account for intangible assets	4,931	7,653
	171,945	**123,259**

Costs of acquisition or generation

in € thousand	Franchises, industrial property rights, and licenses	Goodwill	Payments on account for intangible assets	Total
10/1/2018	150,867	43,170	8,806	202,843
Additions	2,792	0	3,721	6,513
Disposals	-366	0	0	-366
Transfers	4,874	0	-4,874	0
9/30/2019	**158,167**	**43,170**	**7,653**	**208,990**

Amortization and impairment losses

in € thousand	Franchises, industrial property rights, and licenses	Goodwill	Total
10/1/2018	-53,819	-24,522	-78,341
Amortization and impairment losses for the fiscal year	-7,754	0	-7,754
Disposals	364	0	364
Transfers	0	0	0
9/30/2019	**-61,209**	**-24,522**	**-85,731**

Carrying amount

in € thousand	9/30/2019	9/30/2018
Intangible assets		
Franchises, industrial property rights, and licenses	96,958	97,047
Goodwill	18,648	18,648
Payments on account for intangible assets	7,653	8,806
	123,259	**124,501**

Intangible assets comprise licenses acquired for a consideration, primarily in connection with a long-term electricity supply contract, as well as goodwill on consolidation arising in the Aurubis Group.

Goodwill amounting to € 8,656 thousand was recognized as a result of the acquisition of Metallo in fiscal year 2019/20.

Aurubis carries out an impairment test on goodwill at least annually. For the impairment test on goodwill, the goodwill acquired in conjunction with a business combination is allocated to the CGU that is expected to benefit from the synergies of the business combination. If the carrying amount of the CGU to which the goodwill was allocated exceeds its recoverable amount, a commensurate impairment loss is recognized on the allocated goodwill.

As at September 30, 2020, the impairment test led to a requirement to recognize an impairment loss of € 17,439 thou-sand, comprising the full amount of goodwill for the Copper Products Hamburg CGU (previous year: no impairment loss).

The recoverable amount is the higher of the fair value less costs to sell and value in use. Aurubis determines the recoverable amount on the basis of the value in use. The value in use is determined by means of discounting future cash flows after taxes with a risk-adjusted discount rate (WACC) after taxes (discounted cash flow method). Due to the calculated cash flows after taxes, a cost of capital after taxes is used as well.

The cash flow estimates cover a planning horizon of four years before transferring to perpetuity. The cash flows were established within the scope of a qualified planning process including use of internal company values based on past experience and extensive market knowledge, and they take into consideration management's assessment and estimates regarding the future development of the regional market.

In addition to the weighted capital costs, the significant assumptions used to calculate the value in use are the forecast earnings trend and the sustainable growth rate of the terminal value at a level of 1 %. The growth rate was derived from future expectations and does not exceed the long-term average growth rates of the respective markets.

The WACC used for discounting purposes amounted to 6.8 % after taxes or 9.7 % before taxes as at September 30, 2020 (previous year: 5.0 % after taxes or 7.2 % before taxes).

As in the prior year, there was no requirement to recognize impairment losses on intangible assets with a limited useful life.

No development costs were capitalized during the fiscal year. Research costs are recognized in profit or loss for the respective periods Research & Development, page 188.

16. PROPERTY, PLANT, AND EQUIPMENT

The costs of acquisition or construction and the accumulated depreciation and impairment losses on property, plant, and equipment are as follows:

Costs of acquisition or construction

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Leased assets	Payments on account for assets under construction	Total
10/1/2019	702,532	2,220,597	112,100	60,029	143,423	3,238,681
Assets held for sale	-5,067	-6,149	-1,732	0	-339	-13,288
Exchange rate differences	-878	-5,669	-651	0	-284	-7,481
Changes due to the initial application of IFRS 16	13,973	77,490	3,087	-60,029	0	34,521
Changes in the scope of consolidation	77,464	141,799	7,168	0	1,386	227,818
Additions	13,260	77,616	13,031	0	103,710	207,617
Disposals	-5,619	-41,258	-4,790	0	-63	-51,731
Transfers	13,018	85,762	6,379	0	-105,159	0
9/30/2020	**808,683**	**2,550,187**	**134,592**	**0**	**142,674**	**3,636,137**

Depreciation and impairment losses

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Leased assets	Payments on account for assets under construction	Total
10/1/2019	-394,061	-1,378,519	-71,101	-24,718	-1,304	-1,869,703
Assets held for sale	3,884	5,101	1,019	0	0	10,004
Exchange rate differences	186	3,361	487	0	156	4,191
Changes due to the initial application of IFRS 16	-5,648	-19,070	0	24,718	0	0
Changes in the scope of consolidation	0	6	0	0	0	6
Depreciation and impairment losses for the fiscal year	-25,495	-143,971	-13,199	0	-3,872	-186,538
Disposals	2,479	39,684	4,541	0	0	46,704
Transfers	0	0	0	0	0	0
9/30/2020	**-418,655**	**-1,493,408**	**-78,253**	**0**	**-5,020**	**-1,995,336**

Carrying amount

in € thousand	9/30/2020	9/30/2019
Property, plant, and equipment		
Land and buildings	390,028	308,471
Technical equipment and machinery	1,056,779	842,078
Other equipment, factory and office equipment	56,339	40,999
Right-of-use assets	0	35,311
Payments on account for assets under construction	137,654	142,119
	1,640,800	**1,368,978**

The adjustments due to IFRS 16 concern the accounting treatment of right-of-use assets deriving from leases in the context of the initial application of IFRS 16 as at the transition date of October 1, 2019. On the one hand, assets previously recognized as “Leased assets” have been reclassified as rights of use to the respective asset classes within property, plant, and equipment. On the other hand, rights of use deriving from operating leases, which were previously not recognized in the balance sheet, have been included for the first time.

Costs of acquisition or construction

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Leased assets	Payments on account for assets under construction	Total
10/1/2018	671,183	2,154,211	97,437	57,757	123,419	3,104,007
Exchange rate differences	511	4,311	422	0	205	5,449
Additions	19,743	44,434	14,037	3,255	135,436	216,905
Disposals	-8,049	-42,912	-5,850	-984	-29,886	-87,681
Transfers	19,144	60,554	6,054	0	-85,751	0
9/30/2019	**702,532**	**2,220,597**	**112,100**	**60,029**	**143,423**	**3,238,681**

Depreciation and impairment losses

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Leased assets	Payments on account for assets under construction	Total
10/1/2018	-387,318	-1,312,249	-67,691	-22,159	-1,320	-1,790,737
Exchange rate differences	-23	-1,669	-305	0	15	-1,982
Appreciation for the fiscal year	6,220	0	0	0	0	6,220
Depreciation and impairment losses for the fiscal year	-19,627	-105,463	-8,603	-3,536	0	-137,230
Disposals	6,687	40,862	5,498	978	0	54,024
9/30/2019	**-394,061**	**-1,378,519**	**-71,101**	**-24,718**	**-1,304**	**-1,869,703**

Carrying amount

in € thousand	9/30/2019	9/30/2018
Property, plant, and equipment		
Land and buildings	308,471	283,865
Technical equipment and machinery	842,078	841,962
Other equipment, factory and office equipment	40,999	29,746
Leased assets deriving from finance leases*	35,311	35,598
Payments on account for assets under construction	142,119	122,100
	1,368,978	**1,313,271**

* Leased assets primarily comprise buildings, as well as technical equipment and machinery.

In addition to scheduled depreciation, depreciation charges in the year reported include impairment losses of € 24,594 thousand (previous year: € 0 thousand), which are recognized against consolidated net income in the line “Depreciation of property, plant, and equipment and amortization of intangible assets.” The impairment losses on property, plant, and equipment resulted from impairment tests performed in response to specific events, in this case mainly the difficult market situation for FRP. In the process, a requirement to recognize impairment losses was determined for the three FRP companies Aurubis Netherlands, Aurubis Mortara, and Aurubis Buffalo, as well as Aurubis Italy.

In the impairment test process, the total carrying amounts for a CGU are compared to the respective recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. The recoverable amount was determined based on the value in use for purposes of the impairment test.

Impairment losses

in € thousand	Netherlands CGU	Mortara CGU	Buffalo CGU	Italy CGU	Total
Land and buildings	0	0	0	2,510	**2,510**
Technical equipment and machinery	3,127	480	13,482	1,107	**18,196**
Other equipment, factory and office equipment	8	0	0	71	**79**
Payments on account for assets under construction	151	0	3,658	0	**3,809**
Total	**3,286**	**480**	**17,140**	**3,688**	**24,594**

The value in use was calculated by determining the present value of the expected cash flows (discounted cash flow). The planning process for the expected cash flows covers a planning period of four years. The cash flows were established within the scope of a qualified planning process including use of internal company values based on past experience and extensive market knowledge, and they take into consideration management's assessment and estimates regarding the future development of the regional market.

In addition to the weighted capital costs, the significant assumptions used to calculate the value in use are the forecast earnings trend and the sustainable growth rate of the terminal value at a level of 1 %. The growth rate was derived from future expectations and does not exceed the long-term average growth rates of the respective markets.

The required impairment loss was allocated in accordance with IAS 36.105, whereby external appraisals were used as a basis for the derivation of the fair value less costs of disposal of the main items of property, plant, and equipment. The measurement process for land is based on the comparable value method. The discounted cash flow method was applied to measure the value of the buildings, whereby the asset value method was taken into account for plausibility purposes. The machinery and equipment was measured based on asset value techniques.

The details about leases are provided in the section "Leases" in note 28 in the Notes to the statement of financial position pages 174–175.

No property, plant, and equipment was pledged as security for loans within the Group as at September 30, 2020 and September 30, 2019. Purchase commitments for fixed assets amounted to € 115,307 thousand as at September 30, 2020 (previous year: € 98,367 thousand).

Minimum stocks are recognized in technical equipment and machinery as components of the respective technical equipment and machinery. Minimum stocks are quantities of materials that are necessary to establish and ensure a production facility's continuing functionality for its intended use. A total of € 310,766 thousand was attributable to the technical minimum stock as at September 30, 2020 (previous year: € 291,161 thousand).

17. FINANCIAL FIXED ASSETS

in € thousand	9/30/2020	9/30/2019
Share interests in affiliated companies	9,957	2,666
Investments	131	131
Other financial fixed assets	25,528	11,312
	35,616	**14,109**

The share interests in affiliated companies and investments included in the financial fixed assets in the amount of € 10,088 thousand (previous year: € 2,797 thousand) are classified at fair value in profit or loss pursuant to IFRS 9. The shares are not quoted and there is no active market for them. There is no current intention to sell the share interests.

An overview of the investments included in the financial assets of Aurubis AG, Hamburg, is presented in Investments, pages 198–199.

Other financial fixed assets primarily include securities classified as fixed assets, which mainly comprise a share interest in Salzgitter AG, Salzgitter. For these share interests, Aurubis makes use of the option under IFRS 9 to classify equity instruments as at "fair value through other comprehensive income."

18. INVESTMENTS MEASURED USING THE EQUITY METHOD

Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg, is a joint venture in which Aurubis holds a 50 % interest. It is operated as a joint venture with a partner and has been assigned to Segment FRP. The business purpose of the company is the fabrication and marketing of pre-rolled strip made of copper and copper alloys. Pursuant to IFRS 11.24, in conjunction with IAS 28, Schwermetall Halbzeugwerk GmbH & Co. KG is accounted for using the equity method. The following two tables summarize the financial information of Schwermetall Halbzeugwerk GmbH & Co. KG, prepared in accordance with IFRS, and provide a reconciliation to the investment value that has been recognized. The financial information provided in the table represents the total figures for the company (i.e., 100 %).

SUMMARIZED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME

in € thousand	2019/20	2018/19
Assets	**160,187**	**165,022**
Fixed assets	46,104	43,718
Non-current receivables and other assets	14,768	17,813
Inventories	93,218	90,794
Current receivables and other assets	5,330	12,335
Cash and cash equivalents	767	362
Equity and liabilities	**160,187**	**165,022**
Net assets	110,609	106,746
Deferred tax liabilities	3,854	3,828
Non-current provisions	7,105	7,161
Non-current liabilities	11,467	10,151
Current provisions	7,808	7,014
Current liabilities	19,344	30,122
Statement of comprehensive income		
Revenues	317,929	374,526
Gross profit	56,119	55,782
Earnings before taxes (EBT)	15,744	12,653
Consolidated net income	13,247	9,233

RECONCILIATION OF THE COMBINED FINANCIAL INFORMATION

in € thousand	2019/20	2018/19
Net assets as at October 1	106,746	114,187
Profit/loss of the period	13,247	9,233
Other comprehensive income/loss	216	-1,328
Distribution	-9,600	-15,346
Net assets as at September 30	110,609	106,746
Share of joint venture (50 %)	55,305	53,373
Elimination of unrealized intra-Group profits	-149	0
Income tax effects	297	263
Carrying amount	**55,453**	**53,636**

19. INVENTORIES

in € thousand	9/30/2020	9/30/2019
Raw materials and supplies	1,059,460	762,256
Work in process	858,519	826,015
Finished goods, merchandise	545,792	404,994
Payments on account of inventories	0	29
	2,463,771	**1,993,294**

As at the reporting date, write-downs of € 5,915 thousand were recorded against inventories (previous year: € 34,001 thousand).

20. TRADE ACCOUNTS RECEIVABLE

The trade accounts receivable as at September 30, 2020 and as at September 30, 2019 were due within one year.

The age structure of the trade accounts receivable is as follows:

in € thousand	Carrying amount	of which: neither written down as at the reporting date nor overdue	of which: not written down as at the reporting date and overdue in the following time spans: less than 30 days	between 30 and 180 days	more than 180 days
As at September 30, 2020 Trade accounts receivable	485,282	439,517	39,028	5,473	1,264
As at September 30, 2019 Trade accounts receivable	390,145	347,151	35,003	4,634	3,357

Movements on the allowances for trade accounts receivable that were not covered by commercial credit insurance were as follows:

in € thousand	9/30/2020	9/30/2019
Individual write-downs Balance as at October 1	**3,149**	**3,216**
Changes in the scope of consolidation	-194	0
Changes in allowances during the period	-67	-66
Additions	85	171
Reversals	-153	-230
Exchange rate impacts	1	-7
Balance as at September 30	**2,888**	**3,150**

In addition, expected credit losses of € 170 thousand were accounted for, like last year.

All expenses and income deriving from allowances and write-offs of trade accounts receivable are shown respectively under other operating expenses or other operating income.

As regards the balances of trade accounts receivable that are neither written down nor overdue, there is no indication as at the reporting date that the debtors will not fulfill their payment obligations.

Credit risks from trade accounts receivable were largely hedged by commercial credit insurances.

21. OTHER RECEIVABLES AND OTHER ASSETS

Other receivables and other assets comprise both other financial and other non-financial assets.

Non-current receivables and other assets are made up as follows as at the reporting date:

in € thousand	9/30/2020	9/30/2019
Non-current (with a residual term of more than 1 year)		
Derivative financial instruments belonging to the category "FV P&L"	7,756	14,011
Derivative financial instruments held as hedging instruments in the context of hedge accounting	12,453	0
Other non-current financial assets	14,410	14,504
Non-current financial assets	**34,619**	**28,515**
Other non-current non-financial assets	1,430	1,777
Other non-current non-financial assets	**1,430**	**1,777**

Current receivables and other assets are made up as follows as at the reporting date:

in € thousand	9/30/2020	9/30/2019
Current (with a residual term of less than 1 year)		
Derivative financial instruments belonging to the category "FV P&L"	57,636	23,294
Derivative financial instruments held as hedging instruments in the context of hedge accounting	16,635	46
Receivables from related parties	7,034	5,041
Sundry other current financial assets	17,947	41,883
Other current financial assets	**99,252**	**70,264**
Income tax receivables	9,305	12,689
Sundry other current non-financial assets	34,895	28,755
Other current non-financial assets	**44,200**	**41,444**

The increase in derivative financial instruments belonging to the "FV P&L" category mainly resulted from the measurement of metal forward contracts, as metal prices were rising at the reporting date.

The decrease in sundry other current financial assets is mainly due to payments obtained for receivables resulting from a successfully contested arbitration case.

As in the previous year, the sundry other current non-financial assets mainly comprise VAT receivables of Aurubis Bulgaria AD, Pirdop.

The sundry other current financial assets include a continuing involvement arising from del credere risks with factoring companies and late payment and currency risks deriving from current trade accounts receivable in the amount of € 5,892 thousand (previous year: € 8,241 thousand). The level of continuing involvement corresponds to the maximum risk of loss, mainly based on the assumption that all receivables open on the reporting date that were sold remain outstanding for the entire period for which Aurubis can be held responsible for the late payment risk.

A liability of € 5,882 thousand was recorded in connection with the continuing involvement (previous year: € 8,225 thousand). All trade accounts receivable sold to factoring companies have a term of less than one year, meaning that the fair value of the continuing involvement and the associated liability each correspond to the carrying amount.

All of the receivables covered by three factoring contracts for which the main opportunities and risks were transferred to the purchaser of the receivables were completely derecognized.

In total, outstanding receivables of € 353,829 thousand (previous year: € 356,306 thousand) had been sold to factoring companies as at the reporting date.

As regards other financial assets that are neither written down nor overdue, there is no indication as at the reporting date that the debtors will not fulfill their payment obligations.

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of current account balances with banks, cash in hand, and checks. Cash at banks mainly comprises euro balances.

23. EQUITY

The share capital amounts to € 115,089,210.88 and is divided into 44,956,723 no-par-value shares, each with a notional amount of € 2.56. The share capital is fully paid in.

The Executive Board is empowered, subject to the approval of the Supervisory Board, to increase the share capital by February 23, 2021, by up to € 57,544,604.16 once or in several installments.

The share capital has been conditionally increased by up to € 57,544,604.16 through the issue of 22,478,361 new no-par-value shares with a proportionate notional amount per share of € 2.56 of the share capital (conditional capital increase). It will be used to grant shares to the holders or creditors of conversion and/or option rights from convertible bonds, bonds with warrants, profit participation rights or participating bonds (or combinations of these instruments), which can be issued in the period up to March 1, 2022.

The Executive Board has been authorized by the shareholders represented at the Annual General Meeting to purchase the company's own shares, representing up to 10 % of the share capital, in the period up to September 17, 2021. The goal of the share buyback program is to use these treasury shares for purposes permitted by the shareholders at the Annual General Meeting on March 1, 2018, particularly possible acquisitions or future financing needs. The company held 976,764 treasury shares as at September 30, 2020.

Generated Group equity comprises consolidated net income, the revenue reserves of all Group companies, the accumulated unappropriated earnings of the subsidiaries since their initial consolidation, and the accumulated amounts resulting from consolidation adjustments recognized in profit or loss. In addition, the effects deriving from the remeasurement of the net liability resulting from the defined benefit pension plans (after taxes), which are recorded directly in equity, are also included.

Aurubis AG's legal reserve of € 6,391 thousand, which is not available for distribution, is also included in this amount. The change in generated Group equity from € 2,169,448 thousand as at September 30, 2019, to € 2,434,664 thousand as at September 30, 2020, includes the dividend payment of € 56,196 thousand, positive effects of € 56,241 thousand (after taxes) recognized in equity deriving from the remeasurement of the net liability resulting from the defined benefit pension plans and the consolidated net income for fiscal year 2019/20 of € 265,172 thousand.

Changes in accumulated other comprehensive income totaling € 29,286 thousand (previous year: € -22,313 thousand) mainly comprise gains and losses of € 38,602 thousand (previous year: € -5,353 thousand) deriving from the measurement at market of cash flow hedges, income taxes of € -8,554 thousand (previous year: € 712 thousand), and € -2,193 thousand (previous year: € -20,188 thousand) deriving from measurement at market of financial investments.

An amount of € -2,165 thousand (previous year: € -18,971 thousand) was transferred during the period from other comprehensive income to the consolidated income statement in the context of cash flow hedge accounting and is primarily recorded in the cost of materials.

The non-controlling interests amounting to € 539 thousand (previous year: € 539 thousand) comprise the interests of non-Group shareholders in the equity of a company that is fully consolidated by Aurubis AG, namely Aurubis Bulgaria AD, Pirdop.

The change in non-controlling interests includes a proportional share of the dividend payment, amounting to € 190 thousand. The consolidated result of € 191 thousand in fiscal year 2019/20 had a counteracting effect.

Changes in equity are presented in detail in the consolidated statement of changes in equity,
Consolidated Statement of Changes in Equity, page 135.

PROPOSED APPROPRIATION OF EARNINGS

The separate financial statements of Aurubis AG, Hamburg, have been prepared in accordance with German accounting principles (HGB – German Commercial Code).

Net income for the year of Aurubis AG	**€ 176,505,141.57**
Retained profit brought forward from the prior year	€ 71,395,072.22
Allocations to other revenue reserves	€ 88,200,000.00
Unappropriated earnings	**€ 159,700,213.79**

A proposal will be made to the Annual General Meeting that Aurubis AG's unappropriated earnings of € 159,700,213.79 are used to pay a dividend of € 1.30 per no-par-value share with a dividend entitlement and that € 102,943,474.79 be carried forward. The freely available shares at the balance sheet date, amounting to 43,659,030 (= € 56,756,739), were taken as a basis. If the number of no-par-value shares changes until the Annual General Meeting, an accordingly adjusted proposal on the distribution of profits will be presented at the Annual General Meeting, with an unchanged proposal for a distribution of € 1.30 per no-par-value share with a dividend entitlement since treasury shares are not entitled to a dividend.

A dividend of € 1.25 per share was paid in fiscal year 2019/20, totaling € 56,195,903.75.

ADDITIONAL INFORMATION ON CAPITAL MANAGEMENT

The main purpose of management control is to increase the corporate value of the Aurubis Group, in that a positive contribution to the enterprise as a whole is generated beyond the capital costs. The Group's liquidity sourcing is secured through a combination of the Group's cash flow, external funding, as well as lines of credit available from our banks. Existing credit facilities and lines of credit can compensate for fluctuations in the cash flow development at any time. The objective is to keep the Group's debt structure in equilibrium in the long term. Control and monitoring are carried out on the basis of defined key ratios. Net debt and liquidity are controlled in the medium and short term by means of regular cash flow forecasts.

One of the main key ratios used to determine and compare profitability is operating ROCE (return on capital employed), which reflects the yield on the capital that is utilized in the operating business or for investments. Operating ROCE is defined as the ratio of EBIT (earnings before interest and taxes), including the operating result from investments measured using the equity method, to capital employed as at the reporting date. Capital employed comprises equity and interest-bearing liabilities, less cash and cash equivalents.

Operating ROCE improved to 9.3 % compared to 8.6 % in the comparable prior-year period despite the build-up of higher inventories of input materials to secure the supply for the smelter network.

All external requirements under financial covenants were fulfilled in the fiscal year reported.

24. DEFERRED TAX LIABILITIES

The breakdown of the deferred tax liabilities is presented in Income taxes, pages 152-154.

25. PENSION PROVISIONS AND SIMILAR OBLIGATIONS

Within the Aurubis Group, retirement benefits for eligible employees are provided on the basis of both defined benefit plans and defined contribution plans.

The majority of defined benefit plan commitments in the Aurubis Group relate to Germany and the US. On the one hand, these represent individual contractual direct commitments. On the other hand, the Group provides benefits in the form of defined benefit commitments within collective plans. Both funded and unfunded plans exist.

In Germany, the Group provides eligible employees with pension benefits as well as disability and surviving dependent benefits. These are provided to a great extent through pension and support funds, the assets of which may solely be utilized to satisfy the Aurubis Group's pension obligations.

Generally, the amount of the pension benefit per qualified year of service is determined as a percentage of a pensionable salary. In Germany, pensions are reviewed every three years and adjusted, where necessary, in a manner corresponding to the price index development.

In Germany, the company pension plan for new employees hired after September 29, 2003, was amended and is now based on defined contribution commitments. Processing is carried out by an external pension fund and an insurance company.

Furthermore, a subsidiary in the US grants employees pension, health care, and life insurance benefits for the period after retirement under specific conditions related to age and duration of employment with the company. These retirement benefits are based on collective agreements that only apply to unionized employees. These represent lifelong pension benefits whose level depends on the duration of employment. The amount of the benefits does not depend on the salary. Health care benefits are provided after the employee leaves the company until an established minimum age. While the pension commitments are mainly financed through the specific assets of a separate pension fund, there is no separate fund for the health care and life insurance benefits provided in the US.

Within the Group, actuarial reports were obtained for all benefit obligations. The reports take uniform Group-wide accounting policies into consideration, while nevertheless reflecting special country-specific circumstances.

In addition to the "Heubeck-Richttafeln 2018 G" mortality tables, the following market discount rates, salary, and pension trends were used as a basis to calculate the pension obligations:

%	9/30/2020	9/30/2019
Discount rate	0.80	0.70
Expected income development	2.75	2.75
Expected pension development	1.60	1.60

A discount rate of 2.51 % (previous year: 3.02 %) was assumed as the basis for the measurement of the pension provision of Aurubis Buffalo, Inc., Buffalo. Income and pension trends are not relevant for the calculation of the pension obligations of the US subsidiary.

The net pension provision for defined benefit obligations disclosed in the consolidated statement of financial position as at September 30, 2020 and September 30, 2019 is as follows:

in € thousand	9/30/2020	9/30/2019
Present value of pension commitments	712,171	706,513
of which funded	573,290	547,161
– Fair value of plan assets	451,775	369,739
Net carrying amount on September 30	**260,396**	**336,774**
of which disclosed as assets	0	0
of which disclosed as liabilities	260,396	336,774

The net liability for benefit commitments, taking into account the separate reconciliations for the present value of the defined benefit obligation and the plan assets, is derived as follows:

Development of the present value of the pension obligations

in € thousand	9/30/2020	9/30/2019
Present value of unfunded benefit obligations	159,352	126,761
Present value of funded benefit obligations	547,161	449,173
Present value of the pension commitments as at October 1	**706,513**	**575,934**
Changes in the scope of consolidation	32,215	0
Current service cost	16,082	11,502
Gain deriving from plan settlements	-60	0
Interest cost on the pension obligations	6,315	10,870
Remeasurements	-10,755	123,100
Actuarial gains/losses deriving from demographic assumptions	250	5,741
Actuarial gains/losses deriving from financial assumptions	-5,299	106,751
Actuarial gains/losses deriving from adjustments based on experience	-5,706	10,608
Benefits paid	-21,436	-20,276
Payments for plan settlements	-12,098	0
Exchange rate difference	-4,605	5,383
Present value of the pension commitments as at September 30	**712,171**	**706,513**

Development of the plan assets

in € thousand	2019/20	2018/19
Fair value of the plan assets as at October 1	**369,739**	**348,248**
Changes in the scope of consolidation	28,364	0
Interest income	3,473	6,773
Remeasurement effects	73,328	18,731
Benefits paid	-14,964	-13,268
Payments for plan settlements	-12,098	0
Contributions made by employer	6,522	6,870
Exchange rate difference	-2,589	2,385
Fair value of the plan assets as at September 30	**451,775**	**369,739**

Development of the net liability

in € thousand	2019/20	2018/19
Net liability as at October 1	**336,774**	**227,686**
Changes in the scope of consolidation	3,851	0
Current service cost	16,082	11,502
Gain deriving from plan settlements	-60	0
Net interest result	2,842	4,097
Remeasurement effects	-84,083	104,369
Benefits paid	-6,472	-7,008
Employer contributions to the plan	-6,522	-6,870
Exchange rate difference	-2,016	2,998
Net liability as at September 30	**260,396**	**336,774**

The remeasurement effects are directly recorded in other comprehensive income and are disclosed under generated Group equity. The net interest result is disclosed under interest expense. In contrast, the other components of the pension expenses (current and past service cost and the loss deriving from plan settlements) are recorded in personnel expenses.

In Germany, the defined benefit plans are primarily administered through processes in operation within the pension fund and the benefit fund. In this context, the pension fund is overseen by the German Federal Financial Supervisory Authority (BaFin).

Regulations related to the pension fund's capital investment portfolio are defined by the "Ordinance on the Investment of Restricted Assets of Insurance Undertakings (Investment Ordinance)." The Investment Ordinance regulates the permitted quantitative distribution and mix of capital investments for the pension fund. A large portion of the pension fund's assets are invested in a segmented special fund. The contributions are calculated in accordance with the respective current technical business plan.

The risk capital investments (equity instruments and debt instruments with a rating lower than investment grade) may account for a maximum of 35 % of the carrying amount of the pension fund's coverage assets in accordance with the Investment Ordinance. The percentage of real estate held directly or indirectly via an interest in a limited partnership is currently 20.4 % of the carrying amount of the coverage assets. Derivatives are primarily only used for hedging purposes. The risk of longevity is taken into account by the actuary, after performing a review, by adjusting the biometric parameters where necessary.

The benefit fund is also oriented to the Investment Ordinance with respect to permitted capital investments. The contributions are within the range of the tax-related possibilities.

The plan assets in the Group are made up as follows:

in € thousand	9/30/2020	9/30/2019
Cash and cash equivalents	15,860	5,693
Equity instruments	48,272	72,118
Debt instruments	161,548	118,401
Real estate	169,110	148,178
Reinsurance policies	5,231	4,801
Other current net assets	51,754	20,548
Total plan assets	**451,775**	**369,739**

The debt instruments include non-listed shares of a Schuldschein loan issued by Aurubis AG in the amount of € 26,000 thousand. The plan assets do not include any real estate used internally. The equity and debt instruments held via security funds are allocated to their corresponding investment classes in the overview.

Market prices are generally available for the equity instruments as a result of their respective quotations on an active market.

The debt instruments are also regularly traded on an active market.

Real estate is held directly and indirectly and is located exclusively in Germany. There is no active market from which market prices can be derived. Appraisals were obtained for all of the real estate included in the plan assets.

The company is subject to various risks in connection with the defined benefit plans. The company is subject to general technical insurance risks in particular, such as the risk of longevity, the risk of interest rate changes, the market price risk, and, to a small extent, a risk of inflation.

SENSITIVITY ANALYSIS

The following sensitivity analysis shows the effect of changes in the parameters on the present value of the defined benefit obligations. Each change in a significant actuarial assumption was analyzed separately, i.e., if one parameter varied, the other parameters remained constant. Possible correlation effects between the individual assumptions are not taken into consideration:

		Effect on the obligation			
		9/30/2020		9/30/2019	
in € thousand	Change in parameter	Increase	Decrease	Increase	Decrease
Actuarial interest rate	+/- 50 basis points	-55,542	63,753	-56,688	65,149
Expected income development	+/- 50 basis points	10,669	-10,082	11,912	-11,270
Expected pension development	+/- 50 basis points	39,326	-35,659	41,070	-37,161
Life expectancy	+/- 1 year	34,545	-33,335	36,190	-34,921

The undiscounted future pension payments are expected to fall due within the following time bands:

in € thousand	9/30/2020	9/30/2019
Less than 1 year	23,601	22,649
Between 1 and 5 years	102,453	97,273
More than 5 years	768,367	711,285
Total	**894,421**	**831,207**

The weighted average duration of obligations deriving from defined benefit plans as at September 30, 2020 is 16.6 years (previous year: 18.2 years).

The expense for defined contribution pension plans amounted to € 24,700 thousand in the year reported (previous year: € 25,027 thousand). This includes both voluntary commitments and the employer's contribution made by the Group to statutory pension schemes.

26. OTHER PROVISIONS

	Non-current		Current		Total	
in € thousand	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019
Personnel-related provisions	53,751	52,452	61,158	28,375	114,909	80,827
Provisions for onerous contracts	0	0	784	794	784	794
Environmental provisions	16,271	11,454	1,806	1,550	18,077	13,003
Sundry provisions	1,711	2,003	13,880	19,680	15,590	21,683
	71,732	**65,909**	**77,628**	**50,399**	**149,360**	**116,308**

The individual classes of provisions developed as follows during the fiscal year reported:

in € thousand	Balance as at 10/1/2019	Additions to scope of consoli-dation	Reductions in scope of console-dation	Used	Reversals	Increases	Interest effect	Transfers	Exchange rate difference	**Balance as at 9/30/2020**
Personnel-related provisions	80,827	4,319	-960	-20,068	-75	50,938	1	-21	-52	114,909
Provisions for onerous contracts	794	0	0	-707	-5	899	0	-197	0	784
Environmental provisions	13,003	6,573	-263	-61	-1,917	753	1	0	-12	18,077
Sundry provisions	21,683	0	-282	-12,516	-393	7,174	0	-69	-6	15,590
	116,308	**10,892**	**-1,506**	**-33,352**	**-2,390**	**59,764**	**1**	**-287**	**-70**	**149,360**

The personnel-related provisions include increases of € 31,500 thousand for severance pay in connection with the current cost reduction program. Furthermore, the personnel-related provisions consisted mainly of obligations to employees relating to anniversary bonuses, temporary assistance benefits, and those deriving from early retirement agreements.

Provisions for environmental risks primarily relate to clean-up measures at the Lünen site. The provisions have terms of up to 22 years. The probable costs were determined taking into account past experience in comparable cases, existing appraisals, and the clean-up methods that will be used on the basis of present knowledge.

The decrease in sundry provisions is mainly due to decreased provisions for outstanding invoices.

27. LIABILITIES

Financial liabilities as at the reporting date are as follows:

in € thousand	9/30/2020	9/30/2019
Non-current (with a residual term of more than 1 year)		
Bank borrowings	502,952	116,491
Lease liabilities	52,724	33,341
Non-current borrowings	**555,676**	**149,832**
Derivative financial instruments belonging to the category “FV P&L”	19,702	812
Liabilities to related parties	950	950
Derivative financial instruments held as hedging instruments in the context of hedge accounting	155	1,382
Other non-current financial liabilities	**20,807**	**3,144**
Non-current financial liabilities	**576,483**	**152,976**
Current (with a residual term of less than 1 year)		
Trade accounts payable	1,144,025	817,732
Trade accounts payable	**1,144,025**	**817,732**
Bank borrowings	15,374	149,786
Lease liabilities	12,262	3,103
Current borrowings	**27,636**	**152,889**
Derivative financial instruments belonging to the category “FV P&L”	53,075	26,790
Liabilities to related parties	10,516	589
Derivative financial instruments held as hedging instruments in the context of hedge accounting	23	11,022
Sundry other current financial liabilities	84,720	83,934
Other current financial liabilities	**148,334**	**122,335**
Current financial liabilities	**1,319,995**	**1,092,956**

Sundry other current financial liabilities include personnel obligations such as Christmas bonus payments, outstanding vacation entitlements, and success-based bonus payments, as well as liabilities related to severance pay for employees.

The following table shows the Aurubis Group’s contractually agreed redemption payments for non-derivative financial liabilities and the discounted net cash flows of the derivative financial instruments with negative fair values.

Payments in the amount of € 349,054 thousand (previous year: € 458,119 thousand) deriving from forward foreign exchange transactions with a negative fair value are matched by receipts of € 339,805 thousand as at September 30, 2020 (previous year: € 445,430 thousand). Derivatives with positive fair values qualify as assets and are therefore not included here.

in € thousand	Carrying amount as at 9/30/2020	Payments: less than 1 year	Payments: 1 to 5 years	Payments: more than 5 years
Bank borrowings	518,326	15,374	429,952	73,000
Lease liabilities	64,986	12,262	29,782	22,942
Trade accounts payable	1,144,025	1,144,025	0	0
Liabilities to related parties	11,466	10,516	950	0
Derivatives belonging to the category “FV P&L”	72,777	53,075	19,702	0
Derivatives designated as hedging instruments for hedge accounting purposes	178	23	155	0
Sundry other current financial liabilities	84,720	84,720	0	0
Total	**1,896,478**	**1,319,995**	**480,541**	**95,942**

in € thousand	Carrying amount as at 9/30/2019	Payments: less than 1 year	Payments: 1 to 5 years	Payments: more than 5 years
Bank borrowings	266,277	149,786	113,072	3,419
Liabilities under finance leases	36,444	3,103	13,112	20,229
Trade accounts payable	817,732	817,732	0	0
Liabilities to related parties	1,539	589	950	0
Derivatives of the “held-for-trading” category	27,602	26,790	812	0
Derivatives designated as hedging instruments for hedge accounting purposes	12,404	11,022	1,382	0
Sundry other financial liabilities	83,934	83,934	0	0
Total	**1,245,932**	**1,092,956**	**129,328**	**23,648**

The presentation above shows the financial instruments that were held as at September 30, 2020 and September 30, 2019 respectively, and for which contractual agreements on the payments existed. Foreign currency amounts are translated at the closing rate.

The increase in bank borrowings was due to the placement of a Schuldschein loan to finance the acquisition of Metallo, among other things.

The repayment of a Schuldschein loan of € 127 million in Q2 of the fiscal year had the opposite effect.

Aurubis had no bank borrowings secured by mortgages and fixed assets. Financial assets have not been pledged as collateral for bank borrowings.

Non-financial liabilities as at the reporting date are as follows:

in € thousand	9/30/2020	9/30/2019
Non-current (with a residual term of more than 1 year)		
Non-current non-financial liabilities	1,176	1,271
Non-current non-financial liabilities	**1,176**	**1,271**
Current (with a residual term of less than 1 year)		
Income tax liabilities	17,886	13,836
Income tax liabilities	**17,886**	**13,836**
Other tax liabilities	11,206	11,992
Social security obligations	11,814	8,910
Advance payments received on orders	13,916	12,756
Sundry other current non-financial liabilities	11,543	7,278
Other current non-financial liabilities	**48,479**	**40,936**
Current non-financial liabilities	**66,365**	**54,772**

Other tax liabilities mainly comprise VAT liabilities.

28. LEASES

As part of its business activities, Aurubis leases facilities that are in particular involved in the storage and handling of copper concentrates, as well as ships and rail tank wagons for the transport of concentrates and sulfuric acid. The company also has lease agreements for office buildings, parking lots, containers, and vehicles. The right-of-use assets accounted for in this regard developed as follows, taking the assets recognized as finance leases in accordance with IAS 17 in the previous year as the start-off point:

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Total
Carrying amounts 9/30/2019	8,859	51,170	0	60,029
Changes due to the initial application of IFRS 16	5,114	26,320	3,087	34,521
Assets held for sale	0	-422	-42	-464
Changes in the scope of consolidation	0	-202	3,903	3,701
Additions	1,052	1,530	3,970	6,552
Disposals	-2,480	-20	0	-2,500
Currency exchange rate differences	-38	-2	-19	-59
Carrying amounts 9/30/2020	**12,507**	**78,374**	**10,899**	**101,780**
Accumulated depreciation and write-downs as at 9/30/2019	-5,648	-19,070	0	-24,718
Assets held for sale	0	42	12	54
Changes in the scope of consolidation	0	6	0	6
Depreciation and impairment losses for the fiscal year	-1,751	-8,751	-2,271	-12,773
Disposals	0	6	0	6
Currency exchange rate differences	4	1	4	9
Accumulated depreciation and write-downs as at 9/30/2020	**-7,395**	**-27,766**	**-2,255**	**-37,416**
Carrying amounts as at 9/30/2020	**5,112**	**50,608**	**8,644**	**64,364**

The interest expense for lease liabilities recognized in the income statement amounted to € 2,047 thousand in the fiscal year. Expected future payments for lease liabilities total € 78,842 thousand.

The following table shows the Aurubis Group's contractually agreed undiscounted interest and redemption payments for lease liabilities and their residual terms.

	9/30/2020				9/30/2019			
in € thousand	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**	Less than 1 year	1 to 5 years	More than 5 years	Total
Expected lease payments	**14,171**	**35,648**	**29,023**	**78,842**	**5,063**	**19,411**	**27,389**	**51,863**
Interest portion	1,909	5,866	6,081	13,856	1,960	6,299	7,160	**15,419**
Redemption portion	12,262	29,782	22,942	64,986	3,103	13,112	20,229	**36,444**

In fiscal year 2019/20, expenses of € 5,121 thousand deriving from current lease arrangements and € 1,392 thousand deriving from leases of low-value assets were recorded. Furthermore, expenses of € 2,679 thousand for variable lease payments that were not included in the measurement of lease liabilities were recognized in profit or loss. Depreciation of right-of-use assets amounted to € 12,773 thousand in the fiscal year.

The total cash outflows for leases amounted to € 6,675 thousand in fiscal year 2019/20.

Leases within the Aurubis Group may include extension and termination options. Extension options are included in the calculation of the lease liability if there is reasonable assurance that these will be exercised.

There were no sale-and-leaseback transactions in fiscal year 2019/20.

29. OTHER FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

in € thousand	9/30/2020	9/30/2019
Capital expenditure commitments	115,307	98,367
Warranty obligations	1,230	1,092
Commitments relating to discounted bills of exchange	1,921	2,294
Commitments under leases	8,381	41,370

The capital expenditure commitments mainly relate to property, plant, and equipment.

In addition, commitments exist under leases, amounting to €8,381 thousand, which were not considered for purposes of the measurement of the lease liabilities. These commitments mainly arise from variable lease payments and leases that Aurubis has entered into but which have not yet commenced.

In addition to the commitments already outlined, there are also obligations under long-term contracts.

The securing of our smelter network's supply of raw materials, especially copper concentrates, is of crucial importance. In order to ensure this supply security, we have entered into long-term agreements with terms of five to ten years. Especially in the case of copper concentrates, pricing is based on the metal content of the transactions, as well as on the applicable LME exchange price at the time of the actual delivery. As both the metal contents and the metal prices are very volatile (and therefore difficult to forecast), from our perspective a reliable quantitative disclosure of the commitments deriving from raw material supply sourcing isn't possible.

Furthermore, an agreement is in place with an energy utility for the cost-based procurement of one billion kilowatt hours of electricity per annum over a term of 30 years commencing in 2010. As the cost and price components are also subject to a high level of volatility, reliable quantitative disclosure of the related commitment is also not possible in this case.

In addition, the Group has entered into long-term agreements for the supply of oxygen to various sites. The commitments resulting from these agreements amount to € 68,338 thousand (previous year: € 77,702 thousand).

Obligations under long-term contracts are mainly related to the provision of transport and handling services by various service providers and amount to € 204,857 thousand (previous year: € 228,012 thousand).

30. FINANCIAL INSTRUMENTS

The Aurubis Group is exposed to market risks, liquidity risks, and default risks as a result of the deployment of financial instruments.

MARKET RISKS

Market risks arise as a result of a possible change in risk factors that lead to a decrease in the market value of the transactions affected by these risk factors. The following groups of general risk factors are relevant for the Aurubis Group: currency exchange rate risks, interest rate fluctuation risks, and other price risks.

CURRENCY EXCHANGE RATE RISKS

As a result of its business operations, the Aurubis Group is exposed to currency exchange rate fluctuations. Changes in exchange rates can lead to losses in the value of financial instruments. Foreign currency forward and option contracts are concluded to limit currency risks. These mainly relate to the US dollar. For this purpose, the foreign currency positions from underlying transactions are offset against each other on a daily basis and any remaining open positions are squared by means of foreign exchange derivatives. Aurubis works exclusively with business partners with good credit standing on all foreign exchange hedge transactions.

Furthermore, foreign currency forward and option contracts were concluded in the past fiscal year to hedge future receipts. Provided the criteria for cash flow hedges were fulfilled, the results of these hedge transactions are initially recognized in the accompanying financial statements initially in other comprehensive income in the amount of the effective portion of the hedge.

These results are recognized in profit or loss as soon as the underlying hedged transaction is recognized in profit or loss. Fundamental shifts in currency relationships, in particular between the euro and the US dollar, can, however, only be hedged for a limited time in this context.

Information on the management of exchange rate risks is provided in the Risk Report in the Management Report, page 113.

The foreign currency risk constitutes a cash flow risk and represents the risk position for the following period. This corresponds to the net amount of the nominal volume of the non-derivative and derivative financial instruments held, which are exposed to exchange rate risks. In addition, planned revenue transactions of the following periods are included to the extent that these are taken into account for currency risk management purposes to show the risk position for the following period.

Foreign currency risk

	EUR / USD	
in € thousand	**9/30/2020**	9/30/2019
Risk position deriving from recorded transactions	-394,862	-565,991
Budgeted revenues	673,386	623,279
Forward foreign exchange contracts	-38,175	223,271
Put option transactions	-99,932	-48,673
Net exposure	**140,417**	**231,886**

IFRS 7 requires a sensitivity analysis to be performed for each type of risk to indicate the market risks. The use of sensitivity analyses determines the potential impacts on profit or loss and on equity, as at the reporting date, of a change in the respective risk variable for each type of risk. The impacts for the periods are determined by relating the hypothetical changes in the risk variables to the amount reported as at the reporting date. In doing so, it is assumed that the amount reported as at the reporting date is representative for the entire year.

In order to determine the exchange rate risk, a sensitivity analysis is performed for the foreign currencies that pose a significant risk for the business, in this case the US dollar. For the purpose of the sensitivity analysis for the currencies, it was assumed that the exchange rate of the euro compared with the US dollar would change by +/-10 %, respectively.

If the euro had been 10 % stronger or weaker against the US dollar on September 30, 2020 or September 30, 2019 as compared to the closing rate prevailing on the reporting date, then – from a foreign currency risk perspective – equity and net income for the year would have changed to the extent shown in the following table. All relevant recognized foreign currency items have been included in the calculation, as well as the budgeted revenues of the following period that were considered in the foreign currency risk exposure assessment.

Currency sensitivity

	EUR / USD	
in € thousand	**9/30/2020**	9/30/2019
Closing rate	1.1708	1.0889
Devaluated rate (€ against US$)	**1.0537**	**0.9800**
Effect on earnings	74,832	69,197
of which budgeted revenues	74,821	69,253
of which non-derivative transactions	-23,621	20,922
of which derivative transactions	23,632	-20,978
Effect on equity	-38,561	-27,951
Appreciated rate (€ against US$)	**1.2879**	**1.1978**
Effect on earnings	-61,191	-56,390
of which budgeted revenues	-61,217	-56,662
of which non-derivative transactions	19,361	-16,892
of which derivative transactions	-19,335	17,164
Effect on equity	33,318	22,526

INTEREST RATE FLUCTUATION RISKS

Interest rate fluctuation risks arise due to potential changes in market interest rates and can result in a change in the fair value of fixed-interest financial instruments and interest payment fluctuations for variable interest rate financial instruments. Any interest rate risks that arise are hedged by interest rate swaps. Interest rate fluctuation risks are of significant importance in the financial sector. Provided the criteria for cash flow hedges are fulfilled for the hedging of variable interest payments, the results of these hedge transactions are initially recognized in other comprehensive income in the amount of the effective portion of the hedge transaction. They are recognized in profit or loss as soon as the underlying hedged transaction is recognized in profit or loss in the respective fiscal year. No interest rate hedges were transacted during the fiscal year.

Details of how interest rate fluctuation risks are managed are provided in the Risk Report in the Management Report, pages 111–114.

The table below shows the net exposure for variable interest-bearing risk positions.

Variable interest-bearing risk positions

	Total amount		Less than 1 year	
in € thousand	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019
Loans/time deposits	453,398	412,481	453,398	412,481
Other risk positions	-332,602	-329,801	-332,602	-329,801
of which hedged against the interest rate fluctuation risk	0	0	0	0
Net exposure	**120,796**	**82,680**	**120,796**	**82,680**

In accordance with IFRS 7, interest rate fluctuation risks are presented in a sensitivity analysis, which reflects the effects of a change in market interest rates on interest income, interest expenses and equity.

In the event of an increase (decrease) in all relevant interest rates by 100 basis points (50 basis points), equity and earnings for the year as at September 30, 2020 and September 30, 2019, respectively, would change, as shown by the following table. The same items have been included in the calculation as were considered for the determination of the net exposure presented above.

Interest rate sensitivities

	9/30/2020		9/30/2019	
in € thousand	**+100 BP**	**-50 BP**	+100 BP	-50 BP
Effect on earnings	2,508	-1,817	2,044	-1,728
Effect on equity	0	0	0	0

OTHER PRICE RISKS

As a result of its business operations, the Aurubis Group is exposed to commodity price risks. Among other measures, non-ferrous metals futures contracts are entered into in order to mitigate these price risks. The contracts are mainly focused on the hedging of the copper price. For this purpose, incoming and outgoing metal quantities from underlying transactions are offset against each other on a daily basis and remaining open positions are squared by means of metal exchange transactions. We work exclusively with business partners with good credit standing on all metal hedge transactions.

If price-fixed metal delivery agreements for non-ferrous metals, which are contracted to cover the expected raw material requirement or the expected sale of finished products, are accounted for as derivative financial instruments, then market value changes in these are recognized in profit or loss. Gains and losses from the contrary development of the fair value of the hedged items and the hedge transactions are therefore recognized directly in profit or loss.

Details of metal price risk management processes are provided in the Risk Report in the Management Report, page 113.

The Aurubis Group has secured its electricity consumption by concluding a long-term agreement with an energy utility. Aurubis is exposed to an electricity price risk from the measurement of part of this agreement.

The nominal volumes of the derivative financial instruments covering copper, silver, gold, as well as electricity, coal, and gas, which result from the gross total of the nominal amounts of the individual purchasing and sales contracts, are as follows.

Nominal volumes of the derivatives

in € thousand	**9/30/2020**	9/30/2019
Copper	1,196,483	1,186,827
Silver	115,757	60,977
Gold	485,980	336,154
Electricity, coal, gas	227,596	230,721
	2,025,816	**1,814,679**

In accordance with IFRS 7, commodity price risks are shown in the form of a sensitivity analysis, which reflects the effects of a change in the commodity prices on equity and net income for the period.

In the event of a 10 % increase (decrease) in all relevant commodity prices, equity and earnings for the year would be changed as at September 30, 2020 and September 30, 2019 respectively as shown in the following table. The calculation includes all derivatives for copper, silver, gold, as well as electricity, coal, and gas as at the reporting date.

Commodity price sensitivity

	Copper		Silver		Gold		Electricity, coal, gas	
in € thousand	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019	**9/30/2020**	9/30/2019
Price increase								
Effect on earnings	5,808	30,164	3,839	1,947	32,184	18,741	3,132	5,932
Effect on equity	0	0	0	0	0	0	964	0
Price decrease								
Effect on earnings	-5,808	-30,164	-3,839	-1,947	-32,184	-18,741	-3,132	-5,932
Effect on equity	0	0	0	0	0	0	-964	0

The effects on earnings shown in the commodity price sensitivity table for metals are partially or completely compensated through the measurement of the purchase or sales contracts that are not yet fixed, since these positions are provisionally measured at the respective price on the reporting date.

DERIVATIVE FINANCIAL INSTRUMENTS

The Aurubis Group uses derivative financial instruments to hedge exchange rate and other price risks. These are reported according to their residual term under other current/non-current financial assets/liabilities. Provided the criteria for the application of hedge accounting are fulfilled, these are disclosed as cash flow hedges.

Financial derivatives

	Assets				Liabilities			
	9/30/2020		9/30/2019		**9/30/2020**		9/30/2019	
in € thousand	**Carrying amount**	**Nominal volume**	Carrying amount	Nominal volume	**Carrying amount**	**Nominal volume**	Carrying amount	Nominal volume
Foreign exchange forward contracts								
without a hedging relationship	5,813	333,688	11,228	661,713	9,226	346,449	285	121,767
as cash flow hedges	24,365	451,801	0	0	23	2,519	12,403	323,692
Foreign currency options								
without a hedging relationship	0	0	0	0	0	0	0	0
as cash flow hedges	3,964	104,378	46	43,368	0	0	0	0
Metal futures contracts								
without a hedging relationship	51,774	849,029	11,940	523,006	43,452	1,106,279	25,855	1,164,606
as cash flow hedges	0	0	0	0	0	0	0	0
Other transactions								
without a hedging relationship	7,805	40,016	14,137	223,741	20,098	174,855	1,462	6,980
as cash flow hedges	759	5,542	0	0	155	7,183	0	0

The nominal volume of the derivative financial instruments is the sum of the nominal amounts of the individual purchase and sales contracts. By contrast, the fair value is based on the measurement of all contracts at the prices applicable on the measurement date. It indicates the potential impact on income of the prompt settlement of all derivatives as at the reporting date, without considering the hedged transactions.

The impact on earnings of changes in the fair value of financial derivatives that relate to a cash flow hedge is recognized in equity through other comprehensive income in the amount of the effective portion. The hedging costs for these financial derivatives are recorded in other comprehensive income and are disclosed as a separate reserve item. The cumulative amounts recorded in equity are reclassified to the income statement in the period in which the hedged cash flows impact the income statement, and are mainly recorded as a component of the cost of materials.

The ineffective portion of the fair value change is, by contrast, recognized directly in profit or loss. Ineffectiveness results in particular from the credit risk (CRA) and the foreign currency basis spread (CCBS), which are not reflected in the hedged transaction. The average hedging rate for foreign currency forward contracts designated as a hedging instrument was 1.1160 USD/EUR as at September 30, 2019 (previous year: 1.1529 USD/EUR), while the rate applicable for the foreign currency option contracts was 1.1672 USD/EUR (previous year: 1.2377 USD/EUR). The average hedging rate for designated coal derivatives was 54.12 USD/EUR as at September 30, 2020, while the rate for gas derivatives was 16.39 EUR/MWh.

During the fiscal year, ineffective market value changes to hedging instruments, amounting to € 339 thousand, were recognized in profit or loss.

The following overview shows a reconciliation of the other comprehensive income for the fiscal year that results from accounting for hedging relationships:

Cash flow hedges

	2019/20		2018/19	
in € thousand	**Measurement at market of cash flow hedges**	**Hedging costs**	Measurement at market of cash flow hedges	Hedging costs
Balance as at October 1	-12,404	-499	-7,051	-395
Change in fair value	36,437	1,572	-24,323	-499
Reclassification to profit (+) or loss (-)	-2,165	-499	-18,970	-395
Balance as at September 30	**26,198**	**1,572**	**-12,404**	**-499**

The following two tables show when the cash flows deriving from cash flow hedges will occur and when they will influence the income statement:

Cash flow hedges as at September 30, 2020

Occurrence and impact on income statement in € thousand	**Carrying amount**	Nominal volume	less than 1 year	1 to 5 years	more than 5 years
Foreign exchange forward contracts					
Assets	24,365	451,801	321,483	130,318	0
Liabilities	23	2,519	2,519	0	0
Foreign currency options					
Assets	3,964	104,378	38,432	65,946	0
Liabilities	0	0	0	0	0
Other transactions					
Assets	759	5,542	1,243	4,299	0
Liabilities	155	7,183	0	0	7,183

Cash flow hedges as at September 30, 2019

Occurrence and impact on income statement in € thousand	Carrying amount	Nominal volume	less than 1 year	1 to 5 years	more than 5 years
Foreign exchange forward contracts					
Assets	0	0	0	0	0
Liabilities	12,403	323,692	229,276	94,416	0
Foreign currency options					
Assets	46	43,368	43,368	0	0
Liabilities	0	0	0	0	0

LIQUIDITY RISKS

Liquidity risks constitute the risks that the business is unable to settle its own liabilities. The contractually agreed undiscounted interest and redemption payments of the financial liabilities are shown in Liabilities, pages 171–173.

The adequate sourcing of the Group with liquid funds is ensured not only by the Group's cash flow but also by the existing short-term and long-term credit lines with our banks. Fluctuations in cash flow can therefore be compensated for. An autonomous executive committee monitors the development of Aurubis' liquidity position on a timely and regular basis and reports to the Executive Board. Further management measures taken regarding liquidity risks are described in the Risk Report, pages 111–113.

DEFAULT RISKS

Default risks exist for all classes of financial instruments, in particular for trade accounts receivable. The concentration of the credit risk is limited due to the wide-ranging and heterogeneous customer base. The largest individual customer account receivable balances are regularly controlled. The credit risk arising from derivative financial instruments is limited in that the corresponding contracts are only concluded with contractual parties and banks that have a good credit standing.

The customers have been classified according to their credit rating within the context of the credit risk management process, whereby each customer has been given a specific credit limit.

The carrying amounts of the financial assets recognized in the statement of financial position, less any write-downs, represent the maximum potential default risk without taking into account the value of any securities received or other risk-mitigating agreements.

Furthermore, to minimize default risks as far as possible, we monitor the receivables due from our business associates on a regular basis. Apart from instruments that are customary within the market, such as letters of credit and guarantees, we also make particular use of commercial credit insurance to safeguard against potential bad debts. If receivables are sold under factoring agreements, this is done without recourse.

Additional disclosures for financial instruments

Carrying amounts, valuations and fair values by measurement category in € thousand	Measurement category under IFRS 9	2019/20					
			Measurement in the statement of financial position under IFRS 9				
		Carrying amount 9/30/2020	Amortized cost	Fair value through equity	Fair value through profit or loss	Measurement in the statement of financial position under IFRS 16	Fair value 9/30/2020
Assets							
Share interests in affiliated companies	FV P&L	9,957			9,957		9,957
Investments	FV P&L	131			131		131
Securities classified as fixed assets	FV OCI	25,475		25,475			25,475
Other financial fixed assets							
Other loans	AC	53	53				53
Trade accounts receivable	AC	261,415	261,415				261,415
	FV P&L	220,222			220,222		220,222
	FV OCI	3,645		3,645			3,645
Other receivables and financial assets							
Receivables from related parties	AC	7,034	7,034				7,034
Other financial assets	AC	8,616	8,616				8,616
	FV P&L	14,640			14,640		14,640
	n/a	9,100	9,100				n/a
Derivative financial assets							
Derivatives without a hedging relationship	FV P&L	65,392			65,392		65,392
Derivatives with a hedging relationship (hedge accounting)	n/a	29,088		29,088			29,088
Cash and cash equivalents	AC	481,064	481,064				481,064
Liabilities							
Bank borrowings	AC	518,326	518,326				546,829
Lease liabilities	n/a	64,986				64,986	64,986
Trade accounts payable	AC	655,611	655,611				655,611
	FV P&L	488,414			488,414		488,414
Liabilities to related parties	AC	11,466	11,466				11,466
Other non-derivative financial liabilities	AC	80,591	80,591				80,591
	n/a	4,129	4,129				n/a
Derivative financial liabilities							
Derivatives without a hedging relationship	FV P&L	72,777			72,777		72,777
Derivatives with a hedging relationship (hedge accounting)	n/a	178		178			178
Of which aggregated by measurement categories in accordance with IFRS 9:							
Financial assets at amortized cost (AC)		758,182	758,182	0	0		758,182
Financial assets at fair value through other comprehensive income (FV OCI)		29,120	0	29,120	0		29,120
Financial assets at fair value through profit or loss (FV P&L)		310,342	0	0	310,342		310,342
Financial liabilities at amortized cost (AC)		1,265,994	1,265,994	0	0		1,294,497
Financial liabilities at fair value through profit or loss (FV P&L)		561,191	0	0	561,191		561,191

Carrying amounts, valuations and fair values by measurement category in € thousand	Measurement category under IFRS 9	2018/19 Carrying amount 9/30/2019	Measurement in the statement of financial position under IFRS 9: Amortized cost	Fair value through equity	Fair value through profit or loss	Measurement in the statement of financial position under IAS 17	Fair value 9/30/2019
Assets							
Share interests in affiliated companies	FV P&L	2,666			2,666		2,666
Investments	FV P&L	131			131		131
Securities classified as fixed assets	FV OCI	11,261		11,261			11,261
Other financial fixed assets							
Other loans	AC	51	51				51
Trade accounts receivable	AC	239,301	239,301				239,301
	FV P&L	149,255			149,255		149,255
	FV OCI	1,589		1,589			1,589
Other receivables and financial assets							
Receivables from related parties	AC	5,041	5,041				5,041
Other financial assets	AC	29,004	29,004				29,004
	FV P&L	15,610			15,610		15,610
	n/a	11,773	11,773				n/a
Derivative financial assets							
Derivatives without a hedging relationship	FV P&L	37,305			37,305		37,305
Derivatives with a hedging relationship (hedge accounting)	n/a	46		46			46
Cash and cash equivalents	AC	441,461	441,461				441,461
Liabilities							
Bank borrowings	AC	266,277	266,277				274,661
Liabilities under finance leases	n/a	36,444				36,444	36,444
Trade accounts payable	AC	548,280	548,280				548,280
	FV P&L	269,452			269,452		269,452
Liabilities to related parties	AC	1,539	1,539				1,539
Other non-derivative financial liabilities	AC	75,709	75,709				75,709
	n/a	8,225	8,225				n/a
Derivative financial liabilities							
Derivatives without a hedging relationship	FV P&L	27,602			27,602		27,602
Derivatives with a hedging relationship (hedge accounting)	n/a	12,403		12,403			12,403
Of which aggregated by measurement categories in accordance with IFRS 9:							
Financial assets at amortized cost (AC)		714,858	714,858	0	0		714,858
Financial assets at fair value through other comprehensive income (FV OCI)		12,850	0	12,850	0		12,850
Financial assets at fair value through profit or loss (FV P&L)		204,967	0	0	204,967		204,967
Financial liabilities at amortized cost (AC)		891,805	891,805	0	0		900,189
Financial liabilities at fair value through profit or loss (FV P&L)		297,054	0	0	297,054		297,054

As a general rule, the market value of financial instruments to be recognized at fair value is determined on the basis of quotations on the relevant exchanges. If no such quotations are available, measurement is carried out applying a process that is customary for the market (measurement methods), based on instrument-specific market parameters and interest rates drawn from recognized sources.

If observable input parameters are not available or only partially available, the fair value is calculated on the basis of appropriate measurement methods. In the Aurubis Group, this applies in particular to the extrapolation of market data for electricity, coal, and gas, with due regard to market information about price determination and liquidity considerations. If insufficient market information is available, management's best estimate for a certain input parameter is used to determine the value. Thus, if observable input parameters are not available or only partially available on the market, the measurement process is significantly influenced by the use of estimates and assumptions.

Due to the predominantly short-term nature of cash and cash equivalents, trade accounts receivable and payable, other financial assets, receivables from and payables to related parties, and other non-derivative financial liabilities, an assumption is made that the fair values correspond to the carrying amounts.

An assumption has been made for share interests in non-corporate entities and non-quoted corporate entities that the carrying amount corresponds to the market value. It would only be possible to reliably determine the market value in conjunction with specific sales negotiations.

Pursuant to IFRS 13, the following tables show the measurement methods used to determine the fair value for Level 1, Level 2, and Level 3, as well as the main non-observable parameters that were used for measurement.

In this connection, the individual levels are defined in accordance with IFRS 13 as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Procedures under which all input parameters with a significant effect on the fair value are observable either directly or indirectly in the market
- Level 3: Procedures that use input parameters which have a significant influence on the fair value and are not based on observable market data

Financial instruments from Level 1 measured at fair value

Type	Measurement method
Securities classified as fixed assets	Exchange quotations

Financial instruments from Level 2 measured at fair value

Type	Measurement method and applied input parameters
Foreign exchange forward contracts	Par method, taking into account actively traded forward rates and the currently valid interest rate for discounting purposes as at the reporting date
Foreign currency options	Black-Scholes-Modell. The calculation is based on the exchange rates as at the reporting date, taking into account the expected volatility of the respective exchange rate during the term of the option and customary market interest rates
Metal futures contracts	Discounted cash flow method, taking into account actively traded metal forward rates and customary market interest rates for discounting purposes as at the reporting date
Other transactions	Discounted cash flow method. Expected future cash flows are discounted over the remaining term of the contracts, based on use of current market interest rates

Financial instruments from Level 2 not measured at fair value

Type	Measurement method and applied input parameters
Borrowings	Discounted cash flow method. Expected future cash flows are discounted using currently applicable interest rates for financial liabilities with comparable conditions and residual terms

Financial instruments from Level 3 measured at fair value

Type	Measurement method	Significant non-observable measurement parameters	Interdependence between significant non-observable parameters and fair value
Share interests in affiliated companies and investments	Discounted cash flow method	Future expected cash flows	The fair value is continually reviewed by applying significant, non-observable measurement parameters to determine if any measurement adjustments need to be made
Energy supply contract	Discounted cash flow method	Extrapolation of market data for electricity and coal	The fair value would be higher (lower) if: – the price for electricity increased more (less) than expected – the price for coal increased more (less) than expected
Gas price hedging contract	Discounted cash flow method	Extrapolation of market data for gas	The fair value would be higher (lower) if: – the price for gas increased more (less) than expected

If the parameters used for measurement fall into different levels of the measurement hierarchy, the fair value measurement is fully classified as belonging to the lowest level to which an input parameter is attributed, where this parameter significantly influences the entire fair value.

If there are any reclassifications to other levels in the measurement hierarchy, the Aurubis Group accounts for these as at the beginning of the relevant fiscal year.

The following overview shows the main measurement parameters that provide the basis for those financial instruments that are accounted for at fair value and presented in the Notes to the Consolidated Financial Statements.

Hierarchical classification of fair values of financial instruments in accordance with IFRS 7 as at September 30, 2020

Aggregated by classes in € thousand	9/30/2020	Level 1	Level 2	Level 3
Share interests in affiliated companies	**9,957**	**0**	**0**	**9,957**
Investments	**131**	**0**	**0**	**131**
Securities classified as fixed assets	**25,475**	**25,475**	**0**	**0**
Trade accounts receivable	**223,867**	**0**	**223,867**	**0**
Other financial assets	**14,640**	**0**	**14,640**	**0**
Derivative financial assets				
Derivatives without a hedging relationship	65,392	0	65,392	0
Derivatives with a hedging relationship	29,088	0	29,088	0
Assets	**368,550**	**25,475**	**332,987**	**10,088**
Bank borrowings	**546,829**	**0**	**546,829**	**0**
Trade accounts payable	**488,414**	**0**	**488,414**	**0**
Derivative financial liabilities				
Derivatives without a hedging relationship	72,777	0	60,921	11,856
Derivatives with a hedging relationship	178	0	23	155
Liabilities	**1,108,198**	**0**	**1,096,187**	**12,011**

Hierarchical classification of fair values of financial instruments in accordance with IFRS 7 as at September 30, 2019

Aggregated by classes in € thousand	30.09.2019	Level 1	Level 2	Level 3
Share interests in affiliated companies	**2,666**	**0**	**0**	**2,666**
Investments	**131**	**0**	**0**	**131**
Securities classified as fixed assets	**11,261**	**11,261**	**0**	**0**
Trade accounts receivable	**150,844**		**150,844**	**0**
Other financial assets	**15,610**		**15,610**	**0**
Derivative financial assets				
Derivatives without a hedging relationship	37,305	0	23,294	14,011
Derivatives with a hedging relationship	46	0	46	0
Assets	**217,863**	**11,261**	**189,794**	**16,808**
Bank borrowings	**274,661**	**0**	**274,661**	**0**
Trade accounts payable	**269,452**	**0**	**269,452**	**0**
Derivative financial liabilities				
Derivatives without a hedging relationship	27,602	0	27,602	0
Derivatives with a hedging relationship	12,403	0	12,403	0
Liabilities	**584,118**	**0**	**584,118**	**0**

Certain prior-year figures have been adjusted.

There were no reclassifications between the individual levels in fiscal year 2019/20 or in the previous year.

The following overview shows a reconciliation of the financial instruments measured at fair value and classified in Level 3:

Reconciliation of financial instruments in Level 3 as at September 30, 2020

Aggregated by classes in € thousand	Balance as at 10/1/2019	Changes in the scope of consolidation	Profits (+)/ losses (–) recorded in other comprehensive income	Gains (+)/losses (-) recorded in the income statement	**Balance as at 9/30/2020**	Gains (+)/losses (–) for financial instruments held at the reporting date
Share interests in affiliated companies	2,666	9,658	0	-2,367	9,957	-2,367
Investments	131	0	0	0	131	0
Derivative assets without a hedging relationship	14,011	0	0	-14,011	0	-14,011
Derivative liabilities without a hedging relationship	0	0	0	-11,856	-11,856	-11,856
Derivative liabilities with a hedging relationship	0	0	-155	0	-155	0

Reconciliation of financial instruments in Level 3 as at September 30, 2019

Aggregated by classes in € thousand	Balance as at 10/1/2018	Sales/purchases	Gains (+)/losses (-) recorded in the income statement	**Balance as at 9/30/2019**	Gains (+)/losses (-) for financial instruments held at the reporting date
Share interests in affiliated companies	1,394	1,272	0	**2,666**	0
Investments	141	-10	0	**131**	0
Derivative assets without a hedging relationship	13,270	0	741	**14,011**	741

Gains and losses deriving from derivative financial instruments classified as Level 3 without a hedging relationship relate to part of an energy supply contract and are disclosed in the income statement under "Cost of materials."

The fair value of these financial instruments is partially based on non-observable input parameters, which are largely related to the price of electricity and coal. If the Aurubis Group had taken other possible suitable alternative measurement parameters as a basis for measuring the relevant financial instruments on September 30, 2020, the recorded fair value would have been € 9,317 thousand (previous year: € 12,377 thousand) higher in the case of an increase in the electricity price and a decrease in the coal price by 20 %, respectively, at the end of the term or € 9,317 thousand (previous year: € 8,810 thousand) lower in the case of a decrease in the electricity price and an increase in the coal price by 20 %, respectively, at the end of the term. In order to calculate the maximum impacts which can arise from the relative uncertainty in the determination of the fair values of financial instruments whose measurement is based on non-observable parameters, the Aurubis Group remeasures such financial instruments by incorporating parameters that are at the outer limits of the range of reasonably possible alternatives for non-observable input data. Since it is nevertheless unlikely that a scenario will arise in which all of the non-observable parameters are at the outer limits of the range of reasonably possible alternatives at the same time, the estimated values previously mentioned should exceed the actual uncertainty factors when determining the fair value as at the reporting date. Thus, the disclosures shown do not represent a prediction or an indication of any future changes in the fair value.

OFFSETTING OPTIONS FOR DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

The financial instruments that Aurubis enters into are subject to netting agreements with financial institutions that include a mutual right of offset. However, these agreements do not fulfill the criteria for offsetting in the statement of financial position, as the netting right can only be utilized if one of the contracting parties defaults.

The following table shows the financial assets and liabilities in the Aurubis Group that are subject to offsetting options.

Offsetting options for derivative financial assets and liabilities

in € thousand	**2019/20**	2018/19
Financial assets		
Gross amount of financial assets in the statement of financial position	94,480	37,351
Financial instruments that qualify for offsetting in the statement of financial position	0	0
Net value of financial assets in the statement of financial position	94,480	37,351
Offsettable due to framework agreements	-32,376	-13,608
Total net value of financial assets	**62,104**	**23,743**
Financial liabilities		
Gross amount of financial liabilities in the statement of financial position	-72,955	-40,005
Financial instruments that qualify for offsetting in the statement of financial position	0	0
Net value of financial liabilities in the statement of financial position	-72,955	-40,005
Offsettable due to framework agreements	32,376	13,608
Total net value of financial liabilities	**-40,579**	**-26,397**

Net earnings by measurement category

in € thousand	2019/20	2018/19
Financial assets at amortized cost (AC)	4,261	3,468
Financial assets at fair value through other comprehensive income (FV OCI)	0	402
Financial assets and liabilities at fair value through profit or loss (FV P&L)	-16,204	-3,750
Financial liabilities at amortized cost (AC)	-20,587	6,075
	-32,530	**6,195**

The net income/expense deriving from the financial assets measured at fair value through other comprehensive income relates exclusively to equity instruments. The net income/expense deriving from the financial assets and liabilities measured at fair value through profit or loss mainly include the gains/losses deriving from metal futures contracts on the exchanges, forward foreign exchange contracts, and transactions to hedge electricity and coal price risks. Furthermore, fixed-price metal delivery contracts treated as derivatives are taken into account, as are purchase or sales contracts that are not yet price-fixed, which result in a partial compensation effect since they are measured at the respective price on the reporting date. Dividends, but not interest, are included in the calculation. The foreign currency impact deriving from items accounted for at amortized cost, which is included in the net result in fiscal year 2019/20, amounts to € -15,322 thousand (previous year: € 9,863 thousand).

31. RESEARCH AND DEVELOPMENT

Research and development costs of € 15,154 thousand were recognized in profit or loss for the Aurubis Group for fiscal year 2019/20 (previous year: € 15,880 thousand). Moreover, development costs of € 312 thousand (previous year: € 0 thousand) were capitalized in the fiscal year.

Notes to the cash flow statement

The consolidated cash flow statement reports the cash flows in the Aurubis Group in fiscal year 2019/20 and in the prior-year comparative period. In accordance with IAS 7, a distinction is made between the cash inflow from operating activities, the cash outflow from investing activities, and the cash inflow from financing activities.

Commencing with earnings before taxes, adjustment is made for all non-cash-effective expenses and income, the financial result (consisting of the result from investments measured using the equity method, interest expenses, interest income, and other financial expenses and income), income taxes paid out, and changes in working capital to arrive at the cash inflow from operating activities (net cash flow).

At € 459 million as at September 30, 2020, the net cash flow was significantly above the prior-year level (€ 272 million). This was due to sales of precious metals at higher prices and cathode sales to Asia.

The cash outflow from investing activities totaled € -556 million (previous year: € -208 million). Capital expenditure, which increased year-over-year, included € 333 million net cash outflow from the acquisition of the Metallo Group Acquisitions and discontinued operations, page 148.

After taking payments of € 39 million for the purchase of treasury shares, interest payments totaling € 16 million, and dividend payments of € 56 million into account, the free cash flow amounts to € -208 million (previous year: € -22 million).

Cash and cash equivalents of € 481 million were available to the Group as at September 30, 2020 (€ 441 million as at September 30, 2019). The net financial position as at September 30, 2020 was at € -102 million (previous year: surplus financial funds of € 139 million).

The following table shows the cash-effective and non-cash-effective changes in borrowings.

in € million	Balance as at 10/1/2019	Cash-effective	Additions for leases	Other	**Balance as at 9/30/2020**
Bank borrowings	266	254	0	-2	518
Lease liabilities	36	-7	35	1	65
	302	**247**	**35**	**-1**	**583**

Segment reporting

	Segment Metal Refining & Processing		Segment Flat Rolled Products		Other	
	2019/20	2018/19	**2019/20**	2018/19	**2019/20**	2018/19
in € thousand	**operating**	operating	**operating**	operating	**operating**	operating
Revenues						
Total revenues	11,469,390	10,741,921	1,086,425	1,300,358	20,145	22,522
Inter-segment revenues	136,638	151,884	7,843	12,671	2,937	3,190
Revenues with third parties	11,332,752	10,590,037	1,078,582	1,287,687	17,208	19,332
EBITDA	488,176	434,922	15,495	-12,852	-89,125	-63,256
Depreciation and amortization	-169,939	-123,466	-18,686	-25,805	-3,386	-1,590
EBIT	318,237	311,457	-3,191	-38,657	-92,511	-64,846
Interest income	11,824	16,091	1,392	1,536	3,845	170
Interest expense	-17,150	-23,284	-8,018	-10,613	-4,046	-259
Result from investments measured using the equity method	0	0	12,720	284	0	0
Other financial income	0	5	0	0	0	402
Other financial expenses	-240	0	-1,490	-31	-842	0
Earnings before taxes	312,671	304,268	1,413	-47,481	-93,554	-64,533
Consolidated net income						
Return on capital employed (ROCE) in %	13.8	15.5	3.0	-10.6		
Capital expenditure on intangible assets and property, plant, and equipment	201,683	203,379	18,431	16,219	0	3,821
Average number of employees	4,935	4,628	1,632	1,729	330	383

[1] Prior-year figures were retrospectively adjusted due to the reclassification of Segment FRP, see Acquisitions and discontinued operations, page 148.

Regarding the basic derivation of the ROCE, we refer to the Combined Management Report.

Financial performance, assets, liabilities, and financial position of the Aurubis Group, page 90.

	Total		Reconciliation/ consolidation		Group	
	2019/20	2018/19	**2019/20**	2018/19	**2019/20**	2018/19 [1]
	operating	operating	**IFRS**	IFRS	**IFRS**	IFRS
	12,428,542	11,897,056	0	0	12,428,542	11,897,056
	414,546	358,814	170,872	56,099	585,418	414,913
	-192,011	-150,861	-17,815	10,861	-209,826	-140,000
	222,535	207,954	153,057	66,959	375,592	274,913
	17,061	17,797	-10,382	-13,865	6,679	3,932
	-29,214	-34,156	10,382	13,864	-18,832	-20,292
	12,720	284	-6,265	4,480	6,455	4,764
	0	407	88	0	88	407
	-2,572	-31	-87	0	-2,659	-31
	220,530	192,254	146,793	71,439	367,323	263,693
					265,363	192,706
	220,114	223,419	0	0	220,114	223,419
	6,897	6,740	0	0	6,897	6,740

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

Segment Metal Refining & Processing (MRP) processes complex metal concentrates, copper scrap, organic and inorganic metal-bearing recycling raw materials, and industrial residues into metals of the highest quality. From an organizational perspective, Segment MRP includes the Commercial, Supply Chain Management (SCM), and Operations divisions.

The Commercial division combines all market-relevant organizational units (i.e., input material procurement and product sales). SCM brings together Group-wide production planning, logistics management, and sampling, and improves the Group-wide metal flows and inventories. The Operations division is responsible for the ongoing optimization of the integrated smelter network and the production of all basic products and metals, as well as for their further processing into other products, such as continuous cast wire rod and shapes. Among other items, copper cathodes are manufactured at the sites in Hamburg and Lünen (both in Germany), Pirdop (Bulgaria), and Olen and Beerse (both in Belgium). The cathodes produced at the smelters are processed further into wire rod and shapes at the Hamburg (Germany), Olen (Belgium), Emmerich (Germany), and Avellino (Italy) sites. Segment MRP also includes the Metallo Group, the company acquired in 2020 with production sites in Beerse (Belgium) and Berango (Spain).

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

The operating segments are reported upon in the same manner as they are reported to the chief operating decision makers for internal reporting purposes. The chief operating decision makers are defined as the full Executive Board of Aurubis AG.

The Aurubis Group is divided into two reportable segments, which differ as regards their production processes and their products, and are managed independently. The "Other" column discloses central administrative income and costs that cannot be directly allocated to one of the reportable segments.

The internal reporting is generally based on the accounting policies in accordance with IFRS, which are applied in the consolidated financial statements. For internal management purposes, the IFRS-based results are reconciled to the operating result.

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

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

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

The reconciliation to the IFRS-based consolidated financial statements is shown in the "Reconciliation/consolidation" column. In this connection, a total of € 2,528 thousand (previous year: € 0 thousand) of the earnings before taxes (EBT) derives from consolidation impacts, while € 144,265 thousand (previous year: € 71,439 thousand) derives from reconciliation to the IFRS EBT.

The Group generates most of its revenues with business associates in countries within the European Union. The breakdown of external revenues by region is based on the location of the customers, and is as follows:

in € thousand	2019/20	2018/19
Germany	5,458,580	4,807,774
Other European Union countries	3,406,823	3,868,738
Rest of Europe	520,468	434,782
Asia	1,953,991	1,416,080
Americas	691,181	810,336
Other	397,498	559,346
Group total	**12,428,542**	**11,897,056**

The breakdown of capital expenditure and non-current assets by region is based on the location of the respective assets:

	Capital expenditure		Fixed assets	
in € thousand	2019/20	2018/19	2019/20	2018/19
Germany	147,369	152,691	989,739	933,639
Bulgaria	30,322	33,655	339,870	332,065
Belgium	26,982	21,748	484,248	175,059
Other European countries	6,643	7,537	52,195	64,769
North America	8,798	7,788	37,762	54,449
Group total	**220,114**	**223,419**	**1,903,814**	**1,559,982**

The locations in other European countries are mainly operational sites within the European Union.

SEGMENT DATA

The revenues of the individual segments consist of inter-segment revenues and of revenues with non-group third parties. The total third-party revenues of the individual segments correspond to the consolidated revenues of the Group.

The prices and conditions for products and services exchanged between Group companies and segments correspond to those with third parties.

	Segment Metal Refining & Processing		Segment Flat Rolled Products		Other		Total	
in € thousand	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Wire rod	3,907,356	4,274,054	0	0	0	0	3,907,356	4,274,054
Copper cathodes	2,497,388	2,205,521	2,028	2,818	0	0	2,499,416	2,208,339
Precious metals	3,477,041	2,865,272	0	0	0	0	3,477,041	2,865,272
Shapes	688,629	748,965	58,283	71,394	0	0	746,912	820,359
Strip, bars, and profiles	131,479	194,492	941,548	1,117,534	0	0	1,073,027	1,312,026
Other	630,859	301,733	76,723	95,941	17,208	19,332	724,790	417,006
	11,332,752	**10,590,037**	**1,078,582**	**1,287,687**	**17,208**	**19,332**	**12,428,542**	**11,897,056**

Operating EBIT represents operating earnings before taxes, adjusted for the financial result attributable to the segment. Based on this, operating EBITDA is operating EBIT adjusted for depreciation of property, plant, and equipment and amortization of intangible assets belonging to the segment.

In Segment MRP, amortization included impairment losses of € 17,439 thousand (previous year: € 0 thousand) on goodwill of the Copper Products Hamburg cash-generating unit (CGU) in the reporting year.

Furthermore, impairment losses of € 3,688 thousand, as defined under IAS 36, were recognized against non-current assets (previous year: reversals of impairment loss, amounting to € 6,220 thousand).

The average number of employees for each segment includes all the employees of companies that were consolidated in the accompanying consolidated financial statements.

Other disclosures

DISCLOSURES CONCERNING RELATIONSHIPS TO RELATED PARTIES

In accordance with IAS 24, related parties are regarded as all individual persons and entities that can be influenced by, or that can themselves influence, the company.

The employees' representatives on the Supervisory Board received compensation for their employment at Aurubis AG at a level that is normal for the market.

Within the Aurubis Group, various Group companies purchase different types of products and services from and provide different types of products and services to related companies as part of their normal business activities. Such delivery and service relationships are conducted using market prices. In the case of services, these are charged on the basis of existing contracts.

The following amounts relate to a joint venture accounted for using the equity method:

9/30/2020

in € thousand	Income	Expenses	Receivables	Liabilities
Schwermetall Halbzeugwerk GmbH & Co. KG	35,812	25,216	7	1,262

9/30/2019

in € thousand	Income	Expenses	Receivables	Liabilities
Schwermetall Halbzeugwerk GmbH & Co. KG	100,773	26,583	1,486	469

The following amounts relate to non-consolidated related companies:

9/30/2020

in € thousand	Income	Expenses	Receivables	Liabilities
Joint ventures	60	220	108	23
Subsidiaries	7,404	4,650	6,918	10,181

9/30/2019

in € thousand	Income	Expenses	Receivables	Liabilities
Joint ventures	0	340	48	30
Subsidiaries	8,474	943	2,323	1,040

With the exception of Salzgitter AG, no individual shareholders of Aurubis AG are able to exercise a significant influence on the Aurubis Group.

Salzgitter Group companies account for € 388 thousand in expenses for the fiscal year (previous year: € 977 thousand) and income of € 56 thousand (previous year: € 63 thousand). As at the reporting date, there were related liabilities of € 18 thousand (previous year: € 100 thousand) and receivables of € 2 thousand (previous year: € 1 thousand).

As at the reporting date, no letters of comfort had been issued to related parties.

SUBSEQUENT EVENTS

On November 13, 2020, Aurubis AG, CABLO Metall-Recycling & Handel GmbH, and TSR Recycling GmbH & Co. KG signed an agreement to establish a joint venture for cable recycling. The closing of the transaction is planned for Q1 2021.

320,929 additional treasury shares were acquired after the balance sheet reporting date. This represents a 0.71 % share.

No further significant events occurred after the reporting date.

INFORMATION CONCERNING THE EXECUTIVE BOARD AND SUPERVISORY BOARD

TOTAL COMPENSATION

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

The system for **variable compensation** includes both annual variable compensation (two-thirds of the annual bonus, due currently) and multiannual variable compensation, which is forward-looking and not currently due. The multiannual compensation consists of both a performance cash plan over three fiscal years and stock deferred (virtual stock – one-third of the annual bonus) over two fiscal years. The ratio of multiannual to annual variable compensation is 60:40.

The total compensation of the active Executive Board members for fiscal year 2019/20 amounts to € 2,007,550 and, in addition to a fixed component in the amount of € 1,453,333, includes fringe benefits of € 62,789 and a variable component of € 491,428. In total, payments for currently due compensation amounted to € 2,007,550 (previous year: € 2,204,788) and payments for compensation not currently due amounted to € 0 (previous year: € 559,500).

In addition, expenditures for pension provisions in the amount of € 730,301 (previous year: € 560,165) as well as for virtual deferred stock in the amount of € 660,397 (previous year: € 117,392) were recognized as an expense.

Former members of the Executive Board and their surviving dependents received a total of € 2,566,683; € 31,068,407 has been provided for their pension entitlements.

Total compensation includes a share-based compensation component with a cash settlement and a Performance Cash Plan.

The recognition and measurement standards of IFRS 2 are to be applied to the share-based compensation component with a cash settlement. This component involves virtual deferred stock. The resulting obligation equates to the fair value of the virtual stock. The expenses amounted to € 660 thousand in the year reported (previous year: € 117 thousand). The carrying amount of the provisions as at the fiscal year-end amounted to € 850 thousand (previous year: € 190 thousand).

Furthermore, expenses of € 635 thousand for the performance cash plan were recognized (previous year: € 490 thousand). The carrying amount of the provisions as at the fiscal year-end was € 1,295 thousand (previous year: € 660 thousand).

The compensation of the Supervisory Board for fiscal year 2019/20 amounted in total to € 1,544,000.

Details of the individual compensation of the members of the Executive Board and the Supervisory Board are presented and explained in the compensation report.

REPORTABLE SECURITIES TRANSACTIONS

DIRECTORS' DEALINGS

In accordance with Art. 19 Market Abuse Regulation (EU No. 596/2014), the members of the Executive Board and the Supervisory Board must disclose the acquisition and sale of shares in the company. This does not apply if the total transactions per person do not exceed € 20,000 per calendar year.

No members of the Supervisory Board or Executive Board informed the company that he/she had acquired or sold no-par-value shares in the company in the period from October 1, 2019 to September 30, 2020.

DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The declaration required under Section 161 of the German Stock Corporation Act (AktG) has been issued by the Executive Board and the Supervisory Board and has been made permanently accessible to the shareholders on the company's website.

It is also available online at www.aurubis.com/en/about-aurubis/corporate-governance.

NOTIFICATION PURSUANT TO SECTION 160 (1) NO. 8 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The voting rights notifications, which were issued by shareholders in accordance with Section 33 (1) of the German Securities Trading Act (WpHG), covering transactions that exceed or fall below the relevant notification thresholds and which were received prior to preparation of the financial statements of Aurubis AG, are made available in the separate financial statements of Aurubis AG.

They are also available online at www.aurubis.com/en/about-aurubis/corporate-governance.

DISCLOSURES CONCERNING AUDITORS' FEES

The following fees were recorded as expenses for fiscal year 2019/20 and the prior year for services rendered by the global Deloitte network:

in € thousand	2019/20	2018/19
Financial statement auditing services	1,062	914
Other assurance services	21	0
Other services	0	9
Total	**1,083**	**923**

This year's costs for the audit of the financial statements do not include € 148 thousand for the audit of the Metallo companies, which is being carried out by PricewaterhouseCoopers.

The following fees related to services rendered by auditor Deloitte GmbH Wirtschaftsprüfungsgesellschaft:

in € thousand	2019/20	2018/19
Financial statement auditing services	736	623
Other assurance services	2	0
Total	**738**	**623**

Investments

pursuant to Section 313 (2) of the German Commercial Code (HGB) as at September 30, 2020

	Company name and registered office	% of capital held directly and indirectly	Held directly by
1	Aurubis AG		
	Fully consolidated companies		
2	Aurubis Belgium NV/SA, Brussels	100	1
3	Aurubis Finland Oy, Pori	100	2
4	Aurubis Holding USA LLC, Buffalo	100	2
5	Aurubis Buffalo Inc., Buffalo	100	4
6	Aurubis Netherlands BV, Zutphen	100	2
7	Aurubis Mortara S.p.A., Mortara	100	2
8	Cumerio Austria GmbH, Vienna	100	1
9	Aurubis Bulgaria AD, Pirdop	99.86	8
10	Aurubis Engineering EAD, Sofia	100	8
11	Aurubis Italia Srl, Avellino	100	1
12	Aurubis Stolberg GmbH & Co. KG, Stolberg	100	1
13	Aurubis UK Ltd., Smethwick	100	12
14	Aurubis Slovakia s.r.o., Dolný Kubín	100	12
15	CABLO Metall-Recycling & Handel GmbH, Fehrbellin	100	1
16	Peute Baustoff GmbH, Hamburg	100	1
17	RETORTE GmbH Selenium Chemicals & Metals, Röthenbach	100	1
18	E.R.N. Elektro-Recycling Nord GmbH, Hamburg	100	1
19	Aurubis Product Sales GmbH, Hamburg	100	1
20	Deutsche Giessdraht GmbH, Emmerich	100	1
21	Metallo Group Holding NV, Beerse	100	1
22	Metallo Belgium NV, Beerse	100	21
23	Metallo Spain S.L.U., Berango	100	22
	Companies accounted for using the equity method		
24	Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg	50	12

	Company name and registered office	% of capital held directly and indirectly	Held directly by
	Non-consolidated companies		
25	Azeti GmbH, Berlin	100	1
26	Aurubis Holding Sweden AB, Stockholm	100	2
27	Aurubis Sweden AB, Finspång	100	26
28	Aurubis Stolberg Verwaltungs-GmbH, Stolberg	100	1
29	Aurubis Stolberg Asset GmbH & Co. KG, Stolberg	100	12
30	Aurubis Stolberg Asset Verwaltungs-GmbH, Stolberg	100	12
31	Hüttenbau-Gesellschaft Peute mbH i.L., Hamburg	100	1
32	Aurubis Hong Kong Ltd., Hong Kong	100	2
33	Aurubis Metal Products (Shanghai) Co. Ltd., Shanghai	100	32
34	Aurubis Russia LLC, St. Petersburg	100	2
35	Retorte do Brasil, Joinville	51	17
36	Schwermetall Halbzeugwerk GmbH, Stolberg	50	12
37	JoSeCo GmbH, Kirchheim/Swabia	50	17
38	Aurubis Middle East FZE, Dubai	100	19
39	Aurubis Turkey Kimya, Istanbul	100	9
40	Aurubis America Holding Inc., Tampa	100	1
41	Aurubis Tampa LLC, Tampa	100	40

Hamburg, December 8, 2020

The Executive Board

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

Responsibility Statement

We confirm to the best of our knowledge that, in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group, and that the Combined Management Report provides a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Hamburg, December 8, 2020

The Executive Board

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