Combined Management Report

Foundations of the Group

Business model of the Group

BUSINESS ACTIVITIES

Aurubis AG is a company in the basic materials industry that operates worldwide. As an integrated group, we process complex metal concentrates, scrap metals, organic and inorganic metal-bearing recycling raw materials, and industrial residues into metals of the highest purity. Our starting product for fabricating copper products is copper cathodes, which are primarily used to produce standard and specialty products made of copper and copper alloys.

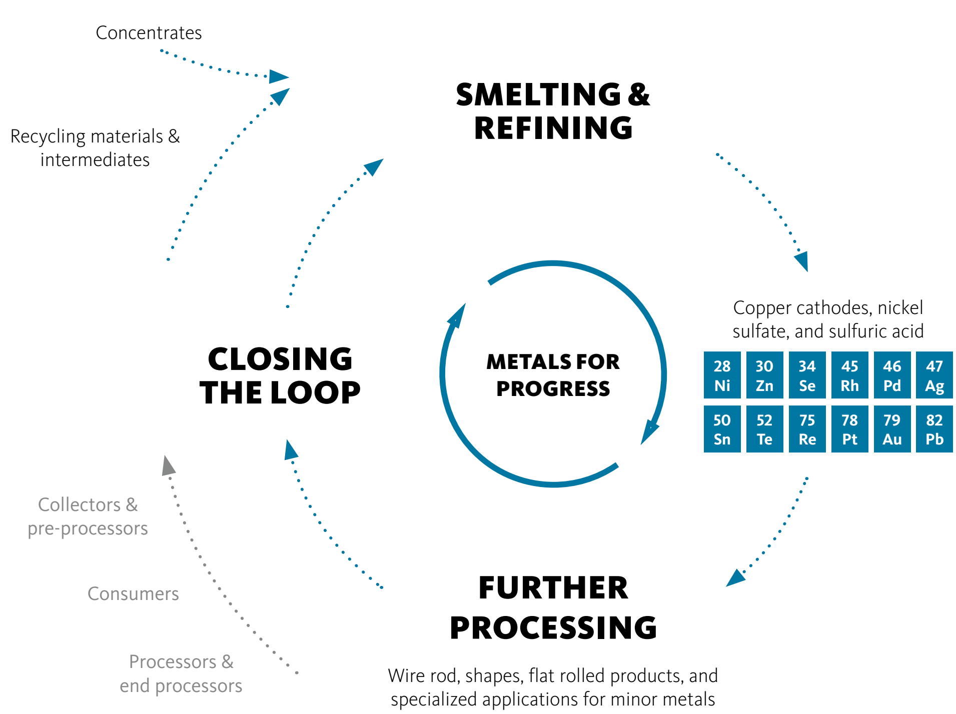
In addition to our main metal, copper, our metal portfolio also includes gold, silver, lead, nickel, tin and zinc, minor metals such as tellurium and selenium, and platinum group metals. Sulfuric acid, iron silicate, and synthetic minerals round off the Aurubis Group's extensive product portfolio.

The company's headquarters, which is also home to one of our two primary smelters, is located in Hamburg, Germany. Our sites are mainly located in Europe, with larger production centers in Germany, Belgium, Bulgaria, and Spain, as well as cold rolling mills for flat rolled products and rod plants in Germany and other European countries. Outside Europe, the Aurubis Group also has a production site in the US, and a global sales and service network. In June 2022, Aurubis began construction on the first secondary smelter for multimetal recycling in the US (Augusta, Richmond County, Georgia). The first stage of the state-of-the-art plant is expected to be commissioned in fall 2024. Commissioning of the expansion stage is scheduled for 2026.

BUSINESS MODEL

Metals play a pivotal role in a number of forward-looking applications. Following industrialization, automation, and digitalization, the transformation to a more sustainable, carbon-neutral economy and society is currently posing significant challenges. Many of the solutions in this area — such as electric vehicles and wind turbines — are based on the use of metals. With the approximately 20 metals we currently produce, we are an important part of the transformation to a more sustainable global economy.

Business model in fiscal year 2022/23



Sites and employees

Consolidated sites

Europe			
DE	Hamburg	Aurubis AG headquarters	2,696
		E. R. N. Elektro-Recycling NORD GmbH	13
		Peute Baustoff GmbH	12
	Lünen	Aurubis AG	686
	Stolberg	Aurubis Stolberg GmbH & Co. KG	446
	Emmerich	Deutsche Giessdraht GmbH	113
	Röthenbach	RETORTE GmbH Selenium Chemicals & Metals	42
BG	Pirdop	Aurubis Bulgaria AD	975
BE	Olen	Aurubis Olen NV/SA	688
	Beerse	Aurubis Beerse NV	475
FI	Pori	Aurubis Finland Oy	310
IT	Avellino	Aurubis Italia Srl	89
ES	Berango	Aurubis Berango S. L. U.	97
UK	Edinburgh	Aurubis Beerse NV	1
FR	Metz	Aurubis Beerse NV	1
Employees in Europe			**6,644**

US			
US	Buffalo	Aurubis Buffalo Inc.	523
	Augusta	Aurubis Richmond LLP	63
Employees in the US			**586**
Total employees			**7,230**

The KPIs relate to permanent and temporary employment arrangements as at the reporting date of September 30, 2023. Excluding at-equity consolidated companies. Sites without employees are not listed. Group representative offices are not listed separately.

Non-consolidated sites and independent sales employees

Europe			
DE	Berlin	azeti GmbH	34
SE	Västerås	Aurubis Holding Sweden AB	1
TR	Istanbul	Aurubis Turkey Kimya Anonim Sirketi	1
Employees in Europe			**36**

Asia			
CN	Beijing[1]		1
	Shanghai	Aurubis Metal Products (Shanghai) Co., Ltd.	4
JP	Tokyo[1]		1
KR	Seoul[1]		1
Employees in Asia			**7**
Total employees			**43**

[1] Agency/independent sales employees.

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

Concentrates

Recycling materials

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

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

Cathodes

Rod

Shapes

Specialty profiles

Precious metals

Minor metals

Sulfuric acid

Iron silicate

Strip/foil

Specialty wire

Synthetic minerals

Status: 9/30/2023

The Aurubis Group's business model rests on our decentralized smelter network and its three fundamental pillars: the processing of raw materials from the mining industry, the processing of recycling materials, and product business. Within the smelter network, the sites leverage their specific processing capabilities and are continuously optimizing their material flows to enhance the recovery of marketable metals and to transform all input materials into valuable products. This helps the entities reduce waste streams and take advantage of scalability, for instance in the large tankhouses and in precious metal processing in Hamburg. As a result, Aurubis has a great deal of efficiency and flexibility in managing raw material procurement, production and sales. Different market cycles influence each of the three fundamental pillars as well.

We process copper concentrates that are obtained from ores and are offered on the global market by mining and trading companies. The necessary input materials for our two primary smelters are purchased worldwide. The production entities don't hold any stakes in mines, and each has a globally diversified supplier portfolio.

A significant portion of our copper concentrates is sourced from South American countries such as Chile, Peru and Brazil. Raw materials are also purchased from other countries like Bulgaria, Turkey, and Georgia. As a buyer of copper concentrates, the Aurubis Group competes with other international primary smelters, particularly in China and Japan. Copper concentrates for the Hamburg site are transported primarily by waterway and are transshipped via the port terminal in Brunsbüttel. There, the different copper concentrates are pre-mixed in accordance with the requirements of our production process. Concentrates reach the site in Pirdop, Bulgaria, by land and sea via the port of Burgas.

In addition to copper concentrates, copper scrap and various types of organic and inorganic metal-bearing recycling raw materials, industrial residues, and bought-in metallurgical intermediates are used as feed material. The four secondary smelters in Lünen (Germany), Olen and Beerse (both in Belgium), and Berango (Spain) buy most of the copper scrap and metal-bearing recycling raw material input on the European and North American markets. Furthermore, we use copper scrap with high copper content to control the processes in both of our primary smelters in Hamburg and Pirdop. Small quantities of precious metal-bearing recycling materials are processed at the primary site in Hamburg as well. Recycling materials are supplied predominantly by metal trading companies. Some recycling materials reach the production cycle directly from industry through our closing-the-loop approach Glossary, page 272.

On the demand side, the Aurubis Group's main competitors for these input materials are other copper and metal smelters, as well as metal processors that also utilize recycling materials. Most of the copper scrap reaches us by land.

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

The Aurubis Group's product portfolio mainly comprises standard and specialty products made of copper and copper alloys. In terms of processing capabilities, we have manufacturing capacities for continuous cast copper wire rod, continuous cast shapes, rolled products, strip, specialty wire, and profiles.

Additional products result from processing the non-copper elements in the feed materials. Targeted purchases of some of these elements are made in the Group's production entities. In particular, these include various metals such as gold, silver, lead, nickel, tin and zinc, minor metals like tellurium and selenium, and platinum group metals. Iron silicate and synthetic minerals are also produced.

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

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

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

We hedge fluctuations in metal and energy prices and the US dollar exchange rate in accordance with our hedging strategy for the most part.

GROUP STRUCTURE

In fiscal year 2022/23, the Aurubis Group's organizational framework was based on the underlying business model. Since fiscal year 2021/22, the two segments Multimetal Recycling and Custom Smelting & Products have made up the fundamental organizational structure and provided the basis for segment reporting in accordance with IFRS 8.

- The **Multimetal Recycling** (MMR) segment comprises the recycling activities in the Group and thus the processing of copper scrap, organic and inorganic recycling raw materials containing metal, and industrial residues. The segment mainly includes the sites in Lünen (Germany), Olen and Beerse (both in Belgium), and Berango (Spain). The Aurubis Richmond secondary smelter, currently under construction in the US state of Georgia, is also included in this segment.
- The **Custom Smelting & Products** (CSP) segment comprises the production facilities for processing copper concentrates and for manufacturing and marketing standard and specialty products such as cathodes, wire rod, continuous cast shapes, strip products, sulfuric acid, and iron silicate. The CSP segment is also responsible for precious metal production. The sites in Hamburg (Germany) and Pirdop (Bulgaria) manufacture copper cathodes. Together with the copper cathodes produced in the MMR segment, they are further processed into wire rod and continuous cast shapes at the Hamburg (Germany), Olen (Belgium), Emmerich (Germany), and Avellino (Italy) sites. The Buffalo (US), Stolberg (Germany), and Pori (Finland) plants produce flat rolled products and specialty wire products.

	Multimetal Recycling	Custom Smelting & Products
Input materials	Scrap/blister Slags/residues E-scrap Other recycling materials	Concentrates Scrap/blister E-scrap Other recycling materials
Products	Cu cathodes Other minor metals	Cu cathodes Sulfuric acid Precious metals Minor metals Rod Shapes Strip, others
Sites	**Recycling smelters:** Beerse (BE), Berango (ES), Lünen (DE), Olen (BE), Richmond (US)	**Primary smelters:** Hamburg (DE), Pirdop (BG) **Additional sites:** Avellino (IT), Buffalo (US), Olen (BE), Pori (FI), Emmerich (DE), Röthenbach (DE), Stolberg (DE)
Earnings drivers	Refining charges (RCs) for recycling materials, cathode premium, metal result	Treatment and refining charges (TC/RCs) for concentrate smelting, RCs for scrap and blister, metal result, sulfuric acid, cathode premium, surcharges for products

A list of shareholdings pursuant to Section 313 (2) of the German Commercial Code (HGB) as at September 30, 2023 is provided in the notes to the financial statements. Notes to the Consolidated Financial Statements, page 202

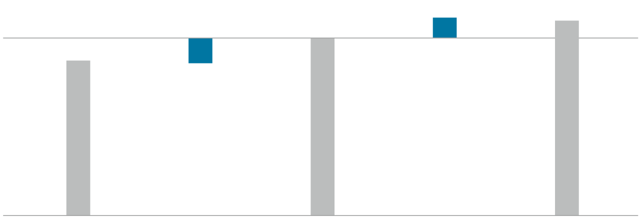
SIGNIFICANT INFLUENCING FACTORS RELEVANT TO THE BUSINESS

The main drivers of earnings are treatment and refining charges for copper concentrates, refining charges for recycling materials, metal prices, the Aurubis copper premium and product surcharges for copper products, as well as sales revenues for sulfuric acid. Furthermore, efficient metal gains in our plants lead to effects on earnings. We hedge some of the metal gains against metal price fluctuations.

Copper, silver, gold, and other key precious and industrial metals are priced on the metal exchanges, first and foremost the London Metal Exchange (LME) www.lme.com, which facilitate physical transactions, hedging, and investment business. These prices are not just benchmarks for exchange trading but serve as the basis for pricing in the raw material and product business.

Pricing along the value chain

Schematic illustration



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

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

As an energy-intensive company, the Aurubis Group fundamentally experiences impacts on its energy costs from price fluctuations for electricity, natural gas, and CO_2 certificates. The production entities can to some extent hedge against abrupt market price fluctuations for electricity and natural gas by purchasing them well in advance. For the energy suppliers' CO_2 costs that are included in the electricity price (referred to as indirect emissions), we have received partial compensation on the basis of the state aid guidelines.

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

Strategic direction

The Aurubis Group is strategically guided by three pillars: securing and strengthening the core business, pursuing growth options, and expanding its industry leadership in sustainability. The necessary success factors for implementing the strategy were established: digitalization and automation in production, strategic resource planning, and strategic personnel management, which includes the recruitment and development of employees. Our strategic goal is to continue solidifying and expanding our position as one of the most efficient and sustainable multimetal producers worldwide.

The Aurubis strategy updated in fiscal year 2020/21, “Metals for Progress: Driving Sustainable Growth,” includes a precisely defined road map for continued sustainable, profitable growth. Over the past fiscal year, we have made significant further progress on implementing the strategy in line with this road map. We continue to drive implementation forward steadily and cautiously while taking the geopolitical and global economic environment into account.

All new investment projects are subjected to a thorough sustainability review as a matter of course. Every new investment should positively impact aspects of sustainability. Projects will primarily be financed from current cash flow and available funds. There is no need for a capital increase in the foreseeable future.

At its Capital Market Day held on June 13, 2023, Aurubis provided information about the implementation of the Aurubis “Metals for Progress: Driving Sustainable Growth” strategy, about the expansion and optimization of the Aurubis smelter network through growth projects, and about further growth potential for Aurubis in the North American market. The recording of Capital Market Day 2023 is available on our website.

www.aurubis.com/en/investor-relations/publications/capital-market-day

SECURING AND STRENGTHENING THE CORE BUSINESS

The Aurubis Group’s core business is processing raw materials containing metals, both concentrates and recycling materials. Aurubis will invest in our current production sites to expand processing capacities and continue boosting multimetal recovery within the Group-wide smelter network. The aim is to network the sites and optimize material flows among the plants so as to make even greater use of synergies. Aurubis announced the Complex Recycling Hamburg (CRH) project in December 2022. CRH will give Aurubis the capacity to process around 30,000 t of additional recycling material and internal, complex smelter intermediary products on a larger scale in the future. This will close both internal and external value chains, further contributing to the circular economy. The investment in the Hamburg location will keep significantly more added value in the company in the future.

The ongoing Advanced Sludge Processing by Aurubis (ASPA) and Bleed Treatment Olen Beerse (BOB) projects at our Belgian sites also took significant steps forward during the reporting period. Aurubis is investing in the ASPA project in Beerse to build a hydrometallurgical plant for the further processing of anode sludge. This will enable faster extraction of more precious metals, such as gold and silver, and of more tin from the anode sludge.

For the BOB project, Aurubis is investing in the construction of a state-of-the-art and energy-efficient facility for processing electrolyte (bleed) at the Olen site. This hydrometallurgical process recovers valuable metals such as nickel and copper from the electrolyte streams generated during electrolysis in metal production at the Aurubis Beerse and Olen sites.

The expansion of tankhouse capacity in Pirdop, Bulgaria, is another example of how Aurubis is securing and strengthening its core business. Here, Aurubis is investing in expanding tankhouse capacity in order to meet the growing demand for refined copper, which is driven by the energy and mobility transition in Europe and worldwide. As well as expanding capacity, the larger tankhouse in Pirdop will also enable Aurubis to further optimize material flows in the smelter network, saving logistics costs and reducing the associated CO_2 footprint. Commissioning is planned for the second half of 2026.

PURSUING GROWTH OPTIONS

During our strategy process, we defined the recycling business as a central growth driver for us. The rising importance of sustainability in Europe and the US will lead to higher recycling rates and thus a growing regional supply of complex recycling materials and electronic scrap. The Aurubis Modular Recycling System is a scalable system we developed for new recycling plants that enables us to build new capacities using a modular — and therefore flexible and needs-based — approach and integrate them into the expanded Aurubis smelter network.

In December 2022, we announced the approval of a second module for the modularly designed Aurubis Richmond recycling plant in the US state of Georgia, which has been under construction since June 2022. Significant construction phases were completed during the 2022/23 fiscal year, and the first warehouses along with the laboratory and sampling area are now complete. Key management positions have also been filled, and talks have begun with the first recycling materials suppliers. Once the second module is complete, Aurubis Richmond will process around 180,000 t of complex recycling materials annually into 70,000 t of blister copper. The first module is scheduled to go online in the second half of 2024. The technology and processing capabilities of our recycling system position us as a pioneer in sustainable multimetal recycling in the US. The plant also opens up prospects for further growth along the metallurgical value chain in the US. The growing recycling material market currently generates around 6.5 million t of useful recycling materials each year and offers attractive opportunities, particularly for the diversification of our business and project portfolio beyond Europe.

The expansion of electric vehicles continues to gain considerable momentum, which is boosting demand for lithium-ion batteries — as well as demand for the raw materials needed to produce them. In the longer term, we see considerable growth options in battery recycling and specifically in the recycling of black mass. We successfully demonstrated the efficacy of our patented production process for the effective extraction of metals like lithium, nickel, cobalt and manganese with high recovery rates in our pilot plant at the Hamburg site. The next step is the further scaling-up of the pilot plant to a demo plant at the site and initial commercial activities in black mass recycling. We plan to bring an industrial plant for recyling black mass online in fiscal year 2026/27.

EXPANDING INDUSTRY LEADERSHIP IN SUSTAINABILITY

Our strategy defines sustainable action and management as a central consideration across all areas of the company. We continue to anchor sustainability throughout the entire company and in all of our workflows, processes and strategic projects in particular, based on binding targets and appropriate measures. We have also acknowledged the importance of sustainability in our organizational structure: The sustainability function is placed at the highest level directly in the CEO's business division. We have set binding sustainability targets, which we now regularly evaluate and back up with concrete measures. To reduce emissions, for example, we have defined targeted measures to cut Scope 1 and 2 carbon emissions by 50 % by 2030. In the future we will rely on technical approaches, such as decarbonizing plant facilities by replacing fossil fuels with green hydrogen when this can be sourced at competitive conditions, electrifying our production, utilizing waste heat, and expanding the purchase of green electricity and in-house power generation from renewable energies.

In the 2022 calendar year, we were able to substantially reduce Scope 1 and 2 carbon emissions by around 17 % compared to reference year 2018. The increased purchase of electricity derived from renewable energies, such as at our site in Olen, and the use of electricity generated in-house from the solar park at our Bulgarian site in particular contributed to reducing our Scope 2 emissions. Aurubis continues to invest in its production sites with the aim of further reducing carbon emissions. In 2024 we will be investing in new anode furnaces at our Hamburg site to enable the use of hydrogen instead of natural gas. At the Pirdop site, we are investing in expansion stages 2 and 3 of the solar park and thus in in-house power generation capacity. Commissioning is scheduled for 2024. In 2022, we launched the expansion of our Industrial Heat project in Hamburg, which will prevent up to an additional 100,000 t of CO_2 emissions in the city of Hamburg every year once it is complete in 2024.

Another of the Aurubis “Metals for Progress: Driving Sustainable Growth” strategy sustainability targets is to increase the recycling rate, which is the ratio of recycling materials in our copper cathodes. Here we were able to increase the rate by two percentage points to 44 % in the calendar year compared to reference year 2018. We aim to achieve a 50 % recycling rate by 2030. The expansion of recycling capacities in the US will bring further potential for increasing the recycling rate once the two modules are commissioned. Aurubis is making an active contribution to the circular economy by expanding its recycling activities.

Our production techniques already make a pivotal contribution to responsibly handling resources and thus play a role in the energy transition, alongside our products. Aurubis already produces copper cathodes with around 50 % fewer CO_2 emissions than the global average, according to the International Copper Association (ICA). We want to reduce Scope 3 emissions, which arise in the upstream and downstream stages of the value chain, by 24 % per ton of copper cathodes by 2030 as well. Approaches for reducing Scope 3 emissions include cooperation in our supply chain and increased recycling activities, for example. The targets were validated by the Science Based Targets initiative (SBTi) in June 2021. This means that our targets contribute to limiting global warming to 1.5°C pursuant to the Paris Agreement on Climate Change. We will continue implementing and developing our detailed road map to achieve our climate targets.

Corporate management

MANAGEMENT SYSTEM

The corporate management system’s main objective is to increase the Aurubis Group’s corporate value. To achieve this, the Group aims to generate a positive overall value contribution that exceeds the costs of capital. Sustainability is an important element of the Group strategy, and sustainability criteria fundamentally guide our investment projects as well.

GROUP CONTROL PARAMETERS

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

- Operating consolidated earnings before taxes = operating EBT
- Operating return on capital employed = operating ROCE of the Group

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

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

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

- Adjusting for measurement results deriving from the application of IAS 2 (Inventories). In this context, the metal price fluctuations resulting from the application of the average cost method are eliminated. Likewise, non-permanent write-downs or write-ups of metal inventory values as at the reporting date are eliminated

- Adjusting for reporting date-related effects deriving from market valuations of metal derivatives that have not been realized, which concern the main metal inventories
- Adjusting for reporting date-related effects of market valuations of energy derivative transactions that have not been realized
- Eliminating any non-cash effects deriving from purchase price allocations
- Adjusting for effects deriving from the application of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations).

The Aurubis Group reports in accordance with International Financial Reporting Standards (IFRS). For internal management purposes, the Aurubis Group will not adopt the amendment to IAS 2, which requires the application of the “first in, first out” (FIFO) or average cost method. This decision was taken to avoid earnings volatility due to metal price fluctuations resulting from measurement according to the average cost method. Such related measurement effects, in our opinion, need to be eliminated to gain an understanding of the Aurubis Group’s business activities and its results from an operational perspective. In addition, reporting date-related effects concerning the main metal inventories, which derive from the measurement at market of metal derivatives and haven’t been realized, are also not taken into account. In contrast, measurement effects that have already been realized from an operational perspective are taken into account. Reporting date-related effects of market valuations of energy derivative transactions that have not been realized will not be accounted for, either. Furthermore, one-time effects deriving from purchase price allocations are eliminated, as these would otherwise lead to a distortion in the Aurubis Group’s presentation of its assets, liabilities, financial position, and financial performance. The accounting impacts of IFRS 5 are also reversed.

Operating ROCE defines the operating earnings before interest and taxes together with the operating result from investments measured using the equity method, in each case from the last four quarters, in relation to the operating capital employed as at the reporting date and represents the yield on the capital employed.

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

Operating return on capital employed (ROCE)

in € million	9/30/2023	9/30/2022
Fixed assets, excluding financial fixed assets	2,422	2,019
Inventories	2,061	2,202
Trade accounts receivable	563	623
Other receivables and assets	300	361
– Trade accounts payable	-1,566	-1,583
– Provisions and other liabilities	-597	-755
Capital employed as at the reporting date	**3,182**	**2,866**
Earnings before taxes (EBT)	349	532
Financial result	-7	1
Earnings before interest and taxes (EBIT)	**342**	**533**
Investments accounted for using the equity method	19	10
Earnings before interest and taxes (EBIT) — including investments measured using the equity method	**361**	**543**
Return on capital employed (operating ROCE)	**11.3 %**	**19.0 %**

A reconciliation of the IFRS-based statement of financial position and income statement to the respective “operating” figures is provided in the Economic Report section of the Combined Management Report. Page 138

Research and development

Innovations play a key role in Aurubis' success. The development of new metallurgical processes, new products, and decarbonization solutions supports Aurubis' growth strategy. At the same time, optimizing existing production processes boosts Aurubis' core business. Research & Development (R&D) focuses on developing metallurgical expertise with the objective of efficiently and sustainably recovering a significant number of metals from increasingly complex raw materials and recycling materials. The R&D team does this work in company labs and pilot plants, as well as in projects in close collaboration with other relevant Aurubis divisions. The projects are either part of the strategic road map or are guided by targets set by the production areas.

The knowledge and skills of our highly qualified employees are our most valuable resource in this area, and the foundation of our innovative strength. In addition to specialized tasks, the R&D department promotes the professional development of skilled workers in metallurgical and technical areas, including additional opportunities to work in production and other technical divisions of the Group. R&D maintains a network of international universities and research institutes, which assists in providing scientific support for R&D work, investigating new technologies, and also fostering young employees.

In the past fiscal year, R&D work concentrated on decarbonization activities in our production facilities and research on battery recycling, especially the operation of our black mass recycling pilot plant in the R&D Technical Center in Hamburg. Black mass is recovered by mechanically disassembling lithium-ion batteries. Black mass contains valuable metals such as nickel, cobalt, manganese and lithium. The Aurubis Group has developed a hydrometallurgical procedure aimed at optimizing lithium recycling rates. Additional test series have been successfully conducted since the process was scaled up from lab to pilot. There are plans to carry out further test series, and the pilot plant will be scaled up to a demo plant at the Hamburg site starting in spring 2024. In connection with black mass recycling, Aurubis AG published the patent "Method and system for recovering metals from black mass."

The Aurubis Group has set the target of lowering Scope 1 and Scope 2 emissions from its processes by 50 % by 2030 and of becoming carbon-neutral well before 2050. In the future, replacing natural gas with hydrogen could contribute to reducing CO_2 emissions in copper production. The R&D team is intensively researching the use of hydrogen as a fuel in metallurgical processes. While using hydrogen as a fuel source for burners offers a number of advantages, managing hydrogen's chemical properties also presents a challenge. Because hydrogen is more volatile and combustible, it was necessary to design and test a suitable burner construction to use with it. We collaborated with external partners to investigate how the burner could be adapted and what parameters were needed for hydrogen operation. The tests demonstrated that hydrogen is a future alternative fuel that requires additional, long-term research. A crucial element of these studies is the influence of hydrogen on metallurgy, for example in recovering copper and other non-ferrous metals. Together with other cooperation partners in the HARARE research project (Hydrogen As the Reducing Agent in the REcovery of metals and minerals from metallurgical waste), R&D is investigating this as it pertains to the reduction of metals from iron silicate slags using hydrogen. Additional research projects are in the preparation stage.

Apart from hydrogen, R&D is also working with ammonia as an alternative fuel, though ammonia's specific fuel properties mean that in the existing furnace, it can only be used in conjunction with other fuels. This scenario was investigated in the Hamburg rod plant by adding 5 % to 40 % ammonia. The objective was to replace up to 20 % of the natural gas with ammonia without considerably increasing nitric oxide emissions. This target Aurubis originally envisioned proved unfeasible in view of environmental regulations and high product quality standards, however. As a result, Aurubis does not plan to pursue the direct use of ammonia as a fuel in this area of application.

These efforts are of vital importance, as they don't merely target the direct use of hydrogen as an alternative fuel, but also represent a meaningful step towards decarbonization and sustainable energy use.

In addition to emission reduction, R&D also focused on securing and strengthening the Aurubis Group's core business in fiscal year 2022/23. Processing metal-bearing raw materials will become more and more important with ongoing modernization and transformation. With this in mind, R&D has set the target of further optimizing the smelting facilities used for metal processing in the smelter network in order to more efficiently recover metals from the input resources. At the forefront of these process optimizations were series of tests that were conducted on an increasingly larger scale at three sites in the smelter network during ongoing production with the support of R&D. The trial results have already led to a notable improvement in copper, tin and precious metal processes at Aurubis.

Aurubis is working on the Car2Car project with other project partners to improve the quality of recycling raw materials from end-of-life vehicle recycling and to increase future recycling rates. In the context of the project, innovative sorting technologies are being developed and tested on 500 end-of-life vehicles.

Electric vehicles require not only more copper per vehicle but also adapted, sometimes new, copper materials. For example, special wire is being manufactured for copper applications in electric engines and has been successfully tested by customers. In the area of rolled products, R&D topics were influenced by rapid advances in electric vehicles and power electronics. There have been new developments in alloys, for instance to provide highly conductive copper materials for state-of-the-art joining processes that contribute to improving surface properties and enhanced component performance. Furthermore, successful research on reliable, cost-efficient copper ceramic modules for power electronics continued in cooperation with public research institutes and industrial research partners.

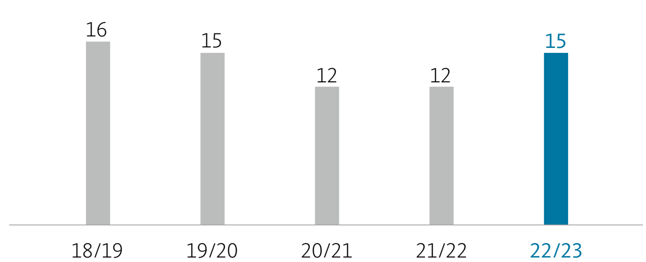
Additionally, developments in materials technology were promoted to prepare for stricter regulations and legal requirements. The high relevance of sustainability led to intensified research, especially into lead-free, machining-optimized brass products. The resulting materials of the BlueBrass family were successfully sampled. Additional R&D projects were conducted for new semi-finished products that are currently in development. In addition to customer-oriented improvements in machinability for complex shaping processes, one other goal is to improve the visual quality of the highly demanding components.

Other research activities involving AI-assisted measuring methods were started during the reporting period and are being conducted in conjunction with university and industry partners.

The entire Aurubis Group's R&D expenditures in fiscal year 2022/23 amounted to € 15 million, compared to € 12 million in reporting year 2021/22. During the reporting period, € 3 million of this amount was capitalized as development costs, mainly for the demonstration plant for battery recycling. The Aurubis Group has a total of 76 employees in this area (previous year: 75 employees), who are located at our sites in Beerse, Buffalo, Hamburg, Lünen, Olen, Pirdop, Pori and Stolberg.

R&D expenditure

in € million

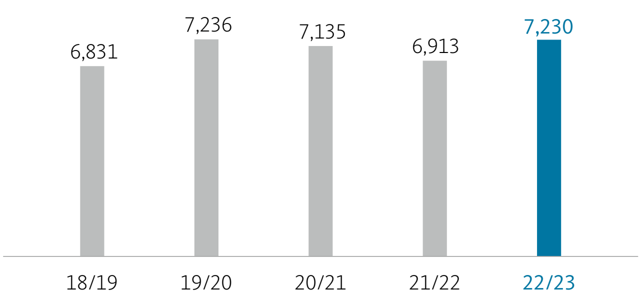


Human resources

A total of 7,230 people were employed by the Aurubis Group on September 30, 2023 (previous year: 6,913). Of these, 45 % were employed outside of Germany and 55 % at the German sites. The number of employees increased due to the strengthening of the core business at the Hamburg, Pirdop, Olen and Beerse sites, as well as the development of the new plant in Georgia. The employees are mainly distributed among the sites as follows: Germany (4,008), Belgium (1,163), Bulgaria (975), US (586), Finland (310), Spain (97) and Italy (89). Sites and employees, page 125

Aurubis Group employees

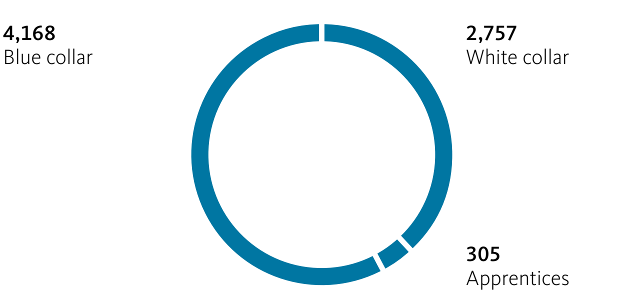
Number on 9/30/2023



Without at-equity consolidated companies.

Aurubis Group personnel structure

Number on 9/30/2023



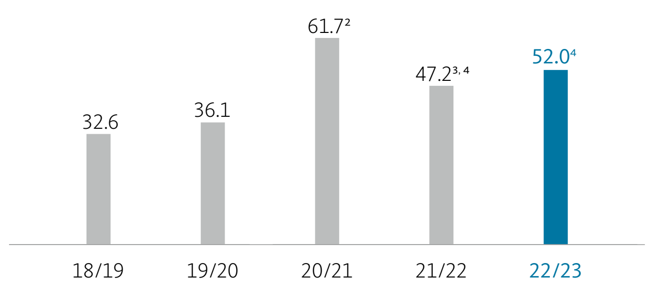
Environmental protection and occupational health

ENVIRONMENTAL PROTECTION IN THE GROUP

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

Capital expenditure for environmental protection in the Aurubis Group[1]

in € million



[1] Environmental investments of all production sites that are majority-owned by Aurubis (>50 %); data collected from some of the smaller sites only starting in 2013; preliminary data for 22/23.
[2] Including Beerse and Berango sites since 2019/20.
[3] Excluding former Aurubis site in Zutphen and Cablo since 2021/22.
[4] Prior-year figures have been adjusted.

The continuous improvement of water pollution control, soil conservation, climate protection, and emission prevention is key to achieving sustainable environmental protection. This can only be done with continuous investment: Aurubis has invested more than € 830 million Group-wide in environmental protection measures since 2000. These include projects such as the use of process heat to provide district heat for households in the HafenCity quarter in Hamburg and a project to reduce diffuse emissions (RDE).

OCCUPATIONAL HEALTH AND SAFETY IN THE GROUP

Group Health and Safety is responsible for creating the technical, organizational, and personal conditions in the company to prevent workplace accidents, injuries, and illnesses. We were all deeply saddened when, despite all our preventative measures, an industrial accident in Hamburg took the lives of three employees in May 2023.

The accident frequency is expressed using the LTIFR (lost time injury frequency rate, including fatalities). This KPI describes the number of workplace accidents involving at least one missed shift per 1 million working hours (based on Aurubis employees).

We continuously reduced accident frequency over a longer period of time. After three years of continuous decline, the LTIFR stabilized and was 3.2 in fiscal years 2021/22 and 2022/23. In absolute terms, there were 33 accidents (LTI) in the past fiscal year (previous year: 34).

Occupational health and safety

	2022/23	2021/22	2020/21	2019/20	2018/19
Absolute number of accidents (LTI)[1]	33	34	55	51	61
LTIFR[2]	3.2	3.2	5.1	5.4	6.0

[1] Including the Beerse (Belgium) and Berango (Spain) sites starting June 1, 2020. Excluding Cablo Metall-Recycling and Handel GmbH, Ferbellin (which has belonged to the Cablo GmbH joint venture with the TSR Recycling GmbH & Co. KG recycling company since June 1, 2021 and in which Aurubis holds a 40 % stake) and Schwermetall Halzeugwerk GmbH & Co. KG starting June 1, 2021. As at August 1, 2022, excluding the sold sites Zutphen (Netherlands), Birmingham (United Kingdom), Dolný Kubín (Slovakia), and Mortara (Italy). Including Aurubis Richmond starting October 1, 2022.
[2] Beerse (Belgium) and Berango (Spain) sites included for the entire fiscal year starting 2021/22 so that KPIs can be compared.

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

In the long term, we are resolutely committed to our Vision Zero, meaning zero work-related accidents, injuries and illnesses. Precautions to prevent accidents are in place to contribute to making this vision a reality. The 10 Golden Rules of occupational health and safety are in effect. Detailed risk assessments are also carried out to derive appropriate precautions and instructions, training measures, and regular audits. Furthermore, we stringently monitor our occupational safety performance and translate the results into appropriate measures.

All production sites are certified in accordance with ISO 45001. We continuously develop occupational safety management at the sites to conform to the standard's requirements.

Software is steadily being rolled out in the Group to support occupational safety processes such as risk assessments, the allocation of legal obligations, accident and near-miss disclosure and review, and site-specific and Group-wide reporting.

In the wake of the serious industrial accident that took place in May 2023 at the Hamburg site, in which three employees lost their lives, we promptly launched and implemented a series of focused immediate measures across the entire Group to further improve our safety level. One focus is our existing safety procedures, full compliance with safety-relevant processes and standards as part of mandatory refresher and user training on permit-to-work processes and protective measures, and the routine review of their use and effectiveness by those who are responsible. Local occupational safety teams are also providing stronger support for safety measures in the plants.

We are also having our occupational safety management reviewed by an independent external occupational safety consultancy. This involves a multistage process that encompasses the site organizations and relevant corporate functions.

Separate Non-Financial Report

The Sustainability section, pages 62–117 of the Annual Report provides additional information on sustainability, environmental protection, energy, the climate, and occupational health, which is also published on our website www.aurubis.com in accordance with the statutory deadlines. Aurubis AG reports on both the Aurubis Group and Aurubis AG in a consolidated, separate Non-Financial Report, the content of which is also available in the Sustainability section of this report and on the website.

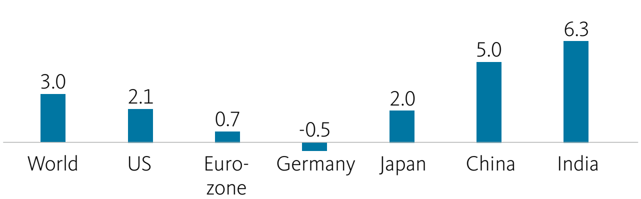
Economic Report

General economic conditions

Global economic recovery from the impact of the Covid-19 pandemic and the continuing war in Ukraine slowed in fiscal year 2022/23. Although the World Health Organization (WHO) announced that it no longer classified Covid-19 as a “global health emergency” in May 2023, and supply chain issues regarding delivery times and transportation costs eased, significant negative factors influencing economic growth remain. Persistently high global inflation rates reduced purchasing power. To combat inflation, international central banks continued their restrictive monetary policies and successively raised key interest rates. This has resulted in more expensive financing costs for companies and households. Combined with the high energy prices, especially in Europe, this placed a strain on the manufacturing economy in particular, while the service sector proved resilient and was able to benefit from catch-up effects in household consumption as the pandemic came to an end. In its October 2023 forecast, the International Monetary Fund (IMF, www.imf.org) predicts global economic growth, measured using gross domestic product (GDP), to slow to 3.0 % in 2023 down from 3.5 % in 2022.

Expected GDP growth in 2023

in %



Source: International Monetary Fund, October 2023

The IMF forecasts growth of just 0.7 % (previous year: 3.3 %) for the eurozone as a whole for 2023. At the same time, economic development in Germany is increasingly slowing down. As in the two previous years, at 1.8 % for 2022 and -0.5 % for 2023, the German GDP growth rates are well below the growth rates of France, Spain and Italy. While Spain and Italy are benefiting from positive development in the services sector and tourism, the German economy is strongly influenced by the weaker development of the interest-rate-sensitive sectors and lower demand from trading partners. Overall, the significant slowdown in economic growth in the eurozone reflects the effects of the more restrictive monetary policy of central banks as well as high energy prices, which are weighing on production in Europe in particular.

The US economy is proving to be extremely stable with robust consumption growth, stronger business investment again, and a reflationary fiscal policy compared to the eurozone. The IMF forecasts an unchanged growth rate of 2.1 % (previous year: 2.1 %) in 2023.

Now that the zero-Covid policy has elapsed, the IMF anticipates China’s GDP growth to be 5.0 % (previous year: 3.0 %) for the whole of 2023. The Chinese economy is regaining momentum as a result, but has not returned to the growing power of the pre-pandemic period. Reasons for this include ongoing turbulent conditions in the real estate market, which have had a major impact on investment activity there. Insecurities on the job market, reflected in high youth unemployment for example, are another factor impacting consumer behavior.

In the 2022/23 fiscal year, global central banks continued their restrictive policies and gradually raised key interest rates. The US Federal Reserve (Fed) last raised the prime rate to 5.25–5.50 % in July 2023. This was the Fed's response to the falling but still high inflation in the US. The European Central Bank (ECB) followed the Fed with somewhat of a time lag and set the prime rate to 4.5 % at its meeting in September 2023. The IMF expects the central banks to continue focusing on reestablishing price stability. The first successes are already apparent: Inflation has been declining over the course of the year. On annual average, global inflation is expected to decline from 8.7 % in 2022 to 6.9 % in 2023. This would, however, still be above the 2.0 % inflation target set by the Fed and the ECB.

Conditions specific to the industry

Aurubis AG is active on the international metal and copper markets and in the corresponding sub-markets, which showed varied development over the past 2022/23 fiscal year. The following section details developments in the key procurement and sales markets of Aurubis AG.

The international market for copper concentrates continues to grow, and in the reporting period was marked by improved mine production and as such by a higher copper concentrate supply compared to the previous year. According to the Wood Mackenzie research group, the global rate of mine production downtimes due to weather conditions, the slow ramp-up of production activities, strikes or other reasons remained lower than the year before. Supply was bolstered by the resumption of production and expansion of existing mines and the ramp-up of new mining projects in Peru and Chile in particular. Overall, Wood Mackenzie expects global copper concentrate production to be 2.6 % higher in 2023 than in the previous year.

Like the mining industry, the global smelter industry continued to grow in the reporting period. Planned and unplanned maintenance shutdowns again occurred in the smelter industry during the fiscal year. Furthermore, low sulfuric acid prices had a dampening effect on production activities for some Asian smelters, which reduced their purchases on the international concentrate market so as not to exceed their acid storage capacities and to generate a supportive effect on TC/RCs for concentrates. Wood Mackenzie anticipates around 2.9 % capacity expansion on the smelter side in 2023. In total, the global concentrate market is expected to record a plus of around 130,000 t of concentrate in 2023.

With regard to recycling raw materials, the European market, which is the most relevant market for Aurubis, was generally stable in fiscal year 2022/23. The metal price level resulted in a stable supply of copper scrap in Europe for significant segments of the reporting period. During parts of the fiscal year, individual material groups, such as shredder materials, were only available in limited quantities due to a reduction in new vehicle production and a corresponding drop in the scrapping of old vehicles. Furthermore, China showed increased activity in the import of recycling materials in the reporting period, which led to phases of reduced availability on Aurubis' core markets, primarily in Europe. In fiscal year 2022/23, refining charges for copper scrap showed volatile movement at a high and slightly increased level compared to the previous year. With the exception of a few individual recycling materials, the supply of complex recycling materials such as electronic scrap and industrial residues was generally stable during the reporting period. Correspondingly, refining charges for recycling materials remained at a high level in fiscal year 2022/23 as well.

Global production of refined copper was mainly shaped by the following factors in fiscal year 2022/23: the prime rate hikes by the ECB and the Fed, which led to a steep drop in demand from the construction sector; planned and unplanned downtimes on the smelter side, particularly in China; and the capacity increase on the mine and smelter side due to the expansion of existing projects and the ramp-up of new mining projects in Chile and Peru, and the expansion of Chinese smelter capacity in particular. According to the International Copper Study Group (ICSG), capacity utilization in the international smelter industry was 84.3 % in the first half of 2023, exceeding the prior-year level of 81.4 %. Overall, Wood Mackenzie forecasts that global output of refined copper for 2023 will reach a level of around 25.6 million t, 0.7 % above that of the previous year.

Global demand for refined copper could defy the steep prime rate hikes by the ECB and Fed central banks as well as the slowdown in the macroeconomic environment in the 2023 calendar year. In the core markets of North America and Europe, the demand for refined copper showed only a slight drop in calendar year 2023. For the 2023 calendar year, research provider CRU www.crugroup.com anticipates a rise in global demand for refined copper despite the economic slowdown. CRU predicts total global demand for refined copper at 25.3 million t in calendar year 2023 (previous year: 24.8 million t).

Over the course of the 2022/23 fiscal year, global holdings of copper cathodes showed largely sideways movement and remained at a low level. At the start of the 2023 calendar year, the warehouses of the SHFE Glossary, page 274 in particular recorded up to 252,455 t higher inventories, while the LME and COMEX Glossary, page 272 warehouses showed historically low inventories of 36,200 t and 17,072 t respectively. Over the course of the fiscal year, the SHFE inventories decreased while stock in the LME warehouses increased. COMEX inventories remained low. About 234,000 t in total were stored at the end of fiscal year 2022/23, compared to 217,000 t at the start of the fiscal year.

Wood Mackenzie expects a slight production surplus of about 108,000 t on the global refined copper market in 2023.

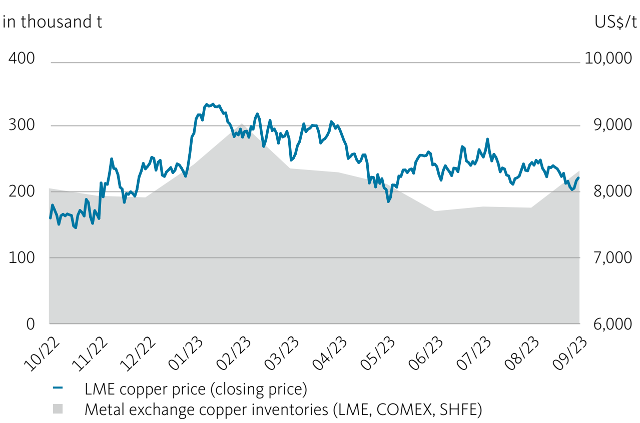
The international wire rod market is the significant outlet for refined copper in Europe and worldwide. Research provider CRU estimates that approximately 73 % of global cathode output will go to this market worldwide in calendar year 2023. As in 2022, this is anticipated to grow by another 2 % in calendar year 2023. Aurubis primarily supplies wire rod to the European market. The 2022/23 fiscal year showed high demand for wire rod. High demand from the energy and infrastructure sectors compensated for a drop in demand from the construction and automobile industries during significant periods of the fiscal year.

The global sulfuric acid market was impacted by decreasing demand with dropping price levels in fiscal year 2022/23. As in the previous year, continued high energy and input costs for the chemical and fertilizer industries located in Europe led to a reduction in European demand for sulfuric acid. The European supply from the smelter industry, for example copper and zinc smelters, and the sulfur burning industry led to an improvement in the supply of sulfuric acid. The situation on the global markets for sulfuric acid was similar to that in Europe for significant periods of the year. In line with the improved global supply of sulfuric acid over large parts of the fiscal year, global price levels normalized and were thus below the very high level of the previous fiscal year. Because of its customer and contract structure, Aurubis isn't completely exposed to developments on the spot market Glossary, page 274, and any impacts occur with a time lag.

Over the course of the fiscal year, the LME copper price varied in a range from around US$ 7,500–9,300/t and showed a wide trading margin in the past fiscal year. In the first half of 2022/23 in particular, the copper price developed largely positively from around US$ 7,600/t at the beginning of the fiscal year to US$ 9,000/t at the end of the first half of the fiscal year. In response, a slowdown in demand from China, increased financing costs due to central bank interest rate hikes, and weaker economic prospects had a negative impact on the copper price in the second half of fiscal year 2022/23. The fiscal year closed with an LME copper price of US$ 8,213/t (settlement) on September 30. The average price for the fiscal year was US$ 8,449/t (previous year: US$ 9,229/t). Other metal prices relevant for the Aurubis Group showed varied movement in the reporting period. For industrial metals, the average value of lead and nickel over the fiscal year remained at the same level as in the previous year, while industrial metals tin and zinc fell significantly compared to the prior year. Precious metals such as gold and silver were increasingly in demand from investors, in part as a hedge against inflation, and over the fiscal year were on average at a high level that exceeded the previous year.

Copper price and metal exchange copper inventories

from October 1, 2022 to September 30, 2023



Economic development within the Aurubis Group

FINDINGS AND FINANCIAL IMPACTS OF THE CRIMINAL ACTIVITIES DIRECTED AGAINST AURUBIS

The Hamburg plant of Aurubis AG became the target of criminal activities during the fiscal year reported. Various instances are explained below (theft and fraud cases). The following findings and implications for the consolidated financial statements and the separate financial statements for Aurubis AG as at the September 30, 2023 reporting date derive from these activities. As the internal and external investigations are still in progress, their findings so far can only be disclosed here to a limited extent.

In the press release dated June 15, 2023, Aurubis informed the capital market that the Public Prosecutor's Office and the police were investigating the suspicion of a theft ring involving precious metal-bearing intermediates (casting reverts). Based on the findings of the investigation to date, no significant impacts on the results of operations or financial position for the year reported are expected. So far, no claims have been recognized with regard to the assets seized by the Public Prosecutor's Office in this case. The Public Prosecutor's Office filed an indictment on November 30, 2023.

Furthermore, internal samples, supposedly with high contents of valuable metals, taken to verify the metal content of certain input materials in the recycling area at the Hamburg plant were manipulated to Aurubis' detriment. Ultimately, these metals were not contained in the deliveries. This resulted in the payment of inflated invoices and damages were incurred due to metals shortfalls that were identified when inventories were counted. As at the reporting date, the manipulation of the internal samples taken to verify metal contents of certain input materials in the recycling area at the Hamburg plant resulted in a metals shortfall, calculated to be an amount in the high double-digit-million euro range, which was fully recognized in the cost of materials. This was offset by € 30 million in anticipated insurance reimbursements recognized in respect of this matter. No further claims deriving from this situation have been recognized in the financial statements to date. Once the situation became known, some outstanding liabilities related to the manipulated internal samples were individually assessed from a legal perspective and accordingly recognized in the financial statements.

In addition to the value of the missing inventories identified in these two cases, additional missing quantities of precious metal inventories, amounting to a figure in the low triple-digit-million euro range, have not been fully clarified. Metal inventories identified when maintenance work was carried out had a counteracting effect, amounting to a figure in the mid-double-digit-million euro range. These effects were recorded under the changes in inventories.

As explained in the notes to the consolidated financial statements, various authorized estimation procedures that are customary for the industry are used when accounting for inventories. They relate to both the quantification of inventories as part of a stocktaking process, as well as to the determination of the recoverable metal contents. As a result, insignificant fluctuations in the metal contents are inherent to the Aurubis business model. Furthermore, metal price fluctuations continuously impact the inventory measurement process. For the reasons outlined above, from a September 30, 2023 reporting date perspective, all such inventory effects cannot only be attributed to the identification of the € 185 million inventory difference that was mesaured and communicated as of August 31, 2023. The lower inventory difference of € 169 million reported as at September 30, 2023 is due to the reasons listed above.

From a September 30, 2023 reporting date perspective, the effects were as follows:

in € million	**9/30/2023**
Inventories	-169
Current receivables and other assets	+30
	-139
Cost of materials/changes in inventories	-169
Other operating income	+30
	-139

Taking these effects into account, Aurubis generated an operating EBT of € 349 million in fiscal year 2022/23 (previous year: € 532 million). The financial performance, assets, liabilities and financial position are therefore only comparable to the previous year to a limited extent. No significant impacts on the previous year's financial statements were identified in this regard, and the financial performance, assets, liabilities and financial position of the previous year are therefore still valid. Identified effects on the prior-year financial statements in the low double-digit million euro range were adjusted during the year reported as part of the current year's accounting process.

In contrast to the measurement regulations applied to determine the operating result, inventory measurement in accordance with IFRS follows the average cost measurement principle. The total measurement difference for the metal content of the inventories as at September 30, 2023 amounted to € -145 million, instead of € -169 million.

In contrast to the measurement regulations applied to determine the operating result, inventory measurement in the separate financial statements of Aurubis AG in accordance with the German Commercial Code (HGB) follows the layer LIFO measurement method. The respective measurement effect for the inventories as at September 30, 2023 amounted to € -180 million instead of € -169 million.

ACTIVITIES UNDERTAKEN BY COMPANY MANAGEMENT RELATING TO THE CRIMINAL ACTIVITIES DIRECTED AGAINST AURUBIS

Following the criminal activities directed against Aurubis that were publicized in the press release dated June 15, 2023, Aurubis incorporated the improvements in process and plant security that had been developed up to that point into a project that has since been expanded to include additional areas. This project group is working with the objective of preventing future damage, minimizing damage, restoring the trust of Aurubis stakeholders, and implementing permanent improvements in process and plant security. This expressly includes the analysis and enforcement of possible claims for compensation, as well as claims under existing insurance policies.

In the initial phase of this project starting in July 2023, the forensics department of a renowned consultancy firm was engaged to undertake a special investigation into the theft of the precious metal-bearing intermediates. The assignment initially covered the following work areas:

- A follow-up investigation of the theft case to gain insights into the sequence of events and identify participants in the criminal activities
- Analysis of all process flows in the relevant production and functional areas to identify any weaknesses and risks, as well as to derive measures for improvement
- Increasing plant security by inspecting and analyzing property security measures and identifying additional steps to boost the security level
- Prevention through additional support in implementing measures in process and plant security

As part of this project phase, on-site inspections of the operational areas were carried out, numerous interviews were conducted, and processes were documented. One particular focus from the start was deriving and implementing effective immediate measures to promptly close any security gaps. Accordingly, findings from the follow-up investigation were incorporated into the forward-looking, prevention-oriented workstreams.

The project structure was subsequently reinforced with personnel resources through the Project Management Office (PMO). In addition to the internally appointed project manager, a renowned external consultancy firm with corresponding management resources was engaged and integrated, and an expanded project structure was developed. In addition to the work areas defined so far and mentioned above, additional working groups were established, for example in the areas of Supply Chain Management, Commercial, Audit, Risk Management, and HR. The Plant Security working group has now been established across the Aurubis Group and includes cross-site processes and site-specific sub-groups. Project management was further intensified. The entire Executive Board is also regularly informed about the progress of these working groups. In addition, a report is regularly submitted to the Supervisory Board's special committee for security and safety, which was established from September 14, 2023 onwards.

Along with the forensic investigation into the criminal activities directed against Aurubis, relevant processes, risks and prevention potential within the plants and functional areas are being assessed and evaluated in this project. This has led to the development of measures that will be implemented according topriority.

In our assessment, the (preventative) measures that have been initiated and in some cases already implemented have significantly increased Aurubis' security level. This includes, for example, enhanced surveillance and controls in risk areas.

Overall, in the process of defining further measures to protect the value of our high-risk raw materials and inventories, we have taken a very differentiated approach. In order to verify the intrinsic value of the materials in inventory as at September 30, 2023, independent specialist companies and laboratories carried out additional sampling and analyses of high-value materials. For the time being, these additional external samples and analyses will continue for relevant high-value materials, which will create additional security in the measurement, accounting treatment, and initiation of payments.

We took immediate measures to improve security in raw material purchasing for individual raw material groups, for instance with additional approval stages for purchasing certain material groups.

The current project phase, which is mainly focused on the forensic investigation of the criminal activities directed against Aurubis, on documenting processes, and on making improvements through immediate measures in the areas of process and plant security, is expected to be concluded by the end of December 2023. The purpose of the subsequent project phase will be to ensure the ongoing implementation of the longer-term measures.

Moreover, we are systematically working on the further development of our local and Group-wide security levels. In July 2023, we already implemented a new Group Security Policy, which has created the Group-wide basis for clear guidelines and standards, has permeated the security infrastructure, and promoted a robust security culture.

In our assessment, the (preventative) measures relating to process and plant security that have been initiated and in some cases already implemented have significantly increased Aurubis' security level. Our employees' critical oversight over internal controls and compliance with processes remain basic prerequisities for protecting Aurubis from criminal activities, which cannot be completely ruled out in the future despite all of the measures that have been adopted.

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

The internal reporting and management of the Group are carried out on the basis of the operating result in order to present the Aurubis Group's success independently of the measurement effects listed below for internal management purposes. Accordingly, the presentation of the financial performance, assets, liabilities and financial position is explained on the basis of operating values.

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

- Adjusting for measurement effects 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 have not been realized, which concern the main metal inventories
- Adjusting for reporting date-related effects of market valuations of energy derivative transactions that have not been realized
- Eliminating any non-cash effects deriving from purchase price allocations
- Adjusting for effects deriving from the application of IFRS 5

The business performance of the Aurubis Group in fiscal year 2022/23 was influenced in comparison to the previous year by criminal activities. The current findings and impacts on the financial performance, assets, liabilities and financial position are outlined in the Economic development within the Aurubis Group, page 141 section. In the explanation of the corresponding items in the statement of financial position and income statement, in which comparisons with prior-year figures are only possible to a limited extent due to these activities, reference will be made to the additional remarks in the previous Economic development within the Aurubis Group, page 141 section.

FINANCIAL PERFORMANCE

The Aurubis Group generated operating earnings before taxes (EBT) of € 349 million in the past fiscal year, which was significantly lower than the previous year (€ 532 million). The operating return on capital employed (ROCE) amounted to 11.3 % (previous year: 19.0 %). This puts operating EBT and ROCE at the upper end of the forecast range of € 310 to 350 million operating EBT and 8 to 12 % for ROCE, which Aurubis reduced on September 19, 2023. IFRS earnings before taxes (EBT) amounted to € 165 million (previous year: € 935 million).

The following table shows how the respective operating results for the 2022/23 fiscal year and for the comparative prior-year period were determined.

Reconciliation to the consolidated income statement

	12 months 2022/23			12 months 2021/22		
in € million	**IFRS**	**Adjustment effects**	**operating**	IFRS	Adjustment effects	operating
Revenues	**17,064**	**0**	**17,064**	**18,521**	**0**	**18,521**
Changes in inventories of finished goods and work in process	85	-68	17	321	-91	230
Own work capitalized	45	0	45	27	0	27
Other operating income	206	0	206	235	11	246
Cost of materials	-16,107	246	-15,861	-17,063	-314	-17,377
Gross profit	**1,292**	**178**	**1,470**	**2,041**	**-394**	**1,647**
Personnel expenses	-558	0	-558	-571	0	-571
Depreciation of property, plant and equipment and amortization of intangible assets	-219	4	-215	-220	0	-220
Other operating expenses	-355	0	-355	-323	0	-323
Operational result (EBIT)	**160**	**182**	**342**	**927**	**-394**	**533**
Result from investments measured using the equity method	17	3	20	19	-9	10
Interest income	11	0	11	7	0	7
Interest expense	-24	0	-24	-17	0	-17
Other financial expenses	0	0	0	-1	0	-1
Earnings before taxes (EBT)	**165**	**185**	**349**	**935**	**-403**	**532**
Income taxes	-24	-57	-81	-220	121	-99
Consolidated net income	**141**	**128**	**268**	**715**	**-282**	**433**

Explanation of the presentation and the adjustment effects in Financial performance, assets, liabilities and financial position of the Aurubis Group, pages 163–167.

Operating EBT for fiscal year 2022/23 was € 349 million (previous year: € 532 million) and was positively influenced by the following factors when compared to the very good previous year:

- Significantly increased treatment and refining charges for concentrates,
- Higher income from refining charges for the processing of recycling materials,
- A significantly higher copper premium,
- Higher revenues from wire rod sales with increased shapes surcharges.

An opposite effect was caused by:

- The financial impacts of the criminal activities directed against Aurubis,
- A considerably lower metal result with declining metal prices, especially for industrial metals (copper, tin, zinc),
- Markedly lower sulfuric acid revenues resulting from reduced sales prices,
- Lower demand for flat rolled products,
- Increased costs in the Group resulting from inflation,
- Launching costs for the strategic projects currently in implementation.

On October 28, 2022, there was a cyberattack on the Aurubis Group's IT systems. A number of systems at Aurubis sites were preventatively shut down in a targeted manner and disconnected from the internet. Production at our smelter sites continued with no limitations. We were able to successfully avert any significant negative business impacts of the attack on our IT systems with the support of external consultants.

In fiscal year 2021/22, Aurubis AG completed the sale of four companies belonging to the former Aurubis flat rolled products segment with effect from July 29, 2022. The previous year's financial performance therefore includes the former Group companies for only ten months.

The Aurubis Group generated revenues of € 17,064 million during the 2022/23 fiscal year (previous year: € 18,521 million). This decline is mainly due to lower metal prices compared to the same period of the previous year, especially those for industrial metals.

Breakdown of revenues by sales markets

in %	**2022/23**	2021/22
Germany	34	35
European Union	37	36
Rest of Europe	9	8
Other	20	21
Group total	**100**	**100**

There was a minimal change in inventories of finished goods and work in process in the amount of € 17 million in the fiscal year (previous year: € 230 million). Among other factors, precious metal-bearing intermediates were built up at the Hamburg site. The previous year, on the other hand, was characterized by the strong build-up of intermediate and finished products at our two smelter sites in the Custom Smelting & Products segment in Hamburg and Pirdop.

The cost of materials deriving from metal purchases decreased owing to the reduction in industrial metal prices, in a manner corresponding to the decrease in revenues and the changes in inventories. The cost of materials ratio increased slightly from 92.7 % in the previous year to 92.9 % and was significantly affected by the impacts of the criminal activities, explained at the start of this section, during the fiscal year. In the reporting period, gross energy costs including the cost of materials amounted to € 419 million (previous year: € 499 million), considerably below the prior-year level due to a reduction in electricity prices.

Own work capitalized recognized in the fiscal year amounted to € 45 million (previous year: € 27 million) and resulted mainly from activities in connection with the routine maintenance shutdown at the Pirdop, Bulgaria, site, which was completed in June 2023, and the Industrial Heat project at the Hamburg site.

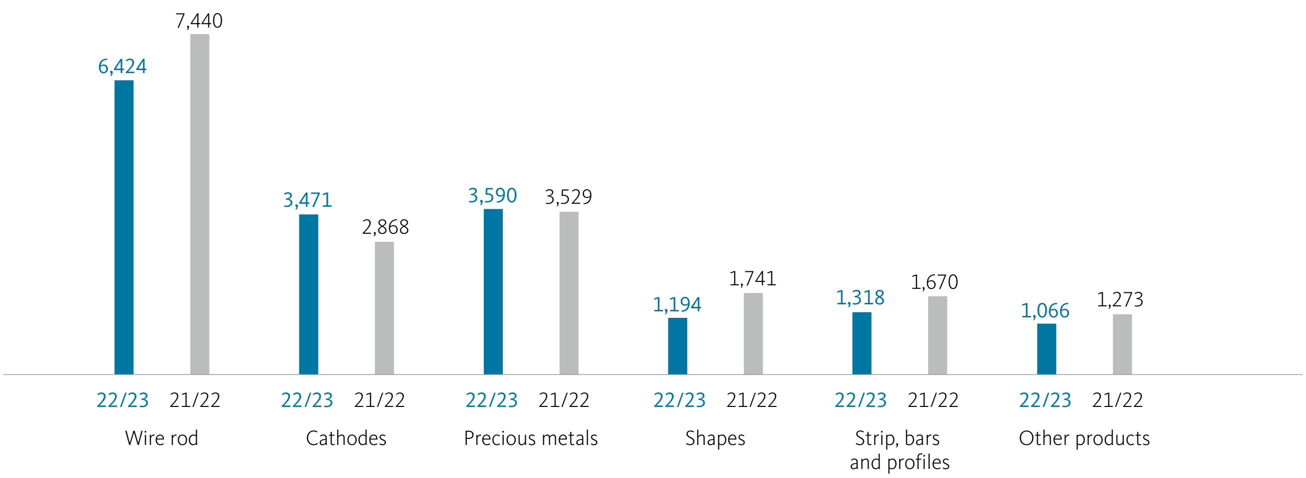
Other operating income decreased by € 40 million to € 206 million, and included, among other items, income of € 50 million deriving from cost reimbursements (previous year: € 68 million). This decrease is mainly due to lower prices for energy sources that were passed on. At € 24 million, the amount of government grants realized for energy costs was lower than in the previous year (€ 46 million); this was also connected to lower energy costs. Furthermore, other operating income for the fiscal year also includes € 30 million deriving from insurance reimbursements recognized in connection with the criminal activities directed against Aurubis as well as € 23 million deriving from reimbursements for the flood damage in the Stolberg plant (previous year: € 61 million). In contrast, income from the sale of emission certificates of € 57 million (previous year: € 26 million) increased.

At € 1,470 million, the overall operating gross profit generated was considerably below the prior-year level (€ 1,647 million). The negative financial effects of the criminal activities previously explained have an impact in the amount of € -169 million on gross profit in the fiscal year. This was offset by € 30 million in insurance reimbursements recognized in this regard. Overall, this strongly limits the ability to compare the gross profit to the prior year.

Personnel expenses decreased from € 571 million in the previous year to € 558 million. Adjusted for expenses for the FRP companies Glossary, page 273 included for the last time in the previous year, the increase was € 8 million, which resulted from wage tariff increases, a rise in the number of employees at the European production sites, and the implementation of strategic projects. On the other hand, personnel expenses were reduced by lower allocations to provisions/current liabilities deriving from performance-related compensation, which were a consequence of the lower overall financial performance.

Development of revenues by products

in € million



At € 215 million, depreciation of property, plant and equipment and amortization of intangible assets was below the prior-year level (€ 220 million). The figure includes € 16 million in impairment losses recognized against property, plant, and equipment for the cash-generating unit (CGU) Aurubis Buffalo. In contrast, in the previous year impairment losses on intangible assets (€ 14 million) and property, plant, and equipment (€ 15 million) were recognized in the MMR segment and primarily related to the Beerse/Berango CGU. Scheduled depreciation and amortization amounted to € 199 million due to expanded capital investment activities, exceeding the prior-year level (€ 192 million).

The increase in other operating expenses by € 32 million to a total of € 355 million (previous year: € 323 million) is the result of significantly higher administrative costs, mainly consulting, insurance and travel costs. Earnings before interest and taxes (EBIT) Glossary, page 275 therefore amounted to € 342 million (previous year: € 533 million).

At a level of € 7 million, the net financial result was considerably better than that of the previous year (€ -1 million). In addition to higher interest income from receivables from customers, as compared to the previous year, the fiscal year was particularly characterized by a higher result deriving from the investment in Schwermetall Halbzeugwerk GmbH & Co. KG, accounted for using the equity method, amounting to € 24 million (previous year: € 10 million).

Operating earnings before taxes (EBT) decreased significantly to € 349 million compared with the previous year (€ 532 million).

An operating consolidated net income of € 268 million remained after tax (previous year: € 433 million). Operating earnings per share amounted to € 6.13 (previous year: € 9.91).

The IFRS EBT of € 165 million fell significantly below the prior-year level (€ 935 million). In addition to the effects on earnings described in the explanation of the operating results of operations, the change in IFRS gross profit was also due to the metal and energy price trend. On the one hand, the use of the required average cost method in accordance with IAS 2 leads to metal price valuations that are close to market prices. Metal price volatility therefore has direct effects on changes in inventories/ the cost of materials and hence on the IFRS gross profit. On the other hand, valuations applied to energy-related derivatives are also subject to market-price-related fluctuations. The IFRS gross profit in fiscal year 2022/23 includes inventory measurement effects of € -19 million (previous year: € 249 million). In particular, negative reporting-date-related effects deriving from the measurement at market prices of energy derivative transactions under IFRS amounting to € -169 million (previous year: € 142 million), were considerably more important in the fiscal year reported.

As explained earlier in this section, the criminal activities directed against Aurubis impact the IFRS results of operations to a considerable extent, which strongly limits the ability to make a comparison to the prior year.

The depiction of the volatility described above is not relevant to the cash flow and does not reflect Aurubis' operating performance.

IFRS consolidated net income amounted to € 141 million (previous year: € 715 million). This equates to IFRS earnings per share of € 3.23 (previous year: € 16.37).

ASSETS AND LIABILITIES

The table Reconciliation of the consolidated statement of financial position, page 151 shows the derivation of the operating statement of financial position as at September 30, 2023 and as at September 30, 2022.

Total assets (operating) decreased slightly from € 5,926 million as at September 30, 2022 to € 5,859 million as at September 30, 2023.

A € 407 million increase in fixed assets, to a level of € 2,442 million as at September 30, 2023, resulting from high Group-wide capital expenditure investment activities had a material influence on the statement of financial position in this fiscal year. Such investment activity includes capital expenditure totaling € 213 million for the construction of the Richmond recycling plant in this fiscal year.

In contrast, net working capital and cash and cash equivalents declined by € -212 million to € 494 million.

As compared to September 30, 2022, the figure for inventories was lower, especially raw materials, in part due to longer transit times as a result of the low water levels in the Panama Canal. Finished copper product inventories (cathodes, wire rod, and shapes) were also lower as at the reporting date.

Trade accounts receivable also decreased due to increased financing through factoring. Their overall balance at the end of the fiscal year was € 563 million (previous year: € 623 million).

On the liabilities side, current liabilities decreased by a total of € 181 million, from € 2,108 million to € 1,927 million. The reduction in current liabilities resulted from a decrease in trade accounts payable (€ 17 million), borrowings (€ 60 million), and measurement effects deriving from metal and forward exchange transactions (€ 62 million) and margin calls (€ 28 million).

The Group's operating equity increased by € 117 million, from € 3,202 million as at the end of the previous fiscal year to € 3,319 million as at September 30, 2023. The increase resulted from operating consolidated total comprehensive income of € 196 million. The dividend payment of € 79 million had a counteracting effect.

At a level of € 262 million as at September 30, 2023, borrowings were substantially below those of the previous fiscal year-end (€ 327 million). In June 2023, a bonded loan (Schuldscheindarlehen) with a three-year duration and a total value of € 79.5 million was repaid on schedule.

The following table shows the development of borrowings.

Development of borrowings

in € million	9/30/2023	9/30/2022
Non-current bank borrowings	167	167
Non-current liabilities under finance leases	37	42
Non-current borrowings	**204**	**209**
Current bank borrowings	46	106
Current liabilities under finance leases	12	12
Current borrowings	**58**	**118**
Total borrowings	**262**	**327**

Overall, the operating equity ratio (the ratio of equity to total assets) was therefore 56.6 %, compared to 54.0 % as at the end of the previous fiscal year.

IFRS total assets decreased from € 7,447 million as at September 30, 2022 to € 7,259 million as at September 30, 2023. The decline in total assets, which was more pronounced than the operating statement of financial position, was mainly due to negative measurement effects deriving from energy-related derivatives and the reduction in inventories by a total of € -154 million from € 3,553 million as at September 30, 2022 to € 3,399 million as at September 30, 2023. The Group's IFRS equity decreased by € -13 million, from € 4,258 million as at the end of the previous fiscal year to € 4,245 million as at September 30, 2023. This was a consequence of the low consolidated total comprehensive income/loss amounting to € 65 million and the deduction of dividends paid. Overall, the IFRS equity ratio was 58.5 % as at September 30, 2023, compared to 57.2 % as at the end of the previous fiscal year.

IFRS structure of the statement of financial position of the Group

in %	9/30/2023	9/30/2022
Fixed assets	34	28
Inventories	47	48
Receivables, etc.	12	15
Cash and cash equivalents	7	9
Assets	**100**	**100**
Equity	58	57
Provisions	11	11
Liabilities	31	32
Equity and liabilities	**100**	**100**

Reconciliation to the consolidated statement of financial position

in € million	9/30/2023 IFRS	9/30/2023 Adjustment effects	9/30/2023 operating	9/30/2022 IFRS	9/30/2022 Adjustment effects	9/30/2022 operating
ASSETS						
Fixed assets	2,470	-28	2,442	2,069	-34	2,035
Deferred tax liabilities	18	1	19	18	1	19
Non-current receivables and other assets	40	-1	39	172	-114	58
Inventories	3,399	-1,338	2,061	3,553	-1,351	2,202
Current receivables and other assets	838	-34	804	929	-23	906
Cash and cash equivalents	494	0	494	706	0	706
Total assets	**7,259**	**-1,400**	**5,859**	**7,447**	**-1,521**	**5,926**
EQUITY AND LIABILITIES						
Equity	4,245	-926	3,319	4,258	-1,056	3,202
Deferred tax liabilities	544	-374	170	638	-431	207
Non-current provisions	169	0	169	121	0	121
Non-current liabilities	309	-98	211	225	-5	220
Current provisions	63	0	63	68	0	68
Current liabilities	1,929	-2	1,927	2,137	-29	2,108
Total equity and liabilities	**7,259**	**-1,400**	**5,859**	**7,447**	**-1,521**	**5,926**

Explanation of the presentation and the adjustment effects in Financial performance, assets, liabilities and financial position of the Aurubis Group, pages 163–167.

RETURN ON CAPITAL EMPLOYED (OPERATING)

Return on capital employed (ROCE) shows the return on capital employed in the operating business or for an investment. It was determined taking the operating EBIT of the last four quarters into consideration.

By the end of the reporting year, the operating ROCE achieved was 11.3 % compared to 19.0 % in the previous year and as such was below our target of 15 %, due to the negative impacts of the criminal activities and the higher level of investment activity in the Group.

Operating return on capital employed (ROCE)

in € million	9/30/2023	9/30/2022
Fixed assets, excluding financial fixed assets	2,422	2,019
Inventories	2,061	2,202
Trade accounts receivable	563	623
Other receivables and assets	300	361
– Trade accounts payable	-1,566	-1,583
– Provisions and other liabilities	-597	-755
Capital employed as at the reporting date	**3,182**	**2,866**
Earnings before taxes (EBT)	349	532
Financial result	-7	1
Earnings before interest and taxes (EBIT)	**342**	**533**
Result from investments accounted for using the equity method	19	10
Earnings before interest and taxes (EBIT) – including the results from investments accounted for using the equity method	**361**	**543**
Return on capital employed (operating ROCE)	**11.3 %**	**19.0 %**

FINANCIAL POSITION OF THE AURUBIS GROUP

The Group's liquidity sourcing is secured through a combination of the Group's cash flow, short-term and long-term borrowings, as well as lines of credit available from our banks. Fluctuations in cash flow development can be compensated for at any time due to available credit funding and credit lines. Such fluctuations result in particular from operating business activities and primarily serve to finance net working capital.

We regularly monitor the development of the Aurubis Group's liquidity position on a timely basis. Control and monitoring are carried out on the basis of defined key ratios.

The main key financial ratio for controlling debt is debt coverage, which calculates the ratio of net financial position (cash and cash equivalents less borrowings) to earnings before interest, taxes, depreciation, and amortization (EBITDA Glossary, page 275) and shows the number of periods required to redeem the existing borrowings from the Group's earnings — based on the assumption that financial performance levels remain unchanged.

The "interest coverage" ratio expresses how the net interest expense is covered by EBITDA. Our long-term objective is to achieve a well-balanced debt structure. In this context, we consider debt coverage <3 and interest coverage >5 to be well balanced.

Group financial ratios (operating)

	9/30/2023	9/30/2022
Debt coverage = net financial position[1]/EBITDA	-0.4	-0.5
Interest coverage = EBITDA/net interest	45.4	75.7

[1] (-) assets/(+) debt

Additional control measures related to liquidity risks are outlined in the Risk and Opportunity Report in the Combined Management Report, pages 168–177.

ANALYSIS OF LIQUIDITY AND FUNDING

The **cash flow statement** shows the cash flows within the Group. It highlights how funds were generated and used.

Despite the weaker results of operations in the past fiscal year, net cash flow Glossary, page 275 significantly improved due to the reduction in the net working capital level. The **net cash flow** as at September 30, 2023 was € 573 million (previous year: € 295 million). The cash outflow from investment activities, which almost tripled year-on-year, could thus mainly be financed from the operating business.

The cash outflow from investment activities totaled € 610 million (previous year: € 208 million) and primarily includes payments for investments in property, plant and equipment totaling € 601 million (previous year: € 334 million). The high level of investment activity extended across the entire Group. In the fiscal year, a total of € 213 million in investment funds flowed into the construction of the recycling plant Aurubis Richmond (US) (previous year: € 26 million). At the European sites, capital expenditure investment included the Industrial Heat project at the Hamburg site (€ 44 million) and the investment made in connection with the scheduled maintenance shutdown at the Pirdop site (€ 43 million), among other projects.

After taking interest payments totaling € 22 million and a dividend payment totaling € 79 million into account, the negative free cash flow Glossary, page 275 amounted to € -138 million (previous year: € 3 million).

in € million	12 months 2022/23	12 months 2021/22[1]
Cash inflow from operating activities (net cash flow)	573	295
Cash outflow from investment activities	-610	-208
Interest paid	-22	-15
Dividends paid	-79	-70
Free cash flow	**-138**	**3**
Proceeds and payments deriving from financial liabilities	-74	-262
Net change in cash and cash equivalents	**-212**	**-260**
Cash and cash equivalents as at the reporting date	**494**	**706**

[1] Prior-year figures have been adjusted.

Cash and cash equivalents of € 494 million were available to the Group as at September 30, 2023 (previous year: € 706 million). The net financial position as at September 30, 2023 was € 232 million (previous year: € 379 million).

Net financial position of the Group

in € million	9/30/2023	9/30/2022
Cash and cash equivalents	494	706
Total borrowings	262	327
Net financial position	**232**	**379**

In addition to cash and cash equivalents, the Aurubis Group has unutilized credit line facilities and thus has adequate liquidity reserves. Parallel to this, within the context of factoring agreements, the Group makes use of the sale of receivables without recourse as an off-balance-sheet financial instrument.

Business performance in the segments

Since fiscal year 2021/22, the two segments Multimetal Recycling and Custom Smelting & Products have made up the fundamental organization structure and provided the basis for segment reporting in accordance with IFRS 8 Foundations of the Group, page 124.

MULTIMETAL RECYCLING SEGMENT

Key figures

in € million	2022/23 operating	2021/22 operating[1]
Total revenues	5,435	5,960
Operating EBITDA	232	287
Depreciation and amortization	-55	-81
Operating EBIT	177	206
Operating EBT	174	205
Capital expenditure	333	114
Operating ROCE	15.4 %	25.7 %
Capital employed	1,120	804
Number of employees (average)	1,731	1,660

[1] Prior-year figures have been adjusted for reclassification effects between the segments.

The **Multimetal Recycling (MMR)** segment comprises the recycling activities in the Group and thus the processing of copper scrap, organic and inorganic recycling raw materials containing metal, and industrial residues. The segment includes the sites in Lünen (Germany), Olen and Beerse (both in Belgium), and Berango (Spain). The secondary smelter, Aurubis Richmond, currently under construction in the US state of Georgia, is also included in this segment.

BUSINESS PERFORMANCE AND EARNINGS TREND

The main factors driving earnings in the MMR segment are refining charges (RCs) for recycling materials that are negotiated as deductions from the purchase price of the metals for converting various recycling materials into the exchange product — copper cathodes — and other metals. Additional earnings components of the segment include the Aurubis copper premium and the metal gain. We hedge some of these metal gains against metal price fluctuations.

The MMR segment generated total revenues of € 5,435 million during the reporting period (previous year: € 5,960 million). This decline is mainly due to lower metal prices compared to the same period of the previous year, especially for industrial metals.

Higher specific refining charges for copper scrap and other recycling materials positively impacted the operating result. Furthermore, higher throughput of blister copper and electronic scrap and the decline in energy costs had a positive effect on the MMR segment's result.

Compared to the previous year, a low metal result related to the input materials, with decreasing metal prices especially for the industrial metals copper, tin and zinc, increased costs due to inflation, and launching costs for the strategic projects currently in implementation had the opposite effect.

Overall, at € 174 million, the MMR segment's operating EBT was below the prior-year level (€ 205 million). Operating ROCE in the segment was 15.4 % (previous year: 25.7 %). A better earnings situation impacted the ROCE in the previous year. Additionally, capital employed increased due in part to high investment in growth, especially in Aurubis Richmond in the US.

RAW MATERIAL MARKETS

Refining charges for copper scrap and other recycling materials slightly above prior-year level

With regard to recycling raw materials, the European market, which is the most relevant market for Aurubis, was generally stable in fiscal year 2022/23. Despite volatile metal prices during the reporting period, the copper scrap supply in Europe was stable. During parts of the fiscal year, individual material groups, such as shredder materials, were only available in limited quantities due to a reduction in new vehicle production and a corresponding drop in the scrapping of old vehicles. Furthermore, China showed increased activity in the import of recycling materials in the reporting period, which led to phases of reduced availability in Europe. In fiscal year 2022/23, refining charges for copper scrap showed volatile movement at a high and slightly increased level compared to the previous year. With the exception of a few individual recycling materials, the supply of complex recycling materials such as electronic scrap and industrial residues was also stable during the reporting period. Correspondingly, refining charges for recycling materials remained at a high level in fiscal year 2022/23 as well.

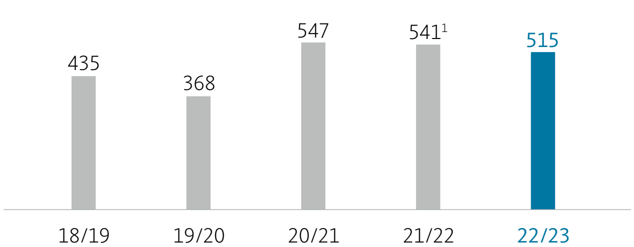
PRODUCTION

Copper scrap/blister copper input in the Group slightly down on prior-year level

During the reporting year, our production sites benefited from a stable supply of copper scrap, blister copper, and other recycling materials. Overall, the Group-wide input of copper scrap and blister copper in fiscal year 2022/23 was 515,000 t, slightly below the prior-year level (541,000 t). The MMR segment accounted for 322,000 t (previous year: 322,000 t) and the CSP segment accounted for 193,000 t (previous year: 219,000 t).

Copper scrap and blister copper input in the Group

in thousand t

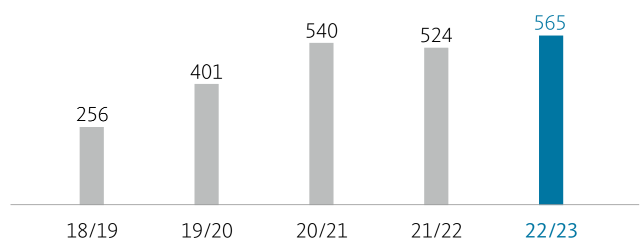


[1] Prio-year figure adjusted.
Aurubis Beerse and Berango included for four months in 2019/20.

The input of other recycling materials, such as industrial residues, slimes, shredder materials, and electrical and electronic scrap in the Group increased to 565,000 t in the reporting period compared to the previous year (524,000 t). The MMR segment accounted for 527,000 t (previous year: 492,000 t) and the CSP segment accounted for 38,000 t (previous year: 32,000 t).

Input of other recycling materials in the Group

in thousand t



Aurubis Beerse and Berango included for four months in 2019/20.

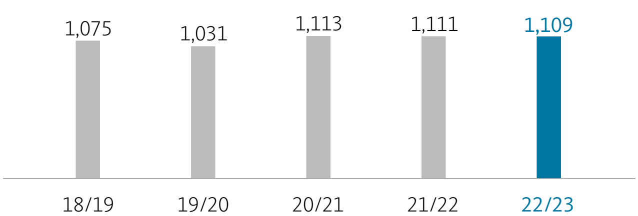
Cathode output at a high level

Copper cathode output in the MMR segment was 506,000 t in 2022/23, slightly below the prior-year level (513,000 t). Cathode production at our site in Lünen continues to run at a reduced level as a result of the ongoing renovation and capacity expansion of the tankhouse until the scheduled commissioning in the first half of 2024.

The international cathode markets registered volatile development in fiscal year 2022/23. Cathode premium quotations in Shanghai indicated a very volatile trend as in the previous year. Until the middle of the fiscal year, the premiums fell considerably from the approximately US$ 130/t recorded at the start of the reporting period and then increased again to about US$ 80/t at the end of the fiscal year. Cathode premiums in Europe remained in the triple-digit US$/t range during large stretches of the fiscal year, moving between US$ 100–130/t at the end of the fiscal year due in part to reduced European tankhouse capacities. At US$ 228/t, the Aurubis copper premium for calendar year 2023 was notably higher than the prior-year copper premium (US$ 123/t) because of high ongoing demand for refined copper and higher costs.

Cathode output in the Group

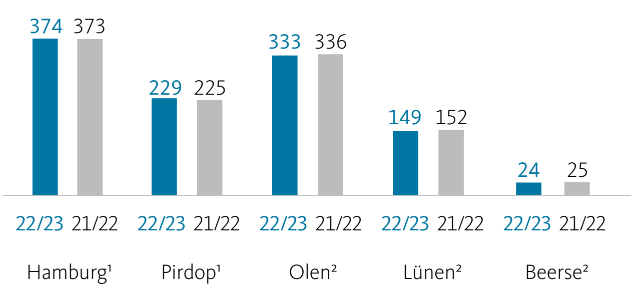
in thousand t



Aurubis Beerse and Berango included for four months in 2019/20.

Cathode output in the Group by sites

in thousand t



[1] Custom Smelting & Products segment.
[2] Multimetal Recycling segment.

CAPITAL EXPENDITURE

Capital expenditure in the MMR segment amounted to € 333 million (previous year: € 114 million). The increase resulted from investment in growth for the new Aurubis Richmond recycling plant in the US, the new bleed treatment facility (BOB) in Olen, Belgium, the ASPA project in Beerse, Belgium, and the continuing refurbishment of the tankhouse in Lünen, Germany.

CUSTOM SMELTING & PRODUCTS SEGMENT

Key figures

in € million	2022/23 operating	2021/22 operating[1]
Total revenues	17,320	18,570
Operating EBITDA	397	524
Depreciation and amortization	-156	-136
Operating EBIT	241	388
Operating EBT	253	390
Capital expenditure	291	248
Operating ROCE	13.0 %	18.7 %
Capital employed	2,038	2,128
Number of employees (average)	4,938	5,080

[1] Prior-year figures have been adjusted for reclassification effects between the segments.

The **Custom Smelting & Products (CSP)** segment comprises the production facilities for processing copper concentrates and for manufacturing and marketing standard and specialty products such as cathodes, wire rod, continuous cast shapes, strip products, sulfuric acid, and iron silicate. The CSP segment is also responsible for precious metal production. The sites in Hamburg (Germany) and Pirdop (Bulgaria) manufacture copper cathodes. Together with the copper cathodes produced in the MMR segment, they are processed further into wire rod and continuous cast shapes at the Hamburg (Germany), Olen (Belgium), Emmerich (Germany), and Avellino (Italy) sites. The Buffalo (US), Stolberg (Germany), and Pori (Finland) plants produce flat rolled products and specialty wire products.

BUSINESS PERFORMANCE AND EARNINGS TREND

The main drivers of earnings in the CSP segment are treatment and refining charges for copper concentrates, refining charges for recycling materials, metal prices, the Aurubis copper premium, and product surcharges for copper products, as well as sales revenues for sulfuric acid. Furthermore, efficient metal gains in our plants lead to effects on earnings. We hedge some of the metal gains against metal price fluctuations.

The CSP segment generated total revenues of € 17,320 million during the reporting period (previous year: € 18,570 million). This decline is mainly due to lower metal prices compared to the same period of the previous year, especially for industrial metals. Continued high demand for wire rod had the opposite effect. High demand from the energy and infrastructure sectors compensated for a drop in demand from the construction and automobile industries during significant periods of the fiscal year. Sales of shapes and flat rolled products were significantly reduced compared to the previous year due to weaker demand from the construction and automotive industries.

The CSP segment generated operating earnings before taxes (EBT) of € 253 million (previous year: € 390 million). Particularly the financial impacts of the metal shortfalls resulting from the criminal activities that targeted Aurubis negatively affected operating EBT in the CSP segment in the reporting period. Please refer to Economic development within the Aurubis Group, page 141 for more details.

In addition, compared to the previous year, operating EBT was positively influenced by considerably increased treatment and refining charges for concentrates, higher earnings due to the Aurubis copper premium, increased revenues through the sale of wire rod at higher shape surcharges, and a slight increase in refining charges for the processing of recycling materials owing to higher throughput.

A considerably reduced metal result with declining metal prices, notably lower revenues from sulfuric acid sales due to reduced sales prices, and lower demand for flat rolled product sales negatively impacted operating EBT year-over-year.

At 13.0 %, operating ROCE in the segment fell compared to the previous year (18.7 %) as a result of the weaker earnings situation.

RAW MATERIAL MARKETS

Higher treatment and refining charges for copper concentrates due to market factors

The international market for copper concentrates continues to grow, and in the reporting period was marked by improved mine production and as such by a higher copper concentrate supply compared to the previous year. According to the Wood Mackenzie research group, the global rate of mine production downtimes due to weather conditions, the slow ramp-up of production activities, strikes or other reasons remained lower than the year before. Supply was bolstered by the resumption of production and expansion of existing mines and the ramp-up of new mining projects in Peru and Chile in particular. Like the mining industry, capacities in the global smelter industry continued to grow in the reporting period, especially in the Asian region.

Planned and unplanned maintenance shutdowns again occurred in the smelter industry during the fiscal year. Furthermore, low sulfuric acid prices had a dampening effect on production activities for some Asian smelters, which reduced their purchases on the international concentrate market so as not to exceed their acid storage capacities. This supported treatment and refining charges for concentrates.

For annual contracts, the benchmark treatment and refining charges (TC/RCs) for processing standard copper concentrates were US$ 88.0/t and 8.8 cents/lb in calendar year 2023. For Q1 of the fiscal year, spot prices remained at the benchmark level, then dropped slightly below the benchmark to around US$ 78/t in Q2 of the fiscal year. With the expansion of copper concentrate supply in the second half of 2022/23, treatment and refining charges increased and at approximately US$ 93/t were slightly above the 2023 benchmark at the end of the fiscal year.

Aurubis has a diversified mine supplier portfolio with long-term supply contracts. Through active raw material management, we were thus able to secure a continuous supply for our production facilities during the entire fiscal year and were only active on the spot market to a limited extent.

For information on developments in refining charges for recycling materials as well as the international cathode markets, please refer to our explanations in the MMR segment.

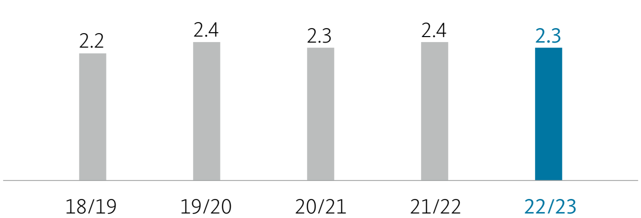
PRODUCTION

Concentrate throughput below prior-year level

Production at our smelter sites was largely constant in the fiscal year. Because of the scheduled maintenance shutdown at the Pirdop site, the larger of our primary smelters, concentrate throughput decreased compared to the prior year. The routine maintenance shutdown with an investment volume of around € 60 million was completed in the planned timeframe and budget. In total, concentrate throughput declined by roughly 5 % in fiscal year 2022/23, to 2,319,000 t (previous year: 2,429,000 t). Shutdowns impacted throughput in the previous year as well.

Concentrate throughput

in million t



Copper scrap/blister copper input below prior-year level

The copper scrap/blister copper input in the CSP segment was 193,000 t during the reporting period, significantly below the prior-year level (219,000 t), corresponding to the reduced concentrate throughput.

Cathode output at a good level

At 603,000 t, copper cathode output in the CSP segment in 2022/23 was slightly above the prior-year level (598,000 t) with good utilization of tankhouse capacities and constant production.

Metal sales volumes

The sales volumes of the metals Aurubis produces are shown in the following table for fiscal year 2022/23:

Sales volumes of other metals

		2022/23	2021/22
Gold	t	49	47
Silver	t	921	911
Lead	t	38,088	44,016
Nickel	t	3,488	3,863
Tin	t	7,858	9,340
Zinc	t	13,791	13,917
Minor metals	t	875	867
Platinum group metals (PGMs)	kg	9,858	9,514

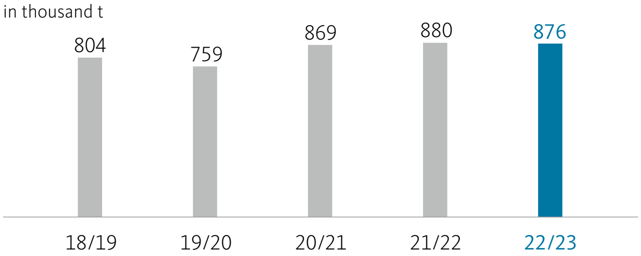
The recovery of our metals depends on the metal contents of the processed copper concentrates and various recycling materials. Lower concentrate and recycling throughputs and the performance of individual production units therefore impact the volumes of the different metals that are recovered. A portion of the metals is sold as intermediate products.

Wire rod output remained high owing to demand

Continuous cast wire rod is used as a preliminary product for processing, especially in the cable and wire industry, as well as for special semifinished products. Demand for wire rod was at a high level again in fiscal year 2022/23. The very high prior-year demand continued into the first three quarters of fiscal year 2022/23. Demand fell slightly in Q4 2022/23. Demand from the energy and infrastructure sectors was good over the entire fiscal year, while demand from the construction sector was considerably reduced.

Wire rod output

in thousand t

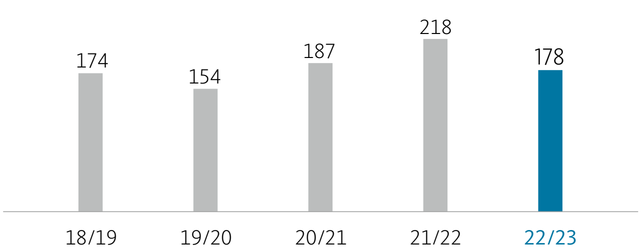


Shapes output down significantly compared to prior year

Demand for high-purity shapes was considerably reduced year-over-year. Demand was around 18 % below the prior-year level at the end of the reporting period, due in large part to reduced demand from the construction sector and the automotive industry.

Shapes output

in thousand t



Sulfuric acid output below prior-year level due to reduced concentrate throughput

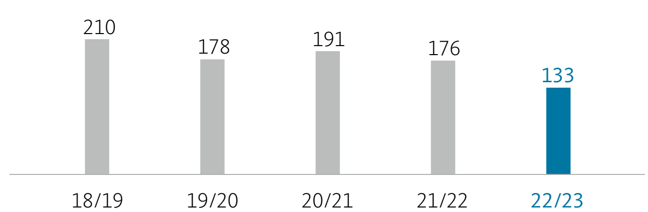
In line with decreased concentrate throughput, sulfuric acid output was 2,158,000 t, about 6 % lower than the prior-year level (2,296,000 t). The global sulfuric acid market was impacted by decreasing demand with dropping price levels in fiscal year 2022/23. Continued high energy and input costs for the chemical and fertilizer industries located in Europe led to a reduction in European demand for sulfuric acid. The European supply from the smelter industry, for example copper and zinc smelters, and the sulfur burning industry led to an improvement in the supply of sulfuric acid. The situation on the global markets for sulfuric acid was similar to that in Europe for significant periods of the year. In line with the improved global supply of sulfuric acid over large parts of the fiscal year, global price levels normalized and were thus below the very high level of the previous fiscal year. Because of its customer and contract structure, Aurubis isn't completely exposed to developments on the spot market, and any impacts occur with a time lag.

Flat rolled product output down significantly year-over-year

The market for flat rolled products experienced a significant decline in demand during the reporting period. Output of flat rolled products and specialty wire decreased to 133,000 t accordingly (previous year: 176,000 t). Production volumes from the sites in the former flat rolled products segment sold on July 29, 2022 were included in the previous year.

Flat rolled products and specialty wire output

in thousand t



Zutphen included for ten months in 2021/22.

CAPITAL EXPENDITURE

Capital expenditure in the CSP segment amounted to € 291 million in fiscal year 2022/23 (previous year: € 248 million). Capital expenditure mainly went towards the maintenance shutdown in Pirdop, phase 2 of the Industrial Heat project in Hamburg, construction on the Complex Recycling Hamburg (CRH) project, preparations for the maintenance shutdown in Hamburg, and the further expansion of photovoltaic capacity in Pirdop.

Executive Board assessment of the Aurubis Group during fiscal year 2022/23

The Aurubis Group continued to implement a number of strategic projects in the past fiscal year. At the same time, the Group had to handle various exceptional circumstances during fiscal year 2022/23: a cyberattack on our IT systems in fall 2022, then a serious industrial accident in the Hamburg plant in May 2023 in which three employees lost their lives, and criminal activities directed against Aurubis that led to a metals shortfall. Despite these severe setbacks, many highly motivated and loyal employees ensured Aurubis' success and the consistent, ongoing realization of the strategy. Additional building blocks of success include the company's good market position for its products and metals and the rock-solid business model with various, in some cases complementary, earnings drivers.

After the criminal activities directed against Aurubis that were publicized in the press release dated June 15, 2023, Aurubis incorporated the improvements in process and plant security that had been developed up to that point into a project to promote process and plant security, and included renowned external forensics experts to provide support in investigating the facts behind the thefts of precious metal-bearing products and intermediates, reporting on the investigation process to the company, and issuing specific recommendations for further development. The project group is working with the objective of preventing future damage, minimizing damage, restoring the trust of Aurubis stakeholders, and implementing permanent improvements in process and plant security. This expressly includes the analysis and enforcement of possible claims for compensation, as well as claims under existing insurance policies.

We expect that the current project phase, which is mainly focused on the forensic investigation of the fraud and theft cases directed against Aurubis, can be concluded by the end of December 2023. The project to improve process and plant security is explained in the previous section, Economic development within the Aurubis Group, page 141.

The Aurubis Group generated operating EBT of € 349 million in fiscal year 2022/23 (previous year: € 532 million). The considerable decline in earnings is primarily due to the financial impacts of the metals shortfall stemming from the criminal activities directed against Aurubis. Nevertheless, the result is at the upper end of the forecast range that Aurubis had reduced to € 310 to 350 million on September 19, 2023 (previously € 450 to 550 million). By the end of the reporting year, operating ROCE reached 11.3 % (previous year: 19.0 %) and was thus within the forecast interval of 8 % to 12 %, though below our 15 % target.

With net working capital remaining fairly constant year-over-year, the financial performance for the fiscal year led to a very good net cash flow of € 573 million compared to the previous year (€ 295 million). The payments of € 601 million for investments in property, plant and equipment, mainly for our strategic projects currently being implemented and the maintenance shutdown in Pirdop, were financed from operating business.

The equity ratio (operating) was 56.6 % as at September 30, 2023 (previous year: 54.0 %). The net financial position as at September 30, 2023 was € 232 million (previous year: € 379 million). The structure of the Aurubis Group's statement of financial position continues to be a strong financial foundation for realizing the Group strategy.

In the course of the fiscal year, the operating performance and the concentrate throughput in our smelter sites were at good levels and, with improved market conditions, made a substantial contribution to the still-satisfactory fiscal year result. The routine maintenance shutdown at the site in Pirdop, Bulgaria, with an investment volume of around € 60 million was successfully completed in the planned timeframe and budget.

Treatment and refining charges for concentrates were at a good level for Aurubis in fiscal year 2022/23. With growing mine capacity and a higher benchmark of US$ 88.0/t and 8.8 cents/lb for calendar year 2023 accordingly, spot prices also recorded volatile development over the fiscal year but at a high level. Especially in the second half of the fiscal year, treatment and refining charges increased and at approximately US$ 93/t were even above the 2023 benchmark at the end of the fiscal year.

Overall, the mining industry's supply of concentrates exceeded the smelter industry's growing demand.

Through our diversified mine supplier portfolio with long-term supply contracts and our active raw material management, we were able to secure a continuous supply for our production facilities during the entire fiscal year and were only active on the spot market to a limited extent.

With regard to recycling raw materials, the European market, which is the most relevant market for Aurubis, was generally stable in fiscal year 2022/23. Despite volatile metal prices during the reporting period, the copper scrap supply in Europe was stable. During parts of the fiscal year, individual material groups, such as shredder materials, were only available in limited quantities due to a reduction in new vehicle production and a corresponding drop in the scrapping of old vehicles. In fiscal year 2022/23, refining charges for copper scrap showed volatile movement at a high and slightly increased level compared to the previous year. With the exception of a few individual recycling materials, the supply of complex recycling materials such as electronic scrap and industrial residues was also stable during the reporting period. Correspondingly, refining charges for recycling materials remained at a high level in fiscal year 2022/23 as well. In fiscal year 2022/23, Aurubis processed more than 1 million t of recycling materials again, and as such is making a key contribution to the circular economy of metals.

The global sulfuric acid market was impacted by decreasing demand with dropping price levels in fiscal year 2022/23. Continued high energy and input costs for the chemical and fertilizer industries located in Europe led to a reduction in European demand for sulfuric acid, with an improved supply from the European smelter industry compared to the previous year. The situation on the global markets for sulfuric acid was similar to that in Europe for significant periods of the year. In line with the improved global supply of sulfuric acid, global price levels normalized and were thus below the very high level of the previous fiscal year.

On the product side, demand for wire rod developed very positively at the start of the fiscal year thanks to the ongoing demand of the cable industry, and remained at a high level as the fiscal year went on. Demand for high-purity shapes declined noticeably, as did demand for flat rolled products.

At € 174 million, the MMR segment's operating EBT was below the prior-year level (€ 205 million). Higher specific refining charges for copper scrap and other recycling materials, an increased throughput of blister copper and electronic scrap, and lower energy costs positively impacted the segment result. A lower metal result related to the input materials, with decreasing metal prices, as well as increased costs due to inflation and launching costs for the strategic projects currently in implementation had the opposite effect.

The CSP segment generated operating earnings before taxes (EBT) of € 253 million (previous year: € 390 million). The financial impacts from metal shortfalls resulting from the criminal activities directed against Aurubis negatively affected the CSP segment's operating EBT in the reporting year. Compared to the year before, the result was positively influenced by considerably increased treatment and refining charges for concentrates, higher earnings due to the Aurubis copper premium, increased revenues through the sale of wire rod at higher shape surcharges, and a slight increase in refining charges for the processing of recycling materials. A considerably reduced metal result with declining metal prices, notably lower revenues from sulfuric acid sales due to reduced sales prices, and lower demand for flat rolled product sales negatively impacted operating EBT year-over-year.

We made progress in key projects within the three pillars of the Group strategy and made additional investment decisions during the past fiscal year.

SECURING AND STRENGTHENING THE CORE BUSINESS

With the Complex Recycling Hamburg (CRH) project, we announced another investment in securing and strengthening Aurubis' core business in December 2022. CRH will give Aurubis the capacity to process around 30,000 t of additional recycling materials and internal, complex smelter intermediates on a larger scale in the future, making a valuable contribution to the circular economy of metals in Europe. The investment in the Hamburg site will keep significantly more added value in the company in the future and create additional metallurgical capacities.

Furthermore, we are strengthening our core business with the expansion of tankhouse capacity in Pirdop, Bulgaria. Here, Aurubis is investing in expanding tankhouse capacity in order to be able to fulfill the increasing demand for refined copper being driven by the energy and mobility transition in Europe and worldwide. In addition to expanding capacity, the larger tankhouse in Pirdop will enable Aurubis to further optimize material flows in the smelter network, saving logistics costs and reducing the associated CO_2 footprint. We are planning commissioning for the second half of 2026.

In December 2022, the groundbreaking for a new hydrometallurgical recycling facility for our ASPA (Advanced Sludge Processing by Aurubis) project took place, which will boost anode slime treatment. The process will enable the extraction of more precious metals, such as gold and silver, and of more tin from the anode sludge. This facility will be commissioned in fiscal year 2024/25.

The groundbreaking for the BOB (Bleed Treatment Olen Beerse) project also took place during the reporting period. This facility will likewise recover valuable metals such as nickel and copper from the tankhouse streams in a hydrometallurgical process, thus further optimizing the smelter network's metal output. Commissioning is anticipated in the second half of fiscal year 2023/24.

PURSUING GROWTH IN RECYCLING

On December 20, 2022, we announced the approval of a second stage for the modularly designed Aurubis Richmond recycling plant in the US state of Georgia, which has been under construction since June 2022. Once the second module is complete, Aurubis Richmond will process around 180,000 t of complex recycling materials annually into 70,000 t of blister copper. Significant construction phases were completed during the 2022/23 fiscal year. The first module is scheduled to go online in the second half of 2024. The technology and processing capabilities of our recycling system position us as a pioneer in sustainable multimetal recycling in the US. The plant also opens up prospects for further growth along the metallurgical value chain in the US.

INDUSTRY LEADERSHIP IN SUSTAINABILITY

When it comes to sustainability, yet another pillar of our Group strategy, we have adopted and moved forward with important measures and projects to achieve our sustainability KPIs.

In 2024, we will be investing in new furnaces that use hydrogen instead of natural gas at our Hamburg site. The conversion will be carried out as part of the Hamburg plant's routine maintenance shutdown slated for spring 2024.

At the Pirdop site, we are investing in stages 2 and 3 of the solar park to expand our in-house power generation capacity. The plant is scheduled to be commissioned in 2024.

Once it's completed, our expansion of the Industrial Heat project in Hamburg will prevent up to 100,000 t of additional CO_2 emissions annually and supply CO_2-free industrial waste heat from Aurubis to about 20,000 households starting in late 2024.

Following the Pirdop, Hamburg and Lünen sites, the site in Olen also successfully concluded the Copper Mark certification process in September 2023 and now bears the quality seal for sustainability in the copper industry. The sites in Beerse and Stolberg have now also committed to undergoing the certification process. Aurubis Stolberg is the first rolling mill to start certification and hopes to conclude it in summer 2024.

In addition to a syndicated loan and a bonded loan (Schuldscheindarlehen), Aurubis linked additional financing instruments to its EcoVadis sustainability rating in the past fiscal year. A further factoring program (sale of receivables) with an initial volume of € 150 million over three years and plans to successively increase this amount up to € 300 million are linked to the annual sustainability rating as well. Moreover, the existing syndicated credit line was raised from € 350 million to € 500 million. We are thus emphasizing the importance of sustainability activities as a key pillar of the company strategy and are continuing to connect them with the Group's financing structures.

Our progress in all areas of sustainability is confirmed by rating agencies. We have published our ESG rating results on our website, for example the updated and improved ESG rating from EcoVadis www.aurubis.com/en/responsibility/reporting-kpis-and-esg-ratings.

Fiscal year 2022/23 posed a number of distinct challenges. In addition to working on occupational safety issues and revising our systems in process and plant security, we will continue to pursue our growth strategy — supported by our robust business model and an exceptionally solid financial position. We made very good progress in realizing our growth strategy during the past fiscal year, and we plan to commission the first projects in fiscal year 2023/24. By strengthening the core business and pursuing growth options in recycling, we are highlighting key aspects of the Group's future success. Aurubis stands for successful growth and sustainability.

Financial performance, assets, liabilities and financial position of Aurubis AG

GENERAL INFORMATION

In order to supplement our Aurubis Group reporting, we explain Aurubis AG's development in the following section. Aurubis AG is the parent company of the Aurubis Group and is based in Hamburg, with production sites in Hamburg and Lünen. Apart from managing the Aurubis Group, the business activities of Aurubis AG also particularly include primary copper production and recycling, as well as copper product and precious metal production. The separate financial statements of Aurubis AG have been prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch, HGB) and the German Stock Corporation Act (Aktiengesetz, AktG). The significant differences from the Group financial statements prepared in accordance with IFRS principles are in the accounting treatment of fixed assets, the measurement of inventories, the measurement of financial instruments, as well as in the accounting treatment of pension provisions.

The Aurubis Group is managed across all companies at the Group level through segments, using operating EBT and operating ROCE as the financial performance indicators. These indicators are also used for Aurubis AG's operating activities, which are a significant component of the Group. In this sense, the development of and forecasts for the financial performance indicators at the segment and Group levels at the same time represent the development and forecast for Aurubis AG as an individual company.

The analysis of the development for the financial performance indicators outlined above during the fiscal year and the related forecasts for the following year are provided in the Economic Report and the Forecast Report for the entire Group. Statements regarding the risk situation and opportunities can be found in the Group's Risk and Opportunity Report, pages 168–177.

FINANCIAL PERFORMANCE

Income statement

in € million	2022/23	2021/22
Revenues	**12,327**	**13,164**
Changes in inventories/ own work capitalized	-11	71
Other operating income	152	93
Cost of materials	-11,869	-12,748
Gross profit	**599**	**580**
Personnel expenses	-305	-347
Depreciation of property, plant and equipment and amortization of intangible assets	-71	-68
Other operating expenses	-251	-210
Operational result (EBIT)	**-28**	**-45**
Financial result	193	174
Result from normal business activities (EBT)	**165**	**129**
Taxes	-24	-3
Net income for the year	**141**	**126**

The business performance of Aurubis AG in fiscal year 2022/23 was influenced by criminal activities. The current findings and impacts on the financial performance, assets, liabilities and financial position are outlined in the section Economic development within the Aurubis Group, page 141. As far as explanations relating to respective items in the statement of financial position and income statement are concerned, in which comparisons with prior-year figures are only possible to a limited extent due to these activities, reference should be made to the additional remarks in the section Economic development within the Aurubis Group, page 141.

Business operations were positively influenced by increased treatment and refining charges for concentrates and a significantly higher Aurubis copper premium coupled with ongoing high demand for wire rod. Lower energy costs due to a reduction in gas and electricity prices also had a positive impact on the result. A counteracting effect was caused by a lower result for metal output, considerably reduced sulfuric acid revenues, and increased costs caused by inflation.

Revenues decreased by € 837 million to € 12,327 million in the year reported (previous year: € 13,164 million) due especially to reduced metal prices for copper, lower sales volumes for shapes, and lower sulfuric acid revenues.

The cost of materials ratio (cost of materials/(revenues + changes in inventories)) was unchanged at a level of 96.4 % but was significantly negatively impacted by the financial effects deriving from criminal activities in the fiscal year, which are outlined in the section Economic development within the Aurubis Group, page 141. On the revenue side, higher copper premiums and shape surcharges as well as the sale of CO_2 certificates compensated for this to some extent. Moreover, expenditures connected to the large-scale shutdown at the Hamburg site negatively impacted the cost-of-materials ratio in the previous year.

Other operating income increased by € 59 million to € 152 million (previous year: € 93 million). It includes foreign exchange gains of € 97 million in the fiscal year (previous year: € 74 million). The increased foreign exchange gains deriving from the measurement and realization of foreign currency receivables and payables (in US$ especially) are counterbalanced by foreign exchange losses in other operating expenses. Furthermore, other operating income includes € 25 million (previous year: € 13 million) of income relating to prior periods. Of this amount, € 7 million relates to electricity price compensation payments and € 15 million to income deriving from the reversal of provisions. In addition, income deriving from an insurance reimbursement in the amount of € 30 million was recorded in connection with the criminal activities in the fiscal year, which are described in more detail in the section Economic development within the Aurubis Group, page 141. After taking own work capitalized into account, the gross profit increased by a total of € 19 million to € 599 million (previous year: € 580 million).

Personnel expenses decreased in the fiscal year reported by € 42 million to € 305 million. This can be attributed in particular to higher pension expenses in the previous year amounting to € 44 million, as well as lower provisions for performance-based bonus payments in this year. In contrast, expenses for wages and salaries increased due to an increase in wage rates based on collective tariff agreements and resultant tariff-based costs and expenses for one-time payments to employees.

Depreciation and amortization of fixed assets increased by € 3 million to € 71 million (previous year: € 68 million). This increase particularly concerned technical equipment and machinery, as well as buildings.

The increase in other operating expenses by € 41 million mainly resulted from higher foreign exchange losses in the amount of € 104 million (previous year: € 86 million) and increased consultancy fees in the amount of € 34 million (previous year: € 24 million). The foreign exchange losses deriving from the measurement and realization of foreign currency receivables and payables are counterblanced by foreign exchange gains recorded in other operating income. Furthermore, other operating expenses increased due to higher expenses for consulting and IT services. In the financial year reported, an impairment loss was also recognized against a receivable of € 3.8 million from Cablo GmbH.

After taking personnel expenses, depreciation and amortization, and other operating expenses into account, the operational result (EBIT) amounted to € -28 million (previous year: € -45 million).

The financial result for the year reported was € 193 million (previous year: € 174 million). In addition to dividends of € 203 million from subsidiaries (previous year: € 155 million), this included € 3 million for impairment losses recognized against the carrying amount for of Cablo GmbH. In the fiscal year reported, securities classified as fixed assets that had remained until then were also sold for € 10 million, generating a net gain of € 6 million.

After taking a tax expense of € 24 million (previous year: € 3 million) into account, the net income for the year amounted to € 141 million (previous year: € 126 million). The relatively significant increase in tax expense is mainly the result of taxes relating to previous years.

ASSETS AND LIABILITIES

Fixed assets increased in the fiscal year by € 109 million to a level of € 2,632 million (previous year: € 2,523 million).

Additions to intangible assets and property, plant and equipment amounted to € 185 million in the year reported. They primarily include investments in connection with the Industrial Heat project in Hamburg, the Complex Recycling Hamburg (CRH) project, the scheduled maintenance shutdown of the primary copper production facility in Hamburg in 2024, and the tankhouse modernization at the Lünen site.

In the fiscal year reported, Aurubis purchased 31 % of the shares in Librec AG, Biberist, Switzerland, for € 9 million under the terms of a purchase agreement dated October 28, 2022. An impairment test of the financial assets during the fiscal year also resulted in the recognition of € 3 million in impairment losses against the investment carrying amount of Cablo GmbH, which is shown in the companies in which investments are held.

Inventories decreased in the fiscal year reported by € 80 million to a level of € 1,105 million (previous year: € 1,185 million). The decrease mainly results from a € 99 million reduction in raw materials and a € 49 million reduction in finished goods. The main factors behind this were lower inventories of copper concentrates due to delivery delays incurred in the Panama Canal, as well as the reduction in inventories of bought-in anodes that had been built up in the previous year in the context of the maintenance shutdown at the Hamburg site. As a counteracting effect, inventories of work in process increased by € 28 million owing to higher inventories of precious metal-bearing anodes and anode slime. The valuation of the metal inventories resulted in writedowns of € 21 million in the lower of cost or market.

At a level of € 388 million, trade accounts receivable were virtually unchanged compared to the previous year. Receivables for wire rod and precious metals increased, while at the same time, receivables for shapes decreased. The amount of receivables sold within the scope of factoring agreements increased by € 122 million to € 297 million (previous year: € 175 million).

Of the receivables from affiliated companies and companies in which investments are held, receivables from financial transactions increased by € 85 million, while trade accounts receivable decreased by € 8 million.

Other assets increased to € 112 million, primarily due to higher receivables deriving from compensation for damages recorded in connection with the criminal activities in the amount of € 30 million.

In the fiscal year reported, prepaid expenses and deferred charges included payments of € 8 million made in respect of a contract for the delivery of oxygen to the site in Lünen.

Overall, total assets reduced by € 71 million, to a level of € 5,035 million in comparison to the previous year. The share of total assets attributable to fixed assets was 52 % (previous year: 49 %). While the share attributable to inventories declined slightly from 23 % in the previous year to 22 % in the year reported, the share for receivables and other assets increased to 17 % (previous year: 14 %). The share of total assets attributable to cash and cash equivalents decreased to 9 % (previous year: 14 %).

Equity amounted to € 1,919 million as at September 30, 2023 (previous year: € 1,856 million). The change in equity is due on the one hand to the net income of € 141 million for the fiscal year reported and on the other hand to the distribution of a dividend, amounting to € 78 million. The equity ratio was 38 % (previous year: 36 %).

Provisions and accrued liabilities increased by a total of € 10 million, to € 498 million. This can be attributed to higher pension provisions, which increased by € 14 million to € 239 million, as well as provisions for environmental protection measures, which increased by € 5 million to € 18 million. Provisions for impending losses from onerous contracts increased by € 21 million to € 112 million, especially for provisions connected to a long-term electricity supply agreement. Tax provisions increased by € 4 million during the fiscal year reported, while personnel-related provisions decreased by € 22 million. This was due to lower performance-based compensation provisions based on the decline in the earnings situation, as well as lower provisions in the context of partial retirement agreements, owing to payouts made in the passive phase. Furthermore, provisions for outstanding invoices also decreased by € 14 million.

Bank borrowings decreased by € 60 million in comparison to the previous year, due in large part to the € 80 million repayment of a bonded loan (Schuldscheindarlehen).

Trade accounts payable increased by € 104 million to € 996 million (previous year: € 892 million), mainly due to higher liabilities for concentrate deliveries to the Rohhütte Werk Ost (RWO) primary smelter. With regard to trade accounts payable, please also refer to the explanations provided in the section Economic development within the Aurubis Group, page 141.

In addition to trade accounts payable of € 211 million (previous year: € 278 million), payables to affiliated companies and to companies in which investments are held totaling € 1,363 million (previous year: € 1,543 million) included liabilities of € 1,152 million deriving from financial transactions with subsidiaries (previous year: € 1,265 million).

Other liabilities declined from € 48 million to € 19 million, due in particular to a decrease in margin calls, which reduced from € 28 million to € 5 million.

In the fiscal year reported, the figure for deferred income included € 20 million in private grants that were recognized in connection with the Industrial Heat project in Hamburg. These will be successively recognized as income over the term of the energy supply contract.

Balance sheet structure of Aurubis AG

in %	9/30/2023	9/30/2022
Fixed assets	52	49
Inventories	22	23
Receivables, etc.	17	14
Cash and cash equivalents	9	14
	100	**100**
Equity	38	36
Provisions	10	10
Liabilities	52	54
	100	**100**

Aurubis uses assets under the terms of lease agreements that are not recognized as assets in the balance sheet. Future financial commitments deriving from such rental and lease agreements amount to € 11 million.

FINANCIAL POSITION

Net financial liabilities Net borrowings: Glossary, page 275 amounted to € 614 million as at September 30, 2023 (previous year: € 654 million). They are made up of bank borrowings of € 215 million (previous year: € 275 million), the net balance of receivables due from and payables due to subsidiaries deriving from refinancing arrangements, amounting to € 862 million (previous year: € 1,060 million), and deducted cash and cash equivalents of € 463 million (previous year: € 681 million).

Cash pooling arrangements exist between Aurubis AG and its subsidiaries. For a further analysis of Aurubis AG's liquidity situation, refer to the explanations concerning the Aurubis Group's financial position. Aurubis AG's financing was secured at all times.

In addition to cash and cash equivalents, Aurubis AG had access to unutilized credit line facilities and thus has adequate liquidity reserves. In the fiscal year reported, the existing syndicated loan was increased by € 150 million to € 500 million. Furthermore, within the context of factoring agreements, Aurubis sold receivables without recourse as a financing instrument.

Capital expenditure

In the fiscal year reported, capital expenditure investment of € 185 million was made in intangible assets and property, plant and equipment at the Hamburg and Lünen sites (previous year: € 148 million). Capital expenditure is primarily related to the Industrial Heat project in Hamburg, the Complex Recycling Hamburg (CRH) project, the scheduled maintenance shutdown of the primary copper production facility in Hamburg in 2024, and the tankhouse modernization at the Lünen site. Furthermore, investments were made in various infrastructure and improvement measures at the Hamburg and Lünen plants.

Risk and Opportunity Report

Integrated risk and opportunity management

Our business activities present risks and opportunities, which are essential to the company's success. This is especially true in times of new criminal threats, ongoing geopolitical crises, and unstable global economic development. As part of our operating business and our strategic management, we weigh opportunities and risks against one another and ensure that they remain balanced. In particular, we aim to identify and evaluate risks and opportunities as early as possible. In the past fiscal year, we made use of this approach again while continuing to develop it.

Aurubis AG's risk and opportunity situation is strongly influenced by the Aurubis Group's risk and opportunity situation. In this respect, the statements of the company's management on the overall assessment of risks and opportunities also serve as a summary of Aurubis AG's risks and opportunities.

Risk management system

Our objective in risk management is to manage and monitor the risks associated with our business with the help of a risk management system (RMS) suited to our activities. Identifying and observing risk development early on is of major importance. Furthermore, we strive to limit negative effects on earnings caused by risks by implementing appropriate and economically sound measures.

Risk management is an integral component of the centralized and decentralized planning, management and monitoring processes and covers all of the Aurubis Group's main sites, business sectors, and central functions. The planning and management system, risk reporting, open communication culture, and risk reviews at the sites create risk awareness and transparency with regard to our risk situation, and promote our risk culture.

Risk management officers have been appointed for all sites, business sectors, and central functions, and they form a network within the Group. The Group headquarters manage the network. In addition to the risk management officer, the Aurubis Group has established a Corporate Risk Management function. The RMS is documented in a corporate policy.

Standard risk reporting takes place bottom-up each quarter using a uniform, Group-wide reporting format. The identified risks and risks that exceed a defined threshold are explained within this format. The likelihood of their occurrence and the extent of the damage they could cause are evaluated, and instruments and measures used to manage them are outlined. The risks registered with Group headquarters are assessed, qualitatively aggregated into significant risk clusters by Corporate Risk Management, and reported to the entire Executive Board. The report also establishes the basis for the report to the Audit Committee as well as external risk reporting.

Potential effect on earnings

in € million	>1	>5	>20	>50
Likelihood				
high	medium	medium	high	high
medium	low	medium	medium	high
low	low	low	medium	medium
unlikely	low	low	low	medium

In the quarterly reporting to the Executive Board and the Audit Committee, the qualitatively aggregated risk clusters are assessed with due regard to risk management measures (net perspective) based on their probability of occurrence and the potential effect on earnings pursuant to the spreads included in the table, and are classified as low, medium or high.

Independent monitoring

The RMS is subject to routine monitoring and review. Internal Audit monitors risk management using systematic audits. As a process-independent authority, it contributes to the correctness and improvement of the business processes, and to the effectiveness of the installed systems and controls.

In addition, the auditors review our early risk detection system to ensure that it adheres to legal requirements. They report the audit results to the Executive Board and the Supervisory Board (Audit Committee).

Furthermore, the Audit Committee deals intensively with risk management issues. Corporate Risk Management regularly informs the committee and the Executive Board about current developments.

Explanation of relevant risks

In the following sections, the risks associated with our business are explained according to our risk clusters. The main measures and instruments we use to counter these risks are also described here. We have separately indicated risks and risk-relevant issues that we currently classify as potentially medium to high.

SUPPLY AND PRODUCTION

The ability to keep the production facilities supplied with raw materials and the availability of the facilities are of central importance for the Aurubis Group. We limit the associated risks by implementing the following measures:

To ensure the supply of copper concentrates for our facilities, we have entered into long-term agreements with a number of concentrate suppliers from various countries. In this way, we are able to reduce the risk of production interruptions caused by possible delivery failures. We were able to fully supply our primary smelters with concentrates during the past fiscal year.

The long-term orientation of our supply agreements also limits the risk of volatile treatment and refining charges on the spot market.

When it comes to raw material availability for our recycling facilities, we continue to see supply risks for fiscal year 2023/24 despite our extensive international supplier network. We see negative impacts on scrap collection activities and therefore on scrap availability due to the difficult economic situation in Europe. All in all, the fact remains that the ability to predict the availability of recycling materials remains limited due to the short-term nature of agreements on these markets. We want to counter this development with an increase in our market share and the geographic diversification that comes along with that, yet we are aware that this could further intensify volatility in refining charges for copper scrap.

The material for the facilities producing copper products mainly comes in the form of copper cathodes manufactured within the Group. This allows us to simultaneously generate higher added value and control the quality of copper products during the entire process.

We counter production risks with asset lifecycle management and forward-looking maintenance work, which reduce unplanned production shutdowns. We also address the risk of malfunctions by carrying out regular maintenance work and by keeping critical replacement parts on hand.

We have also taken organizational measures to handle potential operational disruptions that could result from events such as flooding or fire. We regularly inspect all sites with respect to possible risks related to heavy rainfall and flooding. For instance, our parent plant in Hamburg is located near the Hamburg harbor and is protected by extensive flood defenses (referred to as polders) to prevent high water levels. Furthermore, alarm plans are in place and we train our employees by carrying out routine drills.

To reduce the risk of a potential production stop due to a gas shortage caused by reduced supply volumes from Russia, our facilities were adapted and now allow for alternative operation with LPG or fuel oil. These measures may also contribute to lowering industrial gas consumption in Germany, helping ensure a secure supply of natural gas in the coming years as well. Regarding this topic, we refer to our comments in the "Energy and climate" section. The risk of potential power outages resulting from grid instability is likely to remain increased due to the shutdown of base load power plants. We are working on measures to minimize the impacts of these kinds of blackouts on our production facilities and to put ourselves in a position to ramp up our facilities quickly again as soon as the electricity grid has restabilized. In the meantime, we have adapted the tankhouses in Hamburg and Lünen and can now adjust them to the network load more flexibly. This enables us to provide control energy for the transmission grid operator, making a valuable contribution to safeguarding stable grid operation.

We are closely observing the supply situation outside of Germany, too. Diversified sources of natural gas supplies in our other production countries such as Belgium, Spain, Bulgaria and the US mean that we don't see a need to switch production over to alternative energy sources.

Taking into account the measures described above, we regard the risk of an insufficient raw material supply as "medium." We continue to classify the risk of strong limitations on the availability of our production facilities as "medium."

We handle logistics risks by implementing a thorough, multi-step selection and evaluation process for service providers, by avoiding single sourcing as far as possible, and by preventively developing backup solutions. For our site in Pirdop in particular, we have worked out alternative supply concepts to divert shipments to other transport routes in case routes through the Bosporus and the Black Sea become temporarily unavailable due to the war in Ukraine. The impacts of worldwide delivery bottlenecks continue to be felt. We are working continuously on this issue by processing information more quickly in the supply chain to have alternative scenarios available that would enable an optimized supply in various cases. We continuously monitor the movements of bulk carriers and container ships to ensure we are aware of delayed arrivals early on and can minimize their effects. We have an international network of qualified service providers at our disposal and are able to prevent weather-related or capacity-related risks in the transport chain, for example by contractually arranging a selection of appropriate transport alternatives to minimize the risk of failed deliveries. We continuously monitor the at times limited passability of the Panama Canal. As a preventative measure, we have temporarily increased concentrate inventories for our sites in Hamburg and Pirdop to compensate for potential ship delays.

CRIMINAL ACTIVITIES

Because of the high level of organization and criminal intent of the participants, the criminal activities directed against Aurubis demonstrate that we can be the target of (organized) crime due to our exposed position in the precious metals business, with potentially significant financial losses to Aurubis' detriment.

After the criminal activities directed against Aurubis came to light in June 2023, the Executive Board created a project to promote process and plant security, and included renowned external consultants to provide support in investigating the incidents. These in particular assumed responsibility for clarifying the facts surrounding the criminal activities that targeted Aurubis, reporting on the investigation process to the company, and issuing specific recommendations for further development. A detailed explanation of the measures that have been enacted is available in Economic development within the Aurubis Group, page 141.

Taking the extensive measures to improve plant security into account, we classify the risk of criminal activities as "medium."

SALES

In addition to supply and production risks, the Aurubis Group also faces sales risks, which we classify as "medium."

Generally speaking, risks can arise from negative deviations from our predictions of the markets' economic development, which we outline in the Forecast Report. The order situation for shapes products and flat rolled products is currently at a lower level owing to sluggishness in the construction sector and in the German automotive industry and, in general, inventory corrections carried out due to the rising interest rate level. In the chemical industry, a key offtaker for sulfuric acid, high energy costs again caused reductions in production and, in Europe, temporary production stops in the past fiscal year. The resulting sales risk for Aurubis led us to diversify our sulfuric acid customer portfolio beyond the European market again during the past fiscal year 2022/23 in order to compensate for the risk of a continued decline in European demand. We can only counter the risk of falling sulfuric acid prices resulting from weak ongoing demand to a limited extent with our existing long-term contracts and corresponding fixed prices.

Thanks to economic analyses and estimates regarding economic trends, we are in a position to adjust our individual sales strategies to changing conditions as needed, thus countering any risks that arise.

We sell cathodes that are not further processed internally by Aurubis on international cathode markets.

SUSTAINABILITY

Supply chain risks (e.g., environmental pollution or human rights violations by suppliers) can mean damage to Aurubis' image and reputation, negative impacts on our product sales, and possible fines based on the Supply Chain Act (LkSG). To fulfill our due diligence obligation with regard to our material topics in the supply chain area, we have worked with a Business Partner Screening system based on OECD guidelines for many years. The project team, which spans multiple divisions, developed new standards for responsible sourcing during the reporting period. The corresponding policy went into effect at the start of fiscal year 2022/23 and was updated in late September 2023. The existing Business Partner Screening process was extensively revised, and a new Business Partner Screening tool was implemented in 2023. Due to the high ongoing significance of responsibility in the supply chain as part of our sustainability approach and the results of our risk analysis pursuant to the Supply Chain Act, we classify the risk related to sustainability aspects in the supply chain as "medium."

Sustainability is a fixed component of our company strategy. We are continuously working on further enhancing our performance in accordance with our Sustainability Strategy. We also adopted ambitious sustainability targets for 2030 with the revision of the corporate strategy in 2021. Initial strategic projects have been developed in this context, which aim to increase our recycling rate and lessen our carbon footprint, for example. We address the risk of not achieving these targets with concrete measures and related KPIs for managing these sustainability targets across the Group. In addition, we are involved in initiatives related to sustainability issues such as climate and environmental protection and responsible supply chains. This includes Aurubis' commitment to the Copper Mark. This initiative started in 2020 and entails a review of the sustainability standards of copper production sites including mines, smelters, refineries and processors. With this standard, we want to foster responsibility throughout the value chain and verify our own sustainability performance with an external certification from an independent body. Furthermore, the Copper Mark is based on the principle of continuous improvement, so our plants that have already been certified are also compelled to enhance their performance in alignment with sustainability requirements. The 32 sustainability criteria of the Risk Readiness Assessment of the Responsible Minerals Initiative (RMI) apply, which cover topics such as compliance, human rights and labor, environmental protection, and occupational safety. The responsible sourcing of copper, lead, nickel and zinc is another criterion reviewed in the course of certification. In addition, the Copper Mark developed a due diligence standard that has been in effect since 2021 and serves to fulfill the standards of the London Metal Exchange (LME), one of the world's most important metal exchanges, for responsible sourcing.

The Copper Mark is based on the United Nations Sustainable Development Goals (SDGs). The Copper Mark seal was awarded to Aurubis Bulgaria in April 2021, the Aurubis sites in Hamburg and Lünen in July 2022, and the site in Olen, Belgium, in September 2023. Additional sites, Aurubis Beerse and Aurubis Stolberg, have started the certification process as well.

Furthermore, Aurubis introduced the "Tomorrow Metals by Aurubis" label in October 2021. This label encompasses all the Group's measures for continually improving sustainability performance, particularly the environmental footprint, for our metal customers.

Starting in fiscal year 2024/25, Aurubis will be required to report in keeping with the Corporate Sustainability Reporting Directive (CSRD). Subject to the materiality analysis that has to be conducted beforehand, new risk areas related to sustainability could be identified. Because the period under review will expand considerably under the CSRD (as will the scope of the review), more risk areas may have to be assessed and disclosed. At the moment, however, we cannot foresee exactly how this will translate into practice.

ENERGY AND CLIMATE

Aurubis takes protecting the climate very seriously. We highlight the significance of this issue by publishing Scope 1, Scope 2, and Scope 3 carbon emissions as part of the separate Non-Financial Report NFR, page 61. Aurubis mitigates the risks of climate change with an energy management system and by consistently realizing identified energy efficiency and CO_2 reduction potential at all sites, among other measures.

Sustainability targets for 2030 have been defined as part of the updated corporate strategy. These include our CO_2 reduction targets, which were validated by the Science Based Targets initiative (SBTi) and contribute to limiting global warming to 1.5°C pursuant to the Paris Agreement. Accordingly, we want to reduce our absolute Scope 1 and Scope 2 emissions by 50 % and our Scope 3 emissions (CO_2) by 24 % per ton of copper cathode by 2030 compared to 2018. We also aspire to be carbon-neutral well before 2050. To achieve these targets, we devised a decarbonization road map that we're constantly developing.

Our reporting aligns with the framework of the Task Force on Climate-Related Financial Disclosures (TCFD), and we categorize climate risks into physical and transition risks in accordance with the TCFD definition. The physical risks include the risks due to extreme weather events, both in our plants and in the transport chain, that are described in the "Supply and production" section. We counter the risks in the transport chain through geographic diversification of the supply chain, the storage of emergency reserves to maintain production, and the availability of alternative logistics service providers, among other things. Furthermore, we observe water levels (flooding/low water) in key waterways to be able to promptly initiate countermeasures to maintain our transport routes and our cooling processes, as well as measures to prevent flooding. As the severe flooding at our site in Stolberg in July 2021 demonstrated, flooding presents significant physical climate risks. As a result, we investigate at regular intervals what long-term impacts physical climate risks have on our key production sites in global warming scenarios (warming of +1.5°C and +4°C) with the goal of incorporating adaptations derived from this investigation into our (investment) planning.

Transition risks include technological and political risks first and foremost. We welcome the accelerated expansion of renewable energies, but supply security has to be ensured in the process (technological risks). We have introduced appropriate measures in the meantime to increase the overall supply security of the different sites. These include the option of an alternative energy supply through LPG or fuel oil to prevent or limit the impact of a gas shutoff at our German sites in Hamburg, Lünen, Emmerich and Stolberg in the case of a possible gas shortage. We view these conversion measures as a helpful step in maintaining production in a crisis scenario. Currently, no natural gas is used for production at our European sites in Pirdop and Pori. Our Belgian sites in Beerse and Olen, as well as the Berango site, benefit from a more diversified supply concept compared to Germany. To continue pushing forward with our decarbonization targets, we're preparing to transition from natural gas to hydrogen. In 2021, a test series using hydrogen in the anode furnace was successfully conducted in cooperation with the HAW as part of the Northern Germany Regulatory Sandbox. In 2024, about € 40 million will be invested in converting the anode furnaces, which will be hydrogen-ready starting in summer 2024. Measures to boost flexibility include the provision of control energy by the tankhouse (which has since been implemented), the compensated partial shutoff in the case of electricity bottlenecks, and the use of our power-to-heat facility to generate steam with electricity in the case of excess electricity. Furthermore, we have had an energy supply contract in place since 2010, which secures most of the electricity our German sites need in the long term.

Because overall political conditions are in a state of constant flux, political risks have a significant impact on our business:

- Mounting burdens resulting from changes in potential cost drivers such as the German and European emissions trade, grid charges, and the eco-tax are generally difficult to quantify reliably.
- From 2021 to 2030, the copper production and processing industry will continue to receive free allocations of emission trading allowances for direct CO_2 emissions and electricity price compensation due to its carbon leakage status. For all sites that take part in emissions trading, free allocations of CO_2 certificates have been approved in the amount applied for since 2021. The level will remain constant until 2025. Nevertheless, we expect considerable cuts to the free allocations of emission trading allowances starting in 2026 since the calculation factors will decrease significantly. This could reduce the Group's free allocations by half. For the entire Group, however, we don't expect any additional burden from any required purchases of CO_2 certificates until 2030. The European Commission is currently revising the Free Allocation Regulations. A decision about the adjustment is expected in late 2023. The price of CO_2 certificates surged again in the past year, and we expect prices to continue rising due to the reduction in allocations. The political decision-making process regarding the implementation of electricity cost compensation for indirect CO_2 costs starting in 2021 has concluded in some EU Member States, and the EU has already issued its approval for Germany, for example. The electricity price compensation level still amounts to at least 50 % of the cost burden. The relief would increase further if a cap of 1.5 % of gross value added is implemented for the contribution, as the EU regulation envisions. Here, too, there is a distinct risk that the electricity price compensation will be cut starting in 2026.
- The decarbonization targets described above include various projects at the individual production sites, such as the test series for the direct use of hydrogen in the copper production process previously outlined. At our site in Pirdop, a solar plant with a 10 MW connected load went into operation in fiscal

year 2021/22. Two additional expansion phases of the solar plant are underway and are expected to be completed in late March 2024. The first expansion phase (Aurubis-2) will provide an extra 7.6 MW of power, while the following expansion phase (Aurubis-3) will generate 6 MW of power. For all three plants combined, we expect an annual CO_2 reduction of 34,000 t. In addition, our site in Hamburg has been providing carbon-free industrial heat to enercity's district heating system to supply the HafenCity East neighborhood for several years now. We have now started with the large-scale expansion of this industrial heat supply. The shift of our electricity supply contracts to the sourcing of carbon-free electricity is progressing as well. For example, the SeaMade offshore wind park has been supplying 12 MW of electricity to our Olen site in Belgium through a ten-year green electricity supply agreement (PPA) since January 2023. This agreement allows us to cut 42,000 t of Scope 2 CO_2 emissions at the site annually.

» Total emissions for all production sites in calendar year 2022 amounted to about 5.4 million t of CO_2 (Scope 1 + 2: 1.3 million t of CO_2; Scope 3: 4.1 million t of CO_2). However, in addition to copper, gold, silver, platinum, palladium, additional precious metals, and building materials such as iron silicate stone are also recovered during copper production. These additional metals and co-products would be produced at other companies in alternative production processes that would generate significantly higher CO_2 emissions. Based on an external study referencing published emission factors, the conventional production of the metals mentioned above and the co-products that are recovered at Aurubis would lead to an additional 3.5 million t of CO_2 emissions each year. These additional emissions aren't generated at Aurubis thanks to our energy-efficient processes, due in part to the advantages of the smelter network, which means that the metals we produce, including copper, have a very small carbon footprint.

The development in prices for electricity, natural gas, and CO_2, which are difficult to predict, pose particular market risks to us. While we hedge to some extent against market price fluctuations by making purchases in good time, these hedging measures have only a limited impact in protecting us against continuously rising prices. For the energy companies' CO_2 costs that are included in the electricity price (referred to as indirect emissions), we have received compensation on the basis of the state aid guidelines, including supplementary aid (supercap) of up to 90 % in Germany and Belgium, though none in Bulgaria yet. The remaining portion is still exposed to the risks of CO_2 price increases.

On the customer side, furthermore, there are increasing demands for transparent goals and strategies related to effective production processes as well as energy and CO_2 efficiency. Customer demands could influence future copper product sales, particularly when it comes to customer acquisition and retention. We are addressing these demands for transparency by participating in various annual climate reports that are independently evaluated, for instance the CDP (formerly the Carbon Disclosure Project), and with our commitment to implement the SBTi targets described above.

We continue to classify the topic of energy and climate and the associated risks as "high" due primarily to the spike in energy costs combined with the risk of ongoing price increases (high volatility) and uncertainty regarding the gas supply.

ENVIRONMENTAL PROTECTION

Our production inherently creates an environmental footprint, which we take appropriate measures to keep as small as possible. Our goal is to continually shrink it further. There is a basic risk that environmental or regulatory requirements may continue to tighten, necessitating further environmental action and resulting in additional expenditures. One of these regulations is the European Air Quality Framework Directive, which is currently being revised with the risk of possibly becoming stricter. We regularly present our concerns to German and European political representatives. Because of this issue, we are increasing the overall risk classification for environmental protection from "medium" to "high." Furthermore, limitations may materialize in product fabrication and marketing.

In addition, environmental risks resulting from the possible failure to comply with thresholds and from violations of requirements can have legal consequences. Ensuring that the operation of our production facilities complies with the law and is as environmentally sound as possible helps prevent these situations. One example is our investment in reducing diffuse emissions at the Hamburg site with an investment volume of € 85 million. We are an international leader in environmental protection, which is confirmed by annual certifications in accordance with ISO 14001 and EMAS, as well as an improvement in our score in the EcoVadis rating. We consider ourselves to be well positioned for the future in this regard. Nevertheless, operational incidents that lead to adverse impacts on the environment cannot be completely ruled out.

FINANCE AND FINANCING

Metal price and exchange rate fluctuations represent a potential risk in the buying and selling of metals. We substantially reduce this risk with foreign exchange and metal price hedging. We hedge metal backlogs daily with financial instruments such as spot and forward contracts. Similarly, spot and forward exchange contracts are used to hedge foreign currencies. We minimize foreign exchange risks from exchange rate fluctuations for metal transactions in foreign currencies this way. We only select creditworthy firms as counterparties for hedging transactions to minimize the credit risk.

We hedge expected receipts from foreign currencies, especially the US dollar, with options and forward exchange transactions in some cases. We will continue this in the future as well and expect that we can reduce the risks from metal price and exchange rate fluctuations to a reasonable level with these measures. Furthermore, our Richmond project works counter to our US dollar exposure.

We largely hedge credit risks from trade accounts receivable with commercial credit insurances. We only permit internal risks to a very limited extent and after review. We closely monitor the development of the outstanding receivables. During the reporting period, there were no significant bad debts. The economic situation resulting from the coronavirus pandemic impacted our customers' creditworthiness temporarily, which in turn impacted the willingness of credit insurance providers to grant lines of credit. Our customers' creditworthiness stabilized as a result of the economic recovery following the coronavirus crisis — as did credit insurers' willingness to grant lines of credit. The Ukraine crisis and its impacts on the energy sector in particular haven't had any noticeable effects on receivables management yet. We therefore don't foresee any increased risks for the future, either.

The liquidity supply, which is very important for the Aurubis Group, was secured at all times during the past fiscal year. The lines of credit provided by our banks were sufficient as well. The Aurubis Group is in a stable financial position in the new fiscal year, too, and can finance possible liquidity fluctuations from operating business through its existing cash and available credit lines.

Risks that could result from a resurgence of the sovereign debt crisis in the eurozone could potentially have a cumulative impact on the individual risks described in this section, for example those related to bad debts or liquidity. For this reason in particular, we classify the finance and financing risks as “medium.”

INFORMATION TECHNOLOGY

Aurubis is subject to IT risks related to the confidentiality, availability and integrity of information. These risks can impact areas such as supply, production and sales, as well as communication and collaboration between departments and sites. These risks were taken into consideration in the company’s risk assessment.

We handle risks related to the availability of our IT systems with continuous monitoring, redundant infrastructure, and ongoing adjustments to keep up with the latest developments in IT architecture. We counter the risks of possible incidents or disasters with the redundant design of particularly critical IT infrastructure, as well as data recovery and continuity plans and the related tests and drills. We limit the risks that can result from unauthorized access to company data, as well as cybercrime, by restrictively issuing access rights, carrying out security reviews, and using modern security technologies. To fulfill the increased need for protection stemming from the elevated threat potential worldwide and experience drawn from the cyberattack on Aurubis in October 2022, we have invested in additional security technologies, and examined and, in some cases, adjusted the related processes. Furthermore, we have third parties regularly review and evaluate the cybersecurity measures, and we use their findings to improve these measures. We created seven new jobs focused on cybersecurity during the past fiscal year. Additionally, we had Aurubis AG certified in accordance with ISO 27001 during the same period. The combination of our experience from the cyberattack in October 2022 and the elevated global threat level has led us to classify the IT risk as “high” (“medium” in the previous year) in the meantime.

PERSONNEL

In light of demographic change, the intensifying shortage of specialists and workers in general, and ongoing crises, we recognize the rising uncertainty on the labor market and the strong increase in competition for the best talent. As a result, we have set the target of developing an attractive employer brand and reinforcing our recruiting and talent management excellence. We are zeroing in on the consistent implementation of our appealing employer brand, on personnel marketing campaigns that are directed at specific target groups and focused on diversity, on further developing university marketing activities, and on interdisciplinary, international talent management. In this context, we brought our ambassador program on LinkedIn to life, in which selected colleagues explain what defines us as an employer. Furthermore, we have developed a student network for student workers and interns, which provides a pool of interesting potential candidates for entry-level positions and for our trainee program.

Our ongoing investment in training and continuing education tailored to company need remains a central element for countering the lack of skilled workers and securing the necessary personnel. Hamburg and Lünen are home to state-of-the-art training workshops that establish the foundation for forward-looking, high-quality education (industrial and business-related vocational education as well as dual study programs) that has received multiple awards. We use modern and innovative recruiting and personnel marketing methods to reach and recruit these target groups and enable our target groups to conveniently contact us through social media as well.

To proactively address current developments, we focus on not only hiring new talent but also on developing and supporting in-house talent on their individual paths, and sustainably safeguarding and fostering key expertise and skills for the future. We see it as our responsibility to establish systematic talent development that not only provides measures for individual career advancement but also includes a comprehensive talent mentoring program. To secure Group-wide knowledge management, we successfully established knowledge transfer with a structured knowledge management method as part of succession planning at Aurubis AG. To develop our organization and foster an inclusive work environment, we promote diversity and a clear zero-tolerance approach towards any form of discrimination, hate or prejudice. We implement this with routine training and our binding, Group-wide Diversity Commitment.

We continue to classify personnel risks as “medium.”

OTHER ASPECTS

Occupational safety and health protection are high-priority areas for us. Responsibility for these issues rests with the management, the supervisors, and each individual in the company. All sites are certified in accordance with ISO 45001. Detailed risk assessments, audits, training and campaigns to strengthen employees’ safety and health awareness support our goal: Vision Zero, meaning zero work-related accidents, injuries and illnesses. Stringently monitoring our occupational safety performance and deriving the corresponding measures continue to be additional steps to achieving our vision.

In May 2023, a serious accident occurred at our site in Hamburg. Three colleagues died during maintenance work on a nitrogen line. We derived, communicated and implemented specific safety measures from the initial investigation results. For example, we initiated an audit as well as tutorials, training sessions, and effectiveness checks of processes and standards related to safe work procedures in maintenance and repair work at all sites. Furthermore, we conducted training sessions on handling nitrogen and optimized protective measures and control and warning mechanisms related to work carried out on gas-conducting infrastructure.

In addition, we will have an independent external occupational safety consultancy review our occupational safety management. The review has not concluded as of the date of the report. The multistage process encompasses the site organizations and relevant corporate functions. Once the analysis is complete, we will know which elements of occupational health and safety, measured against international standards of other industries with a comparable occupational safety risk profile, indicate optimization potential, and establish and implement measures accordingly.

A number of factors are necessary for the successful implementation of our strategic growth projects. These factors are subject to risks such as the high energy prices and the availability of suitable personnel, which can require routine revisions of priorities, the respective project scope, and the schedule. We handle this by closely managing our projects, for instance with a clearly defined stage-gate process and monitoring of critical KPIs, in addition to active staff and talent management. We also introduced a corresponding strategic early warning system to record strategic changes and market developments early on. Overall, we consider the strategic project pipeline very robust because the various projects can be implemented individually and, for the most part, independently of one another. We classify this risk as “medium.”

The violation of laws can have serious consequences for both Aurubis as a group and for its employees and business partners. Compliance management or the corporate function responsible for the respective legal area (for example the Environmental Protection department) identifies, analyzes and addresses significant compliance risks. We counter legal and tax risks with organizational procedures and clear management structures. In the case of criminal activities, labor law measures are enacted and damages are claimed under civil law promptly. An extensive explanation of the compliance management system is available in the Corporate Governance section Control and risk management system and Compliance, page 30.

We largely cover selected risks with insurance as well. We rely on the expertise of an external insurance broker for this purpose.

NON-FINANCIAL RISKS WITHIN THE SCOPE OF THE SEPARATE NON-FINANCIAL REPORT

We assessed non-financial risks in accordance with Section 289c (3) of the German Commercial Code (HGB).

Overall, no non-financial risks were identified that were very likely to cause a serious negative impact on employee and environmental matters, on respect for human rights, on the prevention of corruption and bribery, or on social matters.

Nevertheless, it is important to us to handle non-financial risks even if they are classified as non-material according to the strict definition of the HGB. We have therefore developed and implemented management approaches for this purpose.

Internal control system

OBJECTIVE

Our internal control system (ICS) comprises all principles, policies, procedures and measures aimed at implementing the decisions of the Executive Board to ensure

- The effectiveness and economic efficiency of our business activities (this encompasses asset protection, including the prevention and detection of financial losses)
- The correctness and reliability of our accounting (internal control and risk management system relating to the consolidated accounting process)
- Compliance with the legal regulations that apply to the Aurubis Group

The ICS is an integral part of our centralized and decentralized internal control and monitoring processes. It also includes a compliance management system aligned with the company's risk situation.

The ICS is documented in a corporate policy.

RESPONSIBILITY

The Aurubis AG Executive Board holds full responsibility for the ICS. The Compliance and Risk Management corporate functions support the Executive Board in the systematic development of the ICS and are responsible for organizing the relevant reporting to the Executive Board and the Audit Committee of the Supervisory Board.

The organizational structure determines which levels of the Group are responsible for implementation. Corporate policies and decentralized codes of conduct and regulations stipulate responsibilities as well.

MONITORING

The ICS is subject to routine monitoring, which is both process integrated and process independent.

Process-integrated monitoring includes the safeguards and controls integrated into the organizational and operational structure. This encompasses authorization concepts, access and entry restrictions, separation of functions, completeness and feasibility checks, and the monitoring of limits. The measures and controls are regularly evaluated in the organization.

As a process-independent authority, Internal Audit monitors the ICS and compliance with it through systematic audits, thus contributing to the correctness and improvement of business processes, and to the effectiveness of the measures and controls implemented.

Furthermore, the Audit Committee regularly reviews the effectiveness of the ICS. Internal Audit and the Compliance and Risk Management functions inform the committee and the Executive Board about current developments.

Internal control and risk management system relating to the consolidated accounting process

(Report pursuant to Section 289 (4) and Section 315 (4) of the German Commercial Code (HGB))

The objective of the internal control system (ICS) for the accounting process is to ensure that

- Financial statements are prepared in compliance with regulations
- Accounting procedures are reliable and performed correctly
- Business transactions are thoroughly recorded in a timely manner as prescribed by law and the Articles of Association
- Legal norms and internal guidelines on accounting are observed

PROCESS AND RESPONSIBILITY

As the parent company, Aurubis AG prepares the Aurubis Group's consolidated financial statements. The financial reporting of the consolidated Group companies that are included in the consolidated financial statements takes place prior to this process. These Group companies prepare their financial statements locally and transfer them to the Corporate Accounting department via a defined uniform Group-wide data model. The Group companies are responsible for compliance with applicable Group-wide guidelines and procedures, as well as for the correct and timely execution of accounting processes and systems.

MAIN PRINCIPLES

The internal control system based on the Group accounting process includes the following main principles:

- Ensuring standardized accounting procedures in the preparation of the separate financial statements of Aurubis AG by systematically implemented controls, which are supported by manual accounting controls and other authorization and approval procedures (separation of functions, access regulations and limitations, the use of the dual control principle, guidelines on payment transactions)
- Ensuring uniform Group accounting procedures in accordance with IFRS through the application of uniform accounting regulations and policies, central audit of reporting packages, analysis of deviations from the budget, and quarterly reporting as part of centralized discussions on earnings
- Compiling external accounting and internal reporting by all Group companies in a uniform consolidation and reporting system
- Overall consolidation of the Group financial statements by Corporate Accounting, which is responsible for the centralized consolidation, coordination and monitoring of the standards related to the schedule and the process
- Giving the Group companies support in accounting issues by having a central contact person in Corporate Accounting
- Clarifying special technical questions and complex issues related to specific cases with an external consultant

Opportunity management system

In addition to risk management, assessing opportunities is an important element of the Aurubis Group's planning, management and control processes. The objective in doing so is to identify early on the internal and external opportunities that could positively impact our economic success. These opportunities are assessed and weighed against the risks associated with them. We align the results of this assessment with our company strategy and our portfolio of strategic projects and project ideas in order to close any possible gaps or uncover any further potential. The next step is for us to define adjustments or new initiatives and measures to address the new opportunities. In this regard, the process of identifying and assessing opportunities is part of our annual integrated strategy and planning process.

In order to promptly recognize opportunities that arise, we continually monitor and analyze the supply and demand aspects of our markets, the competitive landscape, and relevant regional and global trends. Furthermore, identifying potential opportunities is a daily management responsibility as well – on the level of both the operational areas and the Group.

Explanation of relevant opportunities

RISING GLOBAL DEMAND FOR COPPER AND METALS FOR TECHNOLOGY

Copper is one of the most important industrial metals. It is crucial for infrastructure expansion and development, as well as for key industrial sectors. Demand for copper follows global economic growth, especially in the electrical, electronics, energy, construction and automotive industries. In addition to ongoing worldwide trends such as urbanization and the growing global middle class, the international expansion of digitalization, electric vehicles, and renewable energies in particular demand growing volumes of copper and other metals, such as nickel, platinum, palladium, selenium and tellurium. This is even more important as the latest geopolitical developments continue to increase the relevance of the expansion of renewable energies and the decentralized supply of energy, as well as the related infrastructure. More favorable development of the economy and the demand for our products than expected in the markets relevant to us could have a positive influence on the Aurubis Group's earnings.

CHANGES IN TREATMENT AND REFINING CHARGES AND MARKET PRICES FOR OUR PRODUCTS

The Aurubis Group's earnings situation is largely determined by the development of treatment and refining charges for copper concentrates, copper scrap, and other recycling materials, as well as by the market prices for our products, such as wire rod, copper cathodes, sulfuric acid, and precious and minor metals. More positive development of treatment and refining charges and market prices for our products than currently forecast could positively impact the Aurubis Group's earnings.

INCREASING SIGNIFICANCE OF SUSTAINABILITY AND RESOURCE EFFICIENCY

Aurubis is one of the world's leading recyclers of copper and complex recycling raw materials. It is also a pioneer in sustainability with a focus on ecological, social and ethical criteria. In light of the rising importance of resource efficiency, we expect demand for recycling solutions and low-loss metal production and recovery to continue growing. This is also supported and promoted by increasingly strict national and international legislation and initiatives such as the European Green Deal. More and more, customers and suppliers are making higher sustainability demands at the same time, which can also benefit Aurubis.

Thanks to our multimetal recycling activities and proximity to our copper product customers, we consider ourselves to be in a position to offer enhanced closing-the-loop solutions. Aurubis' smelter network now spans two primary sites and four recycling sites whose process strengths we use to optimize material flows and metal recovery. With our investment decision for a new recycling plant in the US, we are now significantly expanding our regional service offering in North America as well. The expansion of national and international recycling regulations and stronger than anticipated growth in our markets' demand for recycling solutions, either generally or with increasing sustainability requirements, could positively affect the Aurubis Group's procurement situation and therefore its earnings.

FURTHER DEVELOPMENT OF EXPERTISE IN COMPLEX RAW MATERIAL PROCESSING

Both primary and secondary raw materials are becoming increasingly complex as their copper content falls and the concentrations of accompanying elements and impurities in them rise. One of Aurubis' particular strengths lies in processing complex primary and secondary raw materials within the Group's own smelter network. Aurubis invests in targeted internal projects to continue expanding its processing capabilities and capacities in this area, further enhancing the efficiency of its production processes and thus recovering valuable metals even better and faster. Following projects to expand and optimize electrolyte and anode slime processing at our Belgian sites, in December 2022 we made the decision to implement the Complex Recycling Hamburg (CRH) project. CRH will boost recycling capabilities in the central plant in Hamburg, and we have already started construction. With our modular recycling concept that will be used in our new plant in the US, we are broadening this expertise in a new market. The development of additional synergy potential from this broader expertise or the establishment of additional capabilities could positively influence the Aurubis Group's purchasing and earnings situation.

DIGITALIZATION, CONTINUOUSLY IMPROVING PROCESSES AND COST POSITION, AND ACHIEVING SYNERGIES

Our markets are globally competitive. Operating excellence is therefore exceedingly important for us. We continuously work on optimizing our processes and improving our cost position. In doing so, we are increasingly leveraging the opportunities that digitalization provides in production and service. During the past fiscal year, we continued strengthening these kinds of initiatives and projects within the scope of our digital strategy. For instance, we launched an extensive customer and supplier portal through the Aurubis Digital Innovation Lab with the aim of improving business partner relationships. Furthermore, we are always identifying and implementing means for increasing synergy potential within the network of Aurubis plants. Going beyond the targets connected to the improvement measures initiated could have a positive impact on the Aurubis Group's earnings.

CAPACITY EXPANSION LINKED WITH INTERNATIONALIZATION

In light of growing global demand for sustainable metal production and sustainable metal recycling, we see growth potential through the expansion of our processing capacities in regions with attractive markets and favorable overall conditions. In concrete terms, we are seizing these opportunities in North America. During the past fiscal year, we already approved the second stage for our new plant for recycling complex secondary raw materials in the US. Additionally, we are investing in capacity expansions at existing sites, for example enlarging the tankhouse in Pirdop, and are striving to further develop our supplier network to secure a sustainable supply for our broader production network. Additional opportunities could arise for the Aurubis Group due to regulatory amendments and the accompanying increase in the regionalization of recycling markets owing to geopolitical developments. If we are in a position to utilize synergies in our continued investment activities through our modular recycling system, Aurubis could benefit from these regulatory trends and this technology even more, further expanding capacities.

DEVELOPMENT OF SOLUTIONS FOR INDUSTRIAL CUSTOMERS AND SUPPLIERS

We work closely with our suppliers and customers at all levels of our value chain. This includes developing products for individual customers, providing additional services, processing specific raw materials, and offering additional closing-the-loop solutions as well as particularly sustainable or certified products — an aspiration summed up in our Tomorrow Metals product commitment. This also includes the digitalization of business relationships and processes to boost efficiency, added value, and customer loyalty. If the demand of our customers and suppliers for our solutions is stronger than forecast, this could have a positive effect on the Aurubis Group's earnings.

INNOVATIONS FROM FUTURE RESEARCH AND DEVELOPMENT ACTIVITIES

Within the scope of our research and development activities, we are working on innovations to further set ourselves apart from the competition in the future and to heighten competitive advantages. For example, we are working on the more resource-efficient processing of complex feed materials in our smelters and plants. We are also actively working on developing new processes and improving existing processes to allow us to process future material streams. One example is our new procedure for processing black mass from batteries, which we patented in the past fiscal year. Technical and economic advantages of this black mass recycling process compared to other metallurgical processes for battery recycling could open up additional significant growth opportunities for the Group, which we would want to use on the market.

Assessment of the Aurubis Group's risk and opportunity situation

No risks threatening the company's continued existence arose in the reporting year. There were no particular structural changes in the Group's risks. According to our current assessment, there are no risks that endanger the company's continued existence.

Both the Audit Committee (Supervisory Board) and the auditors ascertained that the Executive Board has taken the measures prescribed by Section 91 (2) of the German Stock Corporation Act (AktG) in an appropriate manner and that the legally required early risk detection system fulfills all requirements.

For a complete overview of company activities, the opportunities of the Group have to be considered in addition to the risks. We are confident that our business portfolio, our expertise, and our ability to innovate will enable us to take advantage of any opportunities that arise.

Part of the management report not subject to mandatory auditing

In accordance with the recommendations of the 2022 German Corporate Governance Code, the Executive Board comprehensively assessed the appropriateness and effectiveness of the risk management system and the internal control system (ICS) in detail.

With regard to the risk management system, the Executive Board identified no significant objections that would indicate that it is not appropriate or effective.

In light of the criminal activities directed against Aurubis and the resulting financial losses, the Executive Board determined that the risk management system was not not effective enough in some cases, particularly at the Hamburg site, with regards to recording, assessing and addressing risks in correlation with the risk culture connected to the security of metals.

Also in light of the criminal activities directed against Aurubis and the resulting financial losses, the Executive Board determined that parts of the ICS were not appropriate and not effective. In particular, according to current knowledge, it stands to reason that the tasks and obligations (especially exercising control) are in need of improvement, as participants (in the organized crime) were able to commit serious offenses and cause Aurubis significant financial losses despite the precautions in place.

After the criminal activities that targeted Aurubis came to light in June 2023, the Executive Board initiated a project to promote process security and plant safety and engaged renowned external consultants to assist in investigating the incidents, clarifying the facts surrounding the criminal activities that targeted Aurubis, reporting on the investigation process to the company, and issuing specific recommendations for improvements.

However, for the rest of risk management, the Executive Board identified no significant objections that would indicate that it is not effective.

Furthermore, for the rest of the ICS as well, the Executive Board identified no significant objections that would indicate that it is not appropriate or effective.

Forecast Report

The statements made in the Forecast Report are based on our assessments of overall economic conditions, of global copper market trends, and of Aurubis' raw material and product markets. These assessments are based on analyses by economic research institutes, organizations and industry associations, as well as internal market analyses. The forecasts for future business performance shown here take into account the segment targets, as well as the opportunities and risks posed by the expected market conditions and competitive situations in the forecast period of October 1, 2023 to September 30, 2024. The opportunities and risks affecting the Aurubis Group are explained in detail in the Risk and Opportunity Report. Our forecasts are regularly adjusted. The following statements are based on our knowledge as of December 2023.

From the current perspective, there are multiple factors with the potential to influence the Aurubis Group's markets. These include in particular the monetary policy reactions of the central banks to the high inflation rates in various markets, which could influence future financing conditions and — closely related to this — the investment behavior of the various market participants. Furthermore, the Russian war on Ukraine and the associated high energy prices in Europe are impacting the Group's costs. Additionally, subsidies such as those from the Inflation Reduction Act (IRA), and changes in national and international legislation such as the revision of the European framework directive on air quality, may have an impact on the Aurubis Group's business.

Overall economic development

The IMF expects global economic growth of 2.9 % for the entirety of 2024. This represents a 0.1 percentage point slowdown of the growth rate compared to the previous year. Global headline inflation is forecast to decline steadily to 5.8 %. The pressure on central banks to take further action to counter high inflation is therefore likely to ease. The IMF even anticipates the first interest rate cuts from the US Federal Reserve and a gradual easing of the ECB's tight monetary policy over the course of 2024. This is likely to lessen the strain on the economy as a whole, increasing the probability of a "soft landing" without a major economic downturn.

The IMF predicts 4.0 % economic growth for emerging and developing countries in 2024, though the various economies in this group are developing very differently. GDP growth in Asian emerging and developing nations is anticipated to be 4.8 %, for example. The two major economies, China and India, are expected to grow by 4.2 % and 6.3 % respectively over the whole of 2024. As such, the IMF forecasts indicate an additional significant economic upturn for China, which is relevant for the copper market, although it is unlikely that the growth rate of the previous year will be reached. The real estate crisis and declining confidence are having a particularly dampening effect on the development of the Chinese economy.

According to the IMF, GDP in the industrialized nations is expected to grow by 1.4 % in 2024 as a whole. Growth of 1.5 % is expected for the US and 1.2 % for the eurozone. Following the previous year's slump, forecasts are predicting moderate GDP growth of 0.9 % in Germany again in 2024.

Individual sectors such as the electrotechnical industry, the automotive industry, and the construction sector are important copper product consumers. The economic developments anticipated for these areas are as follows:

In its current forecast from August 2023 for the global electric market, the German Electrical and Electronic Manufacturers' Association (ZVEI) anticipates growth of 3 % in 2024, following 9 % in 2023. Particular key factors indicating a return to a normalized long-term growth trend include the falling inflation rate and just moderate macroeconomic development. For Europe, which accounts for around 17 % of the global market, the ZVEI anticipates growth of 9 % in 2023 and 2 % in 2024. The volume of the German electrical market is expected to grow by 9 % in 2023 and by 1 % in 2024. The study conducted by the association included data from 53 countries, which together comprise approximately 95 % of the global market.

According to the European Automobile Manufacturers’ Association (ACEA), demand for passenger cars in the EU will increase significantly again in 2023 once supply chain difficulties have been overcome. After around 9.6 million passenger car registrations in 2022, the association now anticipates around 10.7 million passenger car registrations in 2023 and around 10.8 million passenger car registrations in 2024. The shift to electric vehicles in particular is providing impetus for growth, enabling the automotive industry to return to a growth path. The number of car registrations has not yet returned to the pre-pandemic level, however.

According to the German Institute for Economic Research (DIW), growth in construction will be strongly influenced by rising construction costs and worsened financing conditions in 2023. Nominal construction volume is predicted to grow by around just 4 %. More dynamic development is expected for 2024, when construction volume is anticipated to increase by at least 5 %.

Based on these forecasts, the Aurubis Group expects ongoing stable development in the three most important industries for copper product use in fiscal year 2023/24, which will continue the good development from the previous year. Political and economic developments may, however, considerably influence the respective market situation.

Sector development

The copper price showed volatile movement in the reporting period, ranging between US$ 7,500 and 9,300/t ,and was influenced by macroeconomic developments. Other industrial metals like lead, nickel, tin and zinc showed volatile market development as well, while precious metals like gold and silver showed generally positive development. Industry experts from banks and research firms that participated in the S&P Poll anticipate an average copper price of around US$ 8,600/t for the 2024 calendar year.

Aurubis and well-known research institutes also expect ongoing demand for refined copper and the metals produced by Aurubis in the coming 2024 calendar year. Copper and non-ferrous metals remain essential basic materials for economic development in core industries such as the electrical and automobile industries; for renewable energy applications such as photovoltaics and electrolyzers; and for the construction industry. Furthermore, the EU is tightening climate regulations, for example, and the EU, the US, and China are publicly promoting climate-friendly technologies to a considerable extent. Since these technologies hold great potential and therefore drive demand for copper and non-ferrous metals, Aurubis also anticipates high future demand for the metals produced by Aurubis.

Wood Mackenzie predicts that global demand for refined copper will increase by around 2.0 % a year up to 2035. For the 2024 calendar year, the research institute is projecting global demand of around 26.6 million t, which represents a 3.7 % increase compared to the previous year. The development of global copper smelters remains an important factor in analyzing the copper market. With a production capacity that represents around 44 % of global refinery capacity in 2023 as well, China holds the most significant proportion of global capacity and will considerably influence the growth of the smelter industry in the coming years.

According to Wood Mackenzie, following a slight deficit in 2023, the global refined copper market will have a total production surplus of around 377,000 t in 2024. This contradicts the assessment by research provider CRU, which anticipates a slight deficit of around 54,000 t for 2024 following a small surplus of 173,000 t in 2023.

In Europe, Wood Mackenzie anticipates a slight increase in demand for refined copper compared to the previous year with around 3.8 million t in 2024. Roughly 3 million t of refined copper is produced in Europe, so imports will be needed to cover the resulting copper deficit on the European domestic market. In 2024, demand for refined copper in China is anticipated to be around 14.3 million t, a slight rise compared to the previous year. As such, China continues to account for roughly more than half of global demand, though it remains a net importer of copper.

The continued high demand anticipated for refined copper, and the expected price level on the metal exchanges, create good framework conditions for Aurubis in the coming fiscal year.

Raw material markets

COPPER CONCENTRATES

The global copper concentrate market continues to grow on both the demand and supply sides. Expansion projects in existing mines and the ramp-up of new projects are significantly contributing to production increases in various countries in South America and worldwide compared to the previous year. Wood Mackenzie anticipates that global mine production (based on copper content before accounting for disruptions and adjustments) will rise by 2.6 % and 8.3 % in 2023 and 2024 respectively, and as such will improve copper concentrate availability.

For annual contracts, the benchmark treatment and refining charges (TC/RCs) for processing standard copper concentrates were US$ 88.0/t and 8.8 cents/lb in calendar year 2023. For the first quarter of the fiscal year, spot prices remained at the benchmark level, then dropped slightly below the benchmark to around US$ 78/t in Q2 of the fiscal year. With the increase in copper concentrate supply in the second half of the fiscal year, TC/RCs increased and at approximately US$ 93/t were slightly above the 2023 benchmark at the end of the fiscal year.

In November 2023, a benchmark for annual contracts in 2024 was concluded between a major mining company and a Chinese smelter at US$ 80/t and 8.0 cents/lb. These conditions were subsequently adopted by other Chinese smelters and another mining company, so this can be viewed as a reference for annual contracts. This reference is about 9 % below the 2023 level. Despite the decrease, we continue to expect a good concentrate supply situation in 2024, together with good treatment and refining charges in the coming fiscal year 2023/24.

Due to our position on the market, our long-term contract structure, and our supplier diversification, we are confident that we will again be able to secure a good copper concentrate supply. We are already supplied with concentrates at good treatment and refining charges well into Q2 of the 2023/24 fiscal year.

RECYCLING

The recycling materials market, which is of primary relevance for Aurubis, remained stable over the course of the fiscal year. Chinese imports of recycling materials remained stable compared to the previous year due to China’s current import regulations along with new import regulations in Malaysia and Indonesia that focus on higher environmental standards and set guidelines for increased inspections of imported recycling materials. This led to a stable and positive supply volume in Europe during the period under review.

Based on increasing regulations in the Asian region and stricter regulation of waste exports in Europe and the US, Wood Mackenzie anticipates an increase in regional processing of recycling materials. This creates fundamentally positive prospects for the supply of recycling materials in both the short and the medium term. Long term, Wood Mackenzie predicts an upswing in the supply of recycling material over the coming decade. The present development of the global economy and the current copper level may lead to short-term fluctuations in recycling industry collection activities.

Business in this area, particularly for copper scrap, is conducted with short timelines and therefore depends on a variety of influencing factors, such as metal prices and recycling industry collection activities, which are difficult to predict.

In contrast, the availability of complex recycling materials is subject to less volatility. This market environment is expected to be stable.

Overall, Aurubis expects a stable supply situation for recycling raw materials with good refining charges. We are already largely supplied with recycling material at good refining charges for Q2 of fiscal year 2023/24. Our broad market position absorbs supply risks.

Product markets

MARKETS FOR COPPER PRODUCTS

As at the reporting date, demand for wire rod from the infrastructure sector (medium- and high-voltage cable) is stable in Q1 2023/24. Demand from the construction and automotive sector is still currently subdued. In the negotiation season for 2024 annual sales contracts, which is still under way, we have already contractually set the sales budget to a large extent.

The copper premium Aurubis has established for European wire rod and shapes customers for the coming 2024 calendar year is one factor that has already been set. Aurubis left this premium unchanged for its European customers at US$ 228/t compared to the previous year (2023: US$ 228/t). The stable copper premium is a reflection of the stable market demand projected in Europe, with reduced European tankhouse capacity in 2024. In addition, it partially compensates for increased financing costs as well as offsetting energy costs, which while lower, are still high compared to the previous year.

Despite the slowdown in the global economy, we expect developments in the sector and demand for copper products to stabilize overall in 2024. In light of increasing investments in infrastructure for renewable energies and grid expansion, we expect to conclude the negotiation season for copper products at a stable level. This is supported by good customer relationships and a strong position in our key markets.

CATHODES

Sales of free cathode volumes on the market are based on the planned processing of our cathode output in the Group.

COPPER ROD

Demand for copper wire rod will depend on the ongoing economic trend in the key customer industries, among other factors. We expect strong demand for use in cable transmission infrastructure for the further expansion of renewable energies in the coming fiscal year as well. We assume that demand from the construction sector as a customer industry will fall compared with the previous year due to the tighter interest rate policies of the central banks and the resulting higher financing costs. Overall, however, CRU forecasts demand in Europe for the 2024 calendar year to be higher than in the previous year.

Despite the diverse outlook in individual customer industries for the forecast period, Aurubis expects demand and sales for copper wire rod to develop at a high level.

COPPER SHAPES

Demand for copper shapes was at a lower level throughout the past fiscal year. We anticipate a stabilization in demand for continuous cast shapes in the coming fiscal year.

FLAT ROLLED PRODUCTS

Developments in the US and Europe are key factors affecting sales of flat rolled products. For 2024, CRU anticipates higher demand for flat rolled products in both the US and Western Europe, following a drop in demand in 2023. Additionally, slight annual growth is expected in Europe and North America in the medium term into 2028.

The anticipated development of the US economy, along with the growth of the European economy, is currently suggesting a stable picture regarding the sales of flat rolled products at Aurubis.

SULFURIC ACID

Sulfuric acid sales are dependent on short-term developments, a fact that is reflected in the duration of the contracts. In addition, sales opportunities differ widely from region to region, and conditions vary accordingly. Aurubis supplies the global sulfuric acid market, with a focus on Europe, North America, and Turkey. The relationship between local sales and exports fluctuates depending on market circumstances.

According to the Independent Chemical Information Services (ICIS), price levels, which remained high though they dropped over the past fiscal year, will not carry forward. Lower demand is also expected from the European-based chemical and fertilizer industries in the 2023/24 fiscal year in particular. Lower price levels are expected in the US and South American export markets as well due to increased export activities from Europe and China. The Chinese markets are characterized by significant regional differences.

Based on stabilizing demand on the sulfuric acid market and sales price development, we anticipate a slightly negative trend in the earnings situation on these markets.

Business and earnings expectations for the Aurubis Group

BUSINESS EXPECTATIONS

On December 20, 2022, Aurubis announced another growth package for the Aurubis Group. These additional growth projects further contribute to the Aurubis “Driving Sustainable Growth” strategy. Up to the end of this decade, we want to continue solidifying and expanding our position as one of the world’s most efficient and sustainable multimetal producers — as a high-performance smelter network with a strong core business and new drivers of growth in recycling.

Updated in the 2020/21 fiscal year, the Aurubis strategy includes a precisely defined road map for continued sustainable, profitable growth. We continue to drive implementation forward steadily and with care. Strategic direction, page 128

EARNINGS EXPECTATIONS

The nature of our business model means that our earnings are subject to quarterly fluctuations. These are due to seasonal and market factors, but may also be caused by disruptions in facilities or operating processes. Risks associated with achieving the full-year forecast could arise from challenges linked to global economic developments.

The future development and forecast of Aurubis AG overlap with the general statement on the Aurubis Group.

The outlook for fiscal year 2023/24 is based on market estimates and the following premises:

» Based on industry forecasts, we expect global copper demand to continue growing.
» Due to the stable benchmark closing for copper concentrates at US$ 80/t and 8.0 cents/lb compared to the previous year, we expect good treatment and refining charges for fiscal year 2023/24 starting in calendar year 2024. We also anticipate slightly higher throughput at our primary smelter sites compared to the previous year.
» The market trend for copper scrap is difficult to forecast for the 2023/24 fiscal year due to the short-term nature of the business. We generally expect a stable market environment.
» We expect demand for the metals Aurubis produces to remain strong overall. In particular, we expect strong demand for our wire rod to continue. Demand for shapes will tend to move sideways compared to the previous year. We also expect demand for flat rolled products to move sideways.
» In light of the current market situation for sulfuric acid, we expect a reduced earnings contribution from sulfuric acid revenues compared to the previous year.

- Due to ongoing low metal prices on the LME, we have only hedged prices for limited parts of the expected metal gain so far.
- The Aurubis copper premium is unchanged and was set at US$ 228/t for calendar year 2024 (previous year: US$ 228/t).
- In view of current energy price developments, we expect energy costs to remain at the 2022/23 fiscal year level for the 2023/24 fiscal year. Our hedging activities enable us to absorb price risks to a limited extent. Furthermore, the CO_2 electricity price compensation takes effect with a time lag.
- A significant portion of our revenues is based on the US dollar. We have already hedged significant portions of the US dollar results for the current fiscal year as part of our hedging strategy.
- We overall expect stable plant availability at the level of the previous year for fiscal year 2023/24.
- The following maintenance shutdowns are planned for fiscal year 2023/24:
  - At the Hamburg site from early May to early July 2024, with an expected negative impact on operating EBT of about € 44 million
  - At the Lünen site in November and December 2023, and in May 2024, with a negative effect on operating EBT totaling around € 16 million

Overall, we expect an operating EBT between € 380 million and € 480 million, and an operating ROCE between 10 % and 14 % for the Aurubis Group in fiscal year 2023/24.

In the Multimetal Recycling segment, we anticipate an operating EBT between € 60 million and € 120 million and an operating ROCE between 5 % and 9 % for fiscal year 2023/24. The lower ROCE compared to the previous year is partly due to lower than anticipated financial performance and the significant increase in investment activities at the same time.

For the Custom Smelting & Products segment, we expect an operating EBT between € 410 million and € 470 million and an operating ROCE between 19 % and 23 % for fiscal year 2023/24. The improved ROCE compared to the previous year is due to the improved financial performance anticipated, together with increased investment activities as well.

Forward-looking statements

This document contains forward-looking statements about our current forecasts of future events. Words such as “anticipate,” “assume,” “believe,” “predict,” “expect,” “intend,” “can/could,” “plan,” “project,” “should” and similar terms indicate such forward-looking statements. These statements are subject to a number of risks and uncertainties. Some examples include unfavorable developments in the global economic situation; political developments in the US, Europe and China; a tightening of the raw material supply; and a decline in demand in the main copper sales markets. Further risks include a deterioration of our refinancing options on the credit and finance markets; unavoidable events beyond our control such as natural disasters, acts of terror, political unrest, and industrial accidents, and their effects on our sales, purchasing, production and financing activities; changes in exchange rates; a drop in acceptance for our products, resulting in impacts on the establishment of prices and the utilization of processing and production capacities; price increases for energy and raw materials; production interruptions due to material bottlenecks, employee strikes, or supplier bankruptcies; the successful implementation of measures to reduce costs and enhance efficiency; the business outlook for our significant holdings; the successful implementation of strategic cooperation and joint ventures; amendments to laws, ordinances and official regulations; and the outcomes of legal proceedings and other risks and uncertainties, some of which are described in the Risk and Opportunity Report in this Annual Report. If one of these uncertainties or difficulties occurs, or if the assumptions underlying the forward-looking statements prove to be wrong, the actual results could deviate considerably from the results mentioned or implicitly expressed in these statements. We do not intend, nor do we assume the obligation, to update forward-looking statements continuously, as these statements are based solely on the circumstances on the day of publication.

Expected financial situation

At the end of fiscal year 2022/23, Aurubis had € 494 million in available cash (September 30, 2022: € 706 million). The company has additional liquidity through unused lines of credit amounting to over € 500 million from a syndicated loan agreement running until 2028. The contract term was extended by one year in fiscal year 2022/23. Additionally, the loan was increased by €1 50 million in the year under review to more than € 500 million. Aurubis therefore has a very good liquidity position.

From operating business in the coming fiscal year, we anticipate a positive net cash flow despite the unchanged high energy price level and concern about the economic situation associated with it, and a continued good and sufficient liquidity position despite the comprehensive investment program initiated.

GENERAL STATEMENT ON THE FUTURE DEVELOPMENT OF THE AURUBIS GROUP

Fiscal year 2022/23 was especially challenging for Aurubis with the cyberattack at the start of the fiscal year, the fatal industrial accident, and the criminal activities directed against Aurubis at the Hamburg site. Despite these various crises, we concluded the fiscal year with economic success again thanks to the extraordinary commitment of the employees, active crisis management, and our robust business model.

Occupational safety and plant security are always our highest priorities and a key focus of our work. As part of the project initiated after the criminal activities came to light, a number of measures were taken, some with the support of external partners, that have already significantly bolstered the safety level at the Hamburg site Economic development within the Aurubis Group, page 141. We expect that the current project phase, which mainly concentrates on the forensic investigation of the fraud and theft cases, can be concluded by the end of December. Subsequently, an internal project team will continue the project with the purpose of ensuring that the long-term measures continue to be implemented. Moreover, we are systematically working on further developing our local and Group-wide security level. In July 2023 already, we introduced a new Group Security Policy, which creates a broad basis for clear regulations and standards that permeate the security infrastructure and promote a robust security culture.

In our assessment, the (preventative) process and plant safety measures initiated, and in some cases already implemented, have already significantly increased the security level at Aurubis. Our employees' close attention to internal controls and the adherence to processes are basic requirements for counteracting the constant rise in criminal intent from the inside and the outside. Nevertheless, despite all of the precautions that have now been taken, they cannot be fully ruled out.

Following the serious industrial accident at the Hamburg site in May 2023, in which three employees lost their lives, we started and in some cases already carried out a series of measures in the entire Group to improve our level of work safety. We are having an independent external occupational safety consultancy review our occupational safety management with the aim of incorporating other perspectives to drive continued improvement. The multistage process encompasses the site organization and relevant Group functions. Once the analysis is complete, we will know which elements of occupational safety indicate optimization potential.

In fiscal year 2023/24, we will continue advancing the projects that are part of our Metals for Progress: Driving Sustainable Growth strategy and conclude some of the first projects. We expect to commission the expansion of the tankhouse in Lünen, the ASPA project in Beerse, and the second stage of the solar park in Pirdop in Q3 of fiscal year 2023/24. Commissioning of the BOB project in Olen, the second stage of Industrial Heat in Hamburg, and the first stage of the new recycling plant in Georgia, US, are planned for Q4. Aurubis plans to finance our projects currently in implementation and future projects from the current cash flow and existing lines of credit.

As an energy-intensive company, our focus remains on safeguarding our international competitiveness by further lowering our energy costs through active energy management.

The sites will continue flexibly managing developments on our procurement and product markets. We anticipate that the Aurubis business model, with its various drivers of earnings, will prove robust and diversified in fiscal year 2023/24 as well. Key factors such as the stable level of the benchmark for standard copper concentrates, the stable Aurubis copper premium for calendar year 2024, and initial results of product sales campaigns already indicate a stable to positive trend in important drivers of earnings in fiscal year 2023/24. In contrast to these factors, expectations of lower contributions to earnings from sulfuric acid and higher costs for the Group due to inflation will impact the operating result. We are starting fiscal year 2023/24 confidently, with a forecast range of € 380 million to € 480 million for operating EBT and 10 % to 14 % ROCE.

Legal Disclosures

Declaration on corporate governance pursuant to Section 289f and Section 315d of the German Commercial Code (HGB)

The declaration is printed at the beginning of this Annual Report and is available on the company's website in the Investor Relations section under Annual Reports.
www.aurubis.com/en/investor-relations/publications/annual-reports

Takeover-related disclosures and explanations

Explanatory report by the Executive Board of Aurubis AG, Hamburg, in accordance with Section 176 (1) sentence 1 of the German Stock Corporation Act (AktG) on disclosures of takeover provisions pursuant to Section 289a (1) and Section 315a (1) of the German Commercial Code (HGB) as at the balance sheet date of September 30, 2023.

The following disclosures as at September 30, 2023 are presented in accordance with Section 289a (1) and Section 315a (1) of the German Commercial Code (HGB).

COMPOSITION OF THE SUBSCRIBED CAPITAL

The subscribed capital (share capital) of Aurubis AG amounted to € 115,089,210.88 as at the balance sheet date and was divided into 44,956,723 no-par-value bearer shares, each with a notional value of € 2.56 of the subscribed capital.

Each share grants the same rights and one vote at the Annual General Meeting. There are no different categories of shares.

The profit entitlement for any new shares that are issued can deviate from Section 60 of the German Stock Corporation Act (AktG).

TREASURY SHARES

Please refer to the Aurubis AG notes to the financial statements for information pursuant to Section 160 (1) no. 2 of the German Stock Corporation Act (AktG). Page 202

LIMITATIONS RELATED TO VOTING RIGHTS OR THE TRANSFER OF SHARES

To the Executive Board's knowledge, shareholders' voting rights are not subject to any limitations, with the exception of possible legal prohibitions on voting (particularly in an isolated case pursuant to Section 136 of the German Stock Corporate Act (AktG)). Pursuant to Section 71b of the AktG, the company is not entitled to voting rights from any treasury shares that it holds.

SHAREHOLDINGS EXCEEDING 10 % OF THE VOTING RIGHTS

One indirect shareholding in Aurubis AG exceeds 10 % of the voting rights as at the balance sheet date (September 30, 2023): Salzgitter AG, Salzgitter, notified the company in accordance with Section 33 (1) of the German Securities Trading Act (WpHG) on December 12, 2018 that its voting interest in Aurubis AG had exceeded the threshold of 25 % of the voting rights on December 12, 2018 and amounted to 25.0000006 % of the voting rights (representing 11,239,181 votes). Of this total, 25.0000006 % of the voting rights (representing 11,239,181 votes) are attributed to Salzgitter AG via Salzgitter Mannesmann GmbH, Salzgitter.

Accordingly, one direct shareholding in Aurubis AG exceeds 10 % of the voting rights as at the balance sheet date (September 30, 2023): According to the notification of Salzgitter AG, Salzgitter, dated December 12, 2018, Salzgitter Mannesmann GmbH, Salzgitter, held 25.0000006 % of the voting rights (representing 11,239,181 votes) on December 12, 2018. The Salzgitter AG company presentation (from November 2022) states that it holds a 29.99 % stake in Aurubis AG.

SHAREHOLDERS WITH SPECIAL RIGHTS

There were no shareholders with special rights conferring supervisory powers as at the balance sheet date (September 30, 2023).

PARTICIPATING EMPLOYEES

There were no employees that held an interest in share capital and did not directly exercise their supervisory rights as at the balance sheet date (September 30, 2023).

APPOINTMENT AND REMOVAL OF EXECUTIVE BOARD MEMBERS AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The appointment and removal of members of the Executive Board of Aurubis AG are covered by Sections 84 and 85 of the German Stock Corporation Act (AktG) and Section 31 of the German Codetermination Act (MitbestG) in conjunction with Section 6 (1) of the Articles of Association. Amendments to the Articles of Association are subject to the approval of the shareholders at the Annual General Meeting. The resolution at the Annual General Meeting requires, in addition to a simple majority of votes, a majority that must comprise at least three-quarters of the subscribed capital represented in the vote; Section 119 (1) no. 6, Section 133 (1), and Section 179 et seq. of the German Stock Corporation Act (AktG) apply. In accordance with Section 11 (9) of the Articles of Association, the Supervisory Board is authorized to pass amendments to the Articles of Association that relate only to their wording. Furthermore, the Supervisory Board is authorized to adjust Section 4 of the Articles of Association after the complete or partial execution of a subscribed capital increase in accordance with the respective claim to the authorized capital and after the authorization expires. It is also authorized to amend the version of Section 4 (1) and (3) of the Articles of Association in accordance with the respective issuance of new no-par-value bearer shares within the context of the 2022 conditional capital and to make all other related amendments to the Articles of Association that only relate to the wording. The same applies if the authorization to issue bonds with warrants or convertible bonds is not exercised after the authorization period expires or if the conditional capital is not utilized after the deadlines for exercising option or conversion rights or for fulfilling conversion or option obligations have expired.

POWER OF THE EXECUTIVE BOARD TO ISSUES SHARES

There is currently no authorization for the Executive Board to issue shares from authorized capital pursuant to Section 202 (2) sentence 1 of the German Stock Corporation Act (AktG).

POWER OF THE EXECUTIVE BOARD TO REPURCHASE SHARES

With a resolution of the Annual General Meeting on February 16, 2023, the company was authorized until February 15, 2026 to repurchase treasury shares up to a total of 10 % of the current subscribed capital. Together with other treasury shares held by the company or attributable to it in accordance with Section 71a et seq. of the German Stock Corporation Act (AktG), the shares acquired by the company based on this authorization shall at no time exceed 10 % of the company's current subscribed capital. The acquisition of shares for the purpose of trading with treasury shares is excluded. The Executive Board is empowered to use shares in the company that are purchased on account of this power for all legally permitted purposes, and in particular for the following purposes:

a) Treasury shares that have been acquired can also be sold in a way other than a sale via the stock exchange or by means of an offer to all of the shareholders, if the shares are sold in return for a cash payment at a price that is not materially lower than the stock market price of the company's shares with the same terms at the time of the sale. The definitive trading price for the purpose of the arrangement previously mentioned shall be the average closing price of the company's shares with the same terms in Xetra trading (or a comparable successor system) over the last five trading days of the Frankfurt Stock Exchange before the commitment to sell the shares was entered into. The shareholders' subscription right is excluded. This authorization shall, however, only apply on the condition that the shares sold excluding the subscription right may not, in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), exceed 10 % of the subscribed capital, either at the time this becomes effective or at the time of exercise of this authorization (the "upper limit"). Shares that are issued during the term of this authorization from authorized capital pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), excluding subscription rights, are to be credited towards this upper limit. Furthermore, this upper limit shall take into account those shares that are issued or are to be issued in order to service convertible bonds and/or bonds with warrants (or profit participation rights, or participating bonds with a conversion right, option right, or conversion obligation, or the company's right to offer), which were issued during the term of this authorization due to an authorization to issue convertible bonds and/or bonds with warrants (or profit participation rights, or participating bonds with a conversion right, option right, or conversion obligation, or the company's right to offer) in commensurate application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), excluding subscription rights. An inclusion that has been carried out is canceled if authorizations to issue new shares from authorized capital in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) or to issue convertible bonds and/or bonds with warrants (or profit participation rights, or participating bonds with a conversion right, option right, or conversion obligation, or the company's right to offer) in commensurate application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) are granted again at the Annual General Meeting after exercising such authorizations that have led to inclusion.

b) Treasury shares that have been acquired can also be sold in a way other than a sale via the stock exchange or by means of an offer to all of the shareholders. This is provided that such sale is carried out in return for a contribution in kind by a third party, especially in conjunction with the acquisition of business entities, parts of business entities, or participating interests in business entities by the company itself or by a business entity dependent on it or majority-owned by it, and in conjunction with business combinations, or to fulfill conversion rights or obligations of holders and/or creditors relating to conversion or option rights issued by the company or Group entities of the company (or profit participation rights, or participating bonds with a conversion right, option right, or conversion obligation, or the company's right to offer), especially – but not exclusively – due to the authorization to issue convertible bonds and/or bonds with warrants, profit participation rights, and/or participating bonds (or combinations of these instruments) decided under item 6 of the agenda for the Annual General Meeting on February 17, 2022. The shareholders' subscription right is excluded in each case.

c) Treasury shares that have been acquired can be withdrawn entirely or in part without a further resolution at the Annual General Meeting. They can also be withdrawn in a simplified procedure without a reduction in capital by adjusting the proportionate notional share of the remaining no-par-value shares in the subscribed capital of the company. The withdrawal can be limited to a portion of the acquired shares. If the withdrawal takes place using the simplified procedure, the Executive Board is authorized to adjust the number of no-par-value shares in the Articles of Association.

The treasury shares collectively sold under the authorization mentioned previously, pursuant to items a) and b) and excluding the subscription right, may not exceed 10 % of the share capital, neither at the time the authorization becomes effective nor at the time it is exercised. The 10 % limit must include (i) new shares that are issued, excluding the subscription right, during the term of this authorization up to the sale of the treasury shares from authorized capital, without subscription rights, and (ii) those shares that are issued in order to service convertible bonds and/or bonds with warrants (or profit participation rights, or participating bonds with a conversion right, option right, or conversion obligation, or the company's right to offer), if the bonds were issued during the term of this authorization up to the sale of the treasury shares, excluding shareholder subscription rights. If and to the extent that the shareholders at the Annual General Meeting reissue the relevant authorization to exclude subscription rights after the authorization leading to inclusion in the 10 % limit previously mentioned has been exercised, the inclusion that has already been carried out is eliminated.

The complete text of the resolution dated February 16, 2023 was included under agenda item 10 in the invitation to the Annual General Meeting 2023 published in the German Federal Gazette on January 5, 2023.

POWER OF THE EXECUTIVE BOARD TO ISSUE CONVERTIBLE BONDS AND SHARES FROM CONDITIONAL CAPITAL

With the resolution passed by the shareholders at the Annual General Meeting on February 17, 2022, the Executive Board was authorized, subject to the approval of the Supervisory Board, to issue bearer or registered convertible bonds and/or bonds with warrants, profit participation rights, and/or participating bonds (or combinations of these instruments) – referred to collectively as "bonds" – until February 16, 2027, once or several times, with or without a maturity limit, in the total nominal amount of up to € 500,000,000.00, and to grant conversion or option rights to the holders or creditors of such bonds for no-par-value bearer shares in the company representing a proportionate amount of the subscribed capital totaling € 11,508,920.32 as further specified in the terms and conditions of the bonds. The text of the authorization of the Executive Board to issue bonds corresponds to the resolution proposed by the Executive Board and Supervisory Board regarding agenda item 6 of the ordinary Annual General Meeting on February 17, 2022, which was published in the German Federal Gazette on December 20, 2021.

The subscribed capital shall be conditionally increased by up to € 11,508,920.32 through the issuing of up to 4,495,672 new bearer shares without a nominal amount (no-par-value shares), each with notional interest in the subscribed capital of € 2.56 (2022 conditional capital). The conditional capital increase will only be carried out to the extent that the holders or creditors of conversion and/or option rights from convertible bonds, bonds with warrants, profit participation rights, or participating bonds (or a combination of these instruments) that are issued against cash by the company or by its affiliates until February 16, 2027 based on the authorization passed by the shareholders at the Annual General Meeting on February 17, 2022 exercise their conversion or option rights, or to the extent that holders or creditors of the convertible bonds (or profit participation rights or participating bonds with a conversion obligation) issued by the company or by its affiliates until February 16, 2027 based on the authorization passed by the shareholders at the Annual General Meeting on February 17, 2022 fulfill their conversion obligation or shares are offered, and to the extent that treasury shares or other forms of fulfillment are not utilized for this purpose. The new no-par-value bearer shares shall be entitled to participate in the profits from the beginning of the fiscal year in which they are issued through the exercise of conversion or option rights, through the fulfillment of conversion or option obligations, or through the exercise of rights to offer. To the extent legally permitted, the Executive Board can, subject to the approval of the Supervisory Board, establish the profit participation of new shares in a way that deviates from Section 60 (2) of the German Stock Corporation Act (AktG).

The complete text of the resolution dated February 17, 2022 has been included under agenda item 6 in the invitation to the Annual General Meeting 2022 published in the German Federal Gazette on December 20, 2021.

SIGNIFICANT CONDITIONAL AGREEMENTS CONCLUDED BY THE COMPANY

In the event that a single person or a group of persons acting together should acquire more than 50 % of the shares or the voting rights in Aurubis AG, every syndicate lender from the agreement with a banking syndicate ("the Syndicated Loan") on a credit line totaling € 500 million, which primarily serves to finance the working capital of the Group, shall be entitled to cancel their participation in the Syndicated Loan and to demand immediate repayment of the amounts owed to them. Within the scope of various bonded loans (Schuldscheindarlehen) totaling € 168 million, every lender has an extraordinary right of cancellation if control over the borrower changes.

COMPANY COMPENSATION AGREEMENTS IN THE CASE OF TAKEOVER BIDS

No company compensation agreements were made with the members of the Executive Board or with employees for the case of a takeover bid.