



METALCORP GROUP

Investor Update



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INTRODUCTION

- Metalcop Group S.A. (“**Metalcop**” or the “**Company**”) announces it has agreed a transaction framework with an ad hoc group of 2026 Noteholders (the “**2026 AHG**”) and certain 2023 Noteholders on a consensual restructuring and recapitalisation of the Company and its various entities (the “**Group**”)(the “**Transaction**”)
 - The Transaction involves debt reduction at Metalcop as consideration for the sale of the Company’s Aluminium and Bulk and Ferrous Sub-Group (the “European Business”)
 - The Transaction includes the provision of new capital which will be available to noteholders who wish to participate
- The Company is commencing the implementation of the Transaction which includes garnering further support from 2023 and 2026 Noteholders
 - 2023 Noteholder meeting to be held on 16-Jun (2nd vote) and the meeting of the 2026 Notes to be convened
 - The long-form transaction documentation and support agreements are being prepared and finalised
- Following the effective date of the Transaction:
 - The Aluminium and Bulk and Ferrous Sub-Group will be owned by management and participating noteholders whereas the Metals & Concentrates Sub-Group (the “**African Business**”) ownership will remain unchanged
 - The Transaction includes a number of inter-creditor elements which will see the sub-groups separated
- The Transaction is expected to be completed as soon as practicable with completion targeted prior to Aug-23

KEY FEATURES OF THE TRANSACTION

<p>Business Separation</p>	<ul style="list-style-type: none"> • Complete separation of the European Business from African Business <ul style="list-style-type: none"> – European Business, which includes the aluminium recycling plants BAGR and Stockach, ferrous trading entity Steelcom and investment in Italiana Coke, to operate as an independent stand-alone entity majority-owned by the management – African Business, which includes the bauxite mines in Guinea and trading entity Tennant Metals, will consolidate below the Company
<p>1L New Money and Claims Notes (“1L Notes”)</p>	<ul style="list-style-type: none"> • Up to €25M of 1st lien claims comprising new money component and to settle outstanding claims including transaction fees and expenses • Use of proceeds to include operational funding and settlement of transaction fees and expenses • Participation in the new money component is available to all noteholders
<p>Restructuring of Existing Metalcorp Notes</p>	<ul style="list-style-type: none"> • The Metalcorp Notes will be restructured in the Transaction into the below notes (“Reinstated Notes”): <ul style="list-style-type: none"> – At the European Business: <ul style="list-style-type: none"> ▪ 2L Bond I Notes in an amount of c. €66M – €85M, maturing Dec-26 – At the African Business: <ul style="list-style-type: none"> ▪ 2.5L Bond II Notes in an amount of c. €100M, maturing Dec-26 ▪ 3L Bond III Notes in an amount of c. €216M – €235M⁽¹⁾, maturing Dec-27
<p>Reduction in Debt Service</p>	<ul style="list-style-type: none"> • In addition to extending the maturities, the Transaction also addresses: <ul style="list-style-type: none"> – €8M amortisation payment due in each Mar-23 and May-23 under the 2023 Notes – c. €25M interest payment due in Jun-23 under the 2026 Notes – c. €75M principal and accrued interest due in Oct-23 under the 2023 Notes • Further, the interest payable under the Reinstated Notes will be capitalised, with interest on the 2L Bond I Notes payable in cash if compliant with the maintenance of a certain minimum liquidity level
<p>Post-Transaction Objectives</p>	<ul style="list-style-type: none"> • Transaction fully aligns the interest of all stakeholders <ul style="list-style-type: none"> – European Business to be run by management and positioned for success – Further consideration is being given to a range of strategic alternatives for the African Business

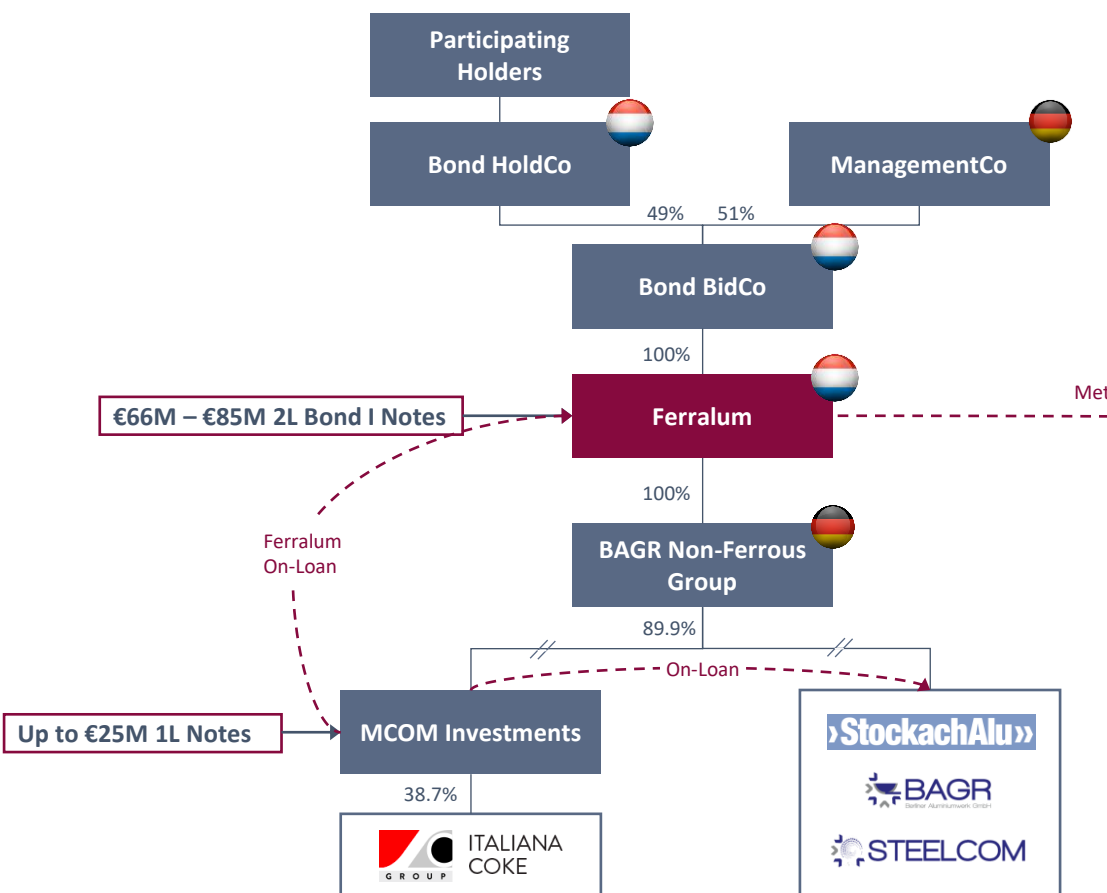
Notes: (1) Accrued and unpaid interest under the existing notes included in Bond III Notes

Highly Illustrative & Simplified

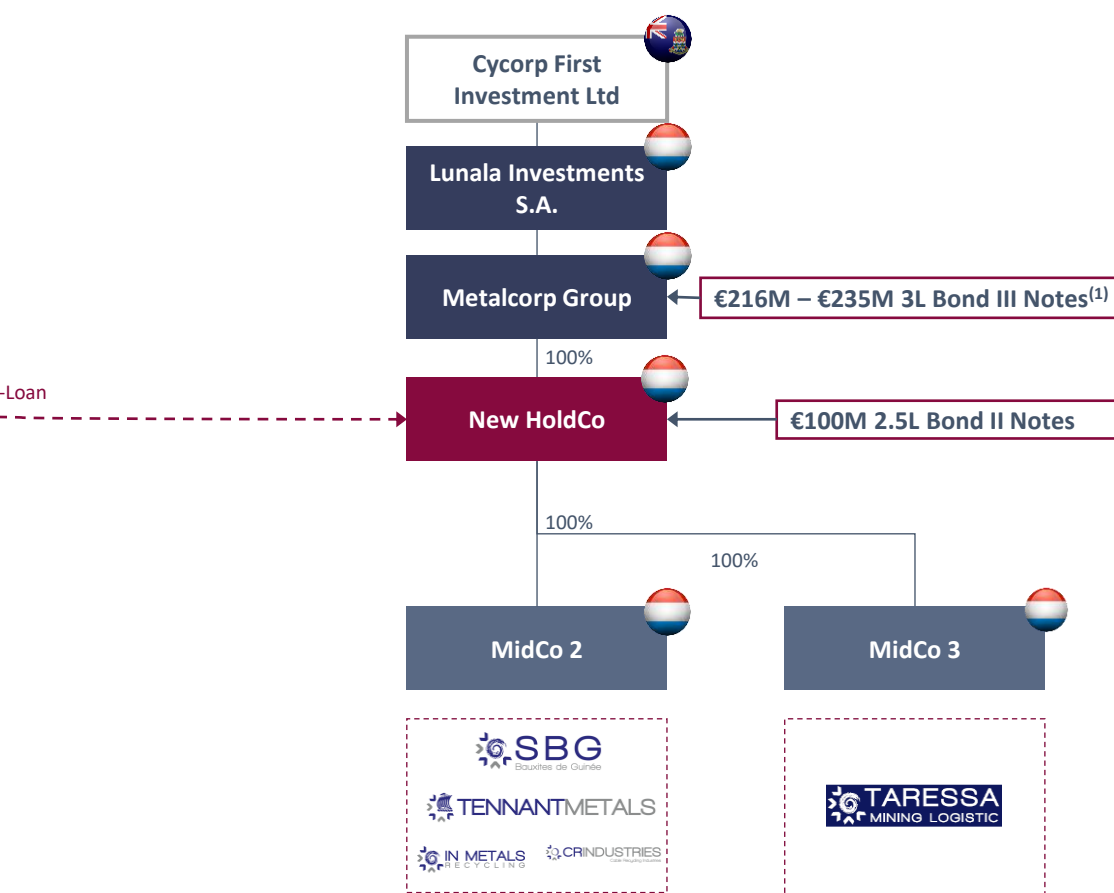
THE TRANSACTION CREATES TWO DISTINCT GROUPS

Transaction leads to the separation of the two sub-groups into distinct entities on the basis of product, geographical exposure and business needs

Aluminium and Bulk and Ferrous Sub-Group



Metals & Concentrates Sub-Group



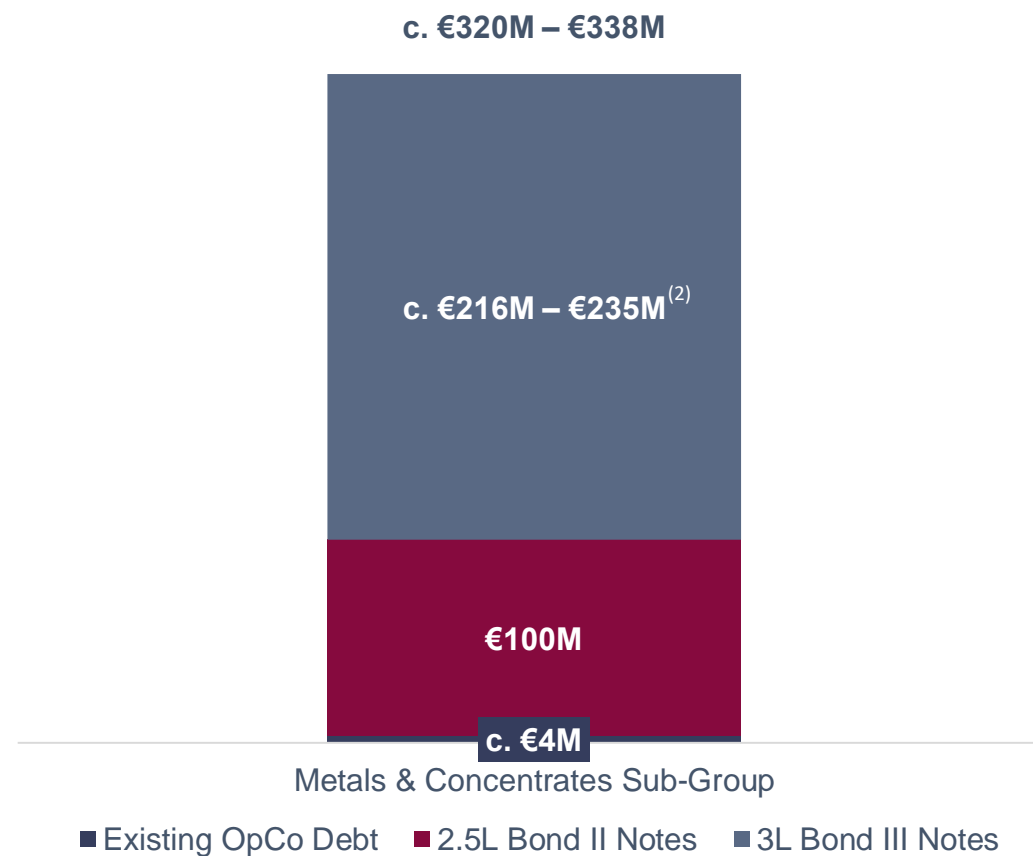
Notes: (1) Accrued and unpaid interest under the existing notes included in Bond III Notes

PRO FORMA BALANCE SHEET

Aluminium and Bulk and Ferrous Sub-Group



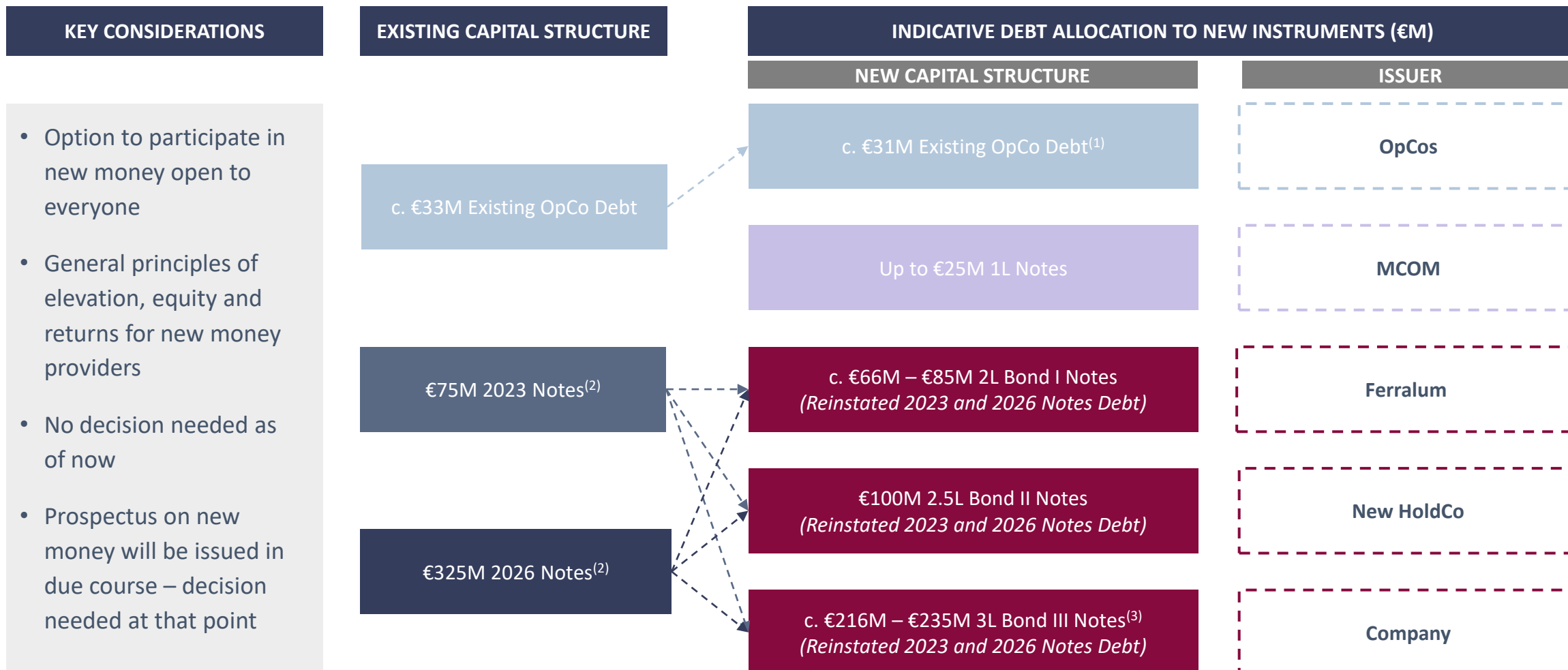
Metals & Concentrates Sub-Group



Notes: (1) Assumes repayment of up to c. €2.2M of certain existing OpCo debt
 (2) Accrued and unpaid interest under the existing notes included in Bond III Notes

INDICATIVE NEW ALLOCATION TO THE 2023 AND 2026 NOTES

Transaction leads to the separation of the two sub-groups into distinct entities on the basis of product, geographical exposure and business needs



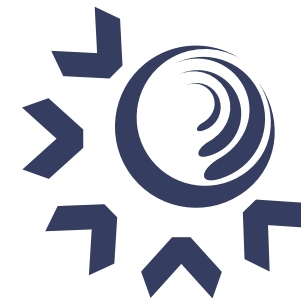
Notes: (1) Assumes repayment of up to c. €2.2M of certain existing OpCo debt
 (2) Includes accrued and unpaid interest
 (3) Accrued and unpaid interest under the existing notes included in Bond III Notes

KEY DATES AND NEXT STEPS

June 2023

Mo	Tue	We	Thu	Fr	Sa	Su
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Key Dates	Events
15-Jun	<ul style="list-style-type: none"> Transaction framework announced
16-Jun	<ul style="list-style-type: none"> 2nd vote for 2023 Notes
ASAP	<ul style="list-style-type: none"> 1st vote for 2026 Notes
Post-2026 Notes Vote	<ul style="list-style-type: none"> Anticipated restructuring effective date



KEY HEADS OF TERMS

SUMMARY OF KEY TERMS – 1L NOTES

Issuer	<ul style="list-style-type: none"> • MCOM
Backstop Fee	<ul style="list-style-type: none"> • 3.0%
Guarantors	<ul style="list-style-type: none"> • Ferralum and New HoldCo on a senior secured basis
Status	<ul style="list-style-type: none"> • Senior Secured
Amount	<ul style="list-style-type: none"> • Up to €25M
OID	<ul style="list-style-type: none"> • 20%
Maturity	<ul style="list-style-type: none"> • 30 June 2026
Pricing	<ul style="list-style-type: none"> • 10% p.a cash interest, plus • 10% p.a PIK interest
Interest Period	<ul style="list-style-type: none"> • Quarterly on 30 March, 30 June, 30 September, 30 December
Default Interest	<ul style="list-style-type: none"> • 2.0%
Collateral	<ul style="list-style-type: none"> • 100% of the shares in the Issuer, Ferralum and BAGR Non Ferrous Group GmbH (and, subject to final legal review, additional collateral) • Certain bank accounts of the Issuer and Ferralum • Certain existing and future intercompany receivables
Use of Proceeds	<ul style="list-style-type: none"> • Up to c. €2.2M used for OpCos • Remaining cash proceeds to be on-lent to Ferralum or Metalcorp to be used for operational funding and settlement of transaction fees and expenses
Priority and Ranking	<ul style="list-style-type: none"> • 1st ranking in right of payment and in respect of collateral shared with Bond I Notes

SUMMARY OF KEY TERMS – 1L NOTES (CONT.)

Prepayment	<ul style="list-style-type: none"> • Voluntary repayment at par at the option of the Issuer • Mandatory repayment with 30 days following: <ul style="list-style-type: none"> – Sale of all or substantially all assets of the Group – Repayment of the Metalcorp on-loan / From net proceeds recovered by New HoldCo from MidCo 2 and MidCo 3 (sale proceeds, dividend distributions, upstream loans, etc.) – Receipt of net proceeds from a financial transaction, or from the sale, disposal or transfer of assets – Value received from Italiana Coke
General Covenants and Undertakings	<ul style="list-style-type: none"> • To include certain limitation on financial indebtedness, distributions, matters related to Italiana Coke and certain general limitations
Financial Covenants	<ul style="list-style-type: none"> • EBITDA test • Minimum liquidity requirement
Events of Default	<ul style="list-style-type: none"> • Non payment • Breaches of other obligations • Misrepresentations • Cross-default, judgment default • Material deterioration of the financial situation of any obligor • Material adverse effect • In the event of no refinancing by 2026, no M&A adviser appointed or no sale process launched, for BAGR, Stockach and Steelcom by a certain pre-agreed date
Change of Control	<ul style="list-style-type: none"> • Put right at 102%
Listing	<ul style="list-style-type: none"> • TISE (or a different recognized stock exchange)
Governing Law	<ul style="list-style-type: none"> • English law

SUMMARY OF KEY TERMS – BOND I NOTES

Issuer	<ul style="list-style-type: none"> Ferralum
Guarantors	<ul style="list-style-type: none"> MCOM and New HoldCo (junior to the New Money Notes)
Common Representative	<ul style="list-style-type: none"> DMR Rechtsanwälte
Amount	<ul style="list-style-type: none"> c. €66M – €85M
Maturity	<ul style="list-style-type: none"> 30 December 2026
Pricing	<ul style="list-style-type: none"> 10% p.a PIK or cash
Interest Period	<ul style="list-style-type: none"> Quarterly on 30 March, 30 June, 30 September, 30 December
Default Interest	<ul style="list-style-type: none"> 2.0%
Collateral	<ul style="list-style-type: none"> Same as the 1L Notes on a junior basis to the 1L Notes
Prepayment	<ul style="list-style-type: none"> Voluntary repayment at par at the option of the Issuer Mandatory repayment (after the 1L Notes have been repaid) with 30 days following: <ul style="list-style-type: none"> Sale of all or substantially all assets of the Group Net proceeds recovered by New HoldCo from MidCo 2 and MidCo 3 (sale proceeds, dividend distributions, upstream loans, etc.) Receipt of net proceeds from a financial transaction, or from the sale, disposal or transfer of assets Value received from Italiana Coke
General Covenants and Undertaking	<ul style="list-style-type: none"> Same as 1L Notes
Financial Covenants	<ul style="list-style-type: none"> Same as 1L Notes
Events of Default	<ul style="list-style-type: none"> Same as 1L Notes
Change of Control	<ul style="list-style-type: none"> Same as 1L Notes
Listing	<ul style="list-style-type: none"> Frankfurt Open Market
Governing Law	<ul style="list-style-type: none"> German law

SUMMARY OF KEY TERMS – BOND II NOTES

Issuer	<ul style="list-style-type: none"> • New HoldCo
Guarantors	<ul style="list-style-type: none"> • Midco 2 and Midco 3
Amount	<ul style="list-style-type: none"> • €100M
Maturity	<ul style="list-style-type: none"> • Same as Bond I Notes
Pricing	<ul style="list-style-type: none"> • Same as Bond I Notes
Interest Period	<ul style="list-style-type: none"> • Quarterly on 30 March, 30 June, 30 September, 30 December
Collateral	<ul style="list-style-type: none"> • 100% of the shares in the Issuer on a 1st-priority basis. • 100% of the shares in MidCo 2 and MidCo 3, ranking junior to the guarantee issued by the Issuer to the benefit of the holders of the Bond I Notes • Existing and future receivables under loans to Ferralum Group
Prepayment	<ul style="list-style-type: none"> • Voluntary repayment at par at the option of the Issuer • Mandatory repayment (after the 1L Notes and 2L Bond I Notes have been repaid) with 30 days following: <ul style="list-style-type: none"> – Sale of all or substantially all assets of the Group – Net proceeds recovered by the Issuer from MidCo 2 and MidCo 3 (sale proceeds, dividend distributions, upstream loans, etc.) – Receipt of net proceeds from a financial transaction, or from the sale, disposal or transfer of assets
General Covenants and Undertaking	<ul style="list-style-type: none"> • To include certain limitation on financial indebtedness, distributions and certain general limitations
Financial Covenants	<ul style="list-style-type: none"> • TBA
Events of Default	<ul style="list-style-type: none"> • Same as Bond I Notes, save for appointment of M&A advisors by a certain pre-agreed date
Change of Control	<ul style="list-style-type: none"> • Put right at 102%
Listing	<ul style="list-style-type: none"> • Frankfurt Open Market
Governing Law	<ul style="list-style-type: none"> • German law

SUMMARY OF KEY TERMS – BOND III NOTES

Issuer	<ul style="list-style-type: none"> Newly incorporated subsidiary of the Company
Guarantors	<ul style="list-style-type: none"> Midco 2 and Midco 3, each ranking junior to the guarantees issued to the benefit of the holders of the Bond II Notes
Amount	<ul style="list-style-type: none"> c. €216M – €235M
Maturity	<ul style="list-style-type: none"> 30 December 2027
Pricing	<ul style="list-style-type: none"> Same as Bond II Notes
Interest Period	<ul style="list-style-type: none"> Quarterly on 30 March, 30 June, 30 September, 30 December
Collateral	<ul style="list-style-type: none"> 100% of the shares in the Issuer on a 1st-priority basis. 100% of the shares in MidCo 2 and MidCo 3, ranking junior to the Bond II Notes
Prepayment	<ul style="list-style-type: none"> Voluntary repayment at par at the option of the Issuer Mandatory repayment: After the 1L Notes, the Bond I Notes and the Bond II Notes have been redeemed or refinanced in full: <ul style="list-style-type: none"> Sale of all or substantially all assets of the Group Net proceeds recovered by the Issuer from MidCo 2 and MidCo 3 (sale proceeds, dividend distributions, upstream loans, etc.) Receipt of net proceeds from a financial transaction, or from the sale, disposal or transfer of assets
General Covenants and Undertaking	<ul style="list-style-type: none"> Same as Bond II Notes
Financial Covenants	<ul style="list-style-type: none"> Same as Bond II Notes
Events of Default	<ul style="list-style-type: none"> Same as Bond II Notes
Change of Control	<ul style="list-style-type: none"> Same as Bond II Notes
Listing	<ul style="list-style-type: none"> Frankfurt Open Market
Governing Law	<ul style="list-style-type: none"> German law

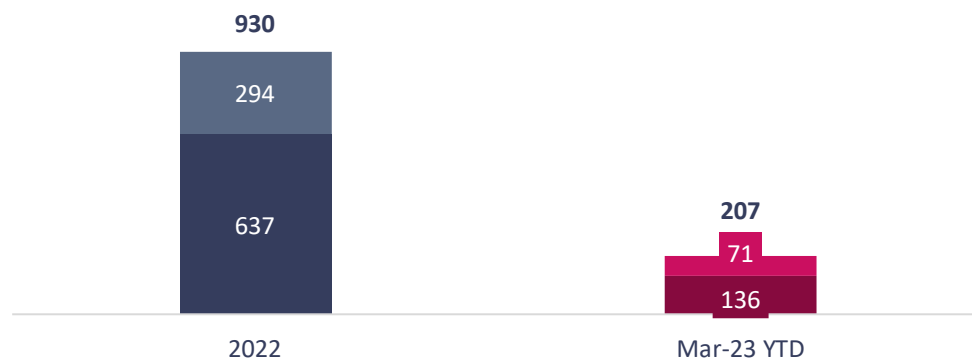


BUSINESS UPDATE

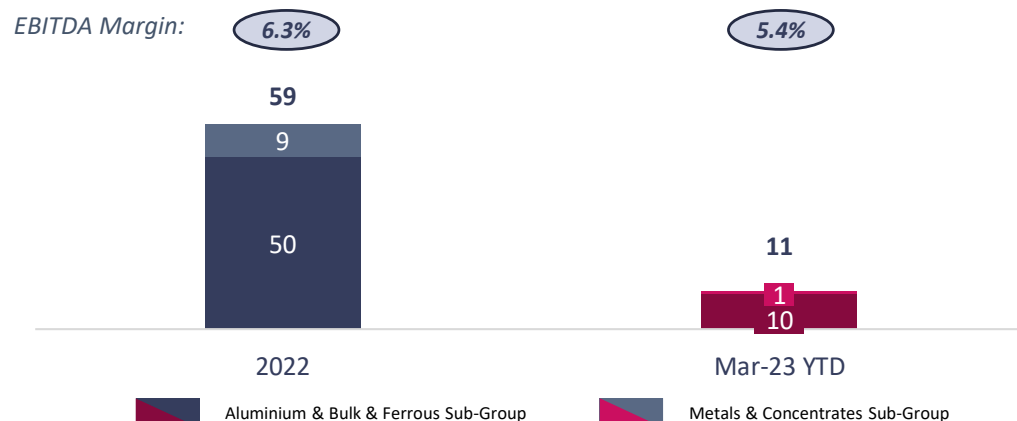
KEY FINANCIAL HIGHLIGHTS

Metalcorp FY22 provisional revenue is c. €930M which came in ahead of the business plan. FY22 provisional EBITDA came in at c. €59M

REVENUE (€M)



EBITDA⁽¹⁾ (€M)



COMMENTARY

- FY22 financial results were supported by favorable commodity prices resulting in revenue outperformance against the business plan
- Margins in FY22 and Mar-23 YTD were affected due to purchasing and supplier challenges which are expected to ease following a successful transaction implementation
- Other factors that impacted the Mar-23 YTD trading were:
 - Downtime at BAGR due to furnace maintenance
 - Higher energy costs for BAGR and Stockach
 - Improved demand dynamics for Steelcom
- Company has renewed energy prices hedges which secures pricing until 2026
- As at 30 Apr-23, existing group cash balance of c. €3M with available overdraft facilities at operating level of c. €2.6M. Cash balance at Italiana Coke entity at the same date stood at €14M
- Near-term liquidity (including overdrafts) of the Group is expected to tighten reaching a low point of €12M⁽²⁾ in the w/c 17 Jul-23 before improving to €14M⁽²⁾ in the w/c 24 Jul-23
- Management estimates the Guinean business to require up to €10M of funding in the near term for working capital and maintenance capex needs. The Company will explore all potential alternatives to meet the liquidity needs of the business

Notes: (1) Italiana Coke FY22 EBITDA of €31.3M and Mar-23 YTD EBITDA of €6.0M fully consolidated in Group EBITDA and included in the Aluminium & Bulk & Ferrous Sub-Group EBITDA
 (2) Illustratively includes €20M of cash funding received as part of the Transaction