



METALCORP GROUP

Investor Update



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INTRODUCTION

- Metalcorp Group S.A. (“**Metalcorp**” or the “**Company**”) announces it has agreed a proposed transaction with the Common Representative of the 2023 Noteholders, an ad-hoc group of 2026 Noteholders (the “**2026 AHG**”) and Ferralum Metals Group S.A. (“**Ferralum**”) on the final terms of a consensual restructuring and recapitalisation of the Company and its various entities (the “**Group**”) (the “**Transaction**”)
 - The Transaction involves debt reduction at Metalcorp as consideration for the sale of the Company’s Aluminium and Bulk and Ferrous business (the “**European Business**”)
 - The Transaction includes the provision of new capital. The new capital will be provided by 2023 and 2026 Noteholders who wish to participate
- The Transaction follows the general terms already agreed by the 2023 Noteholders in the meeting held on 16-Jun 2023 and has support from c. 40% of the 2026 Noteholders in the form on a binding lock-up agreement signed 2-Nov 2023
 - 2026 Noteholder meeting is to be held imminently (1st vote) to resolve on the amendments
 - Long-form transaction documentation is being prepared and finalised
- On completion, the Transaction will result in:
 - Additional funding provided to the European Business via new capital commitments from participating 2023 and 2026 Noteholders
 - The European Business existing as a stand-alone group capitalised by the 2023 and 2026 Noteholders and owned by management (51%) and participating 2023 and 2026 Noteholders (49%)
 - The 2023 and 2026 Noteholders benefiting from potential upside captured from the Company’s remaining business
- The Transaction is expected to be completed as soon as practicable with completion targeted in December 2023

KEY FEATURES OF THE TRANSACTION

<p>New Money to Support Liquidity</p>	<ul style="list-style-type: none"> • €10M of new capital to be provided as 1st lien claim to the European Business to address operational and transactional costs <ul style="list-style-type: none"> – Part of the new money proceeds to be on-loaned to Metalcorp for general corporate purposes – Participation in the new money component is available to all noteholders • Additional funding commitment is being provided by certain 2023 Noteholders of up to €3M to support liquidity through the business plan period <ul style="list-style-type: none"> – Pricing (incl. OID) for any drawn amount under the commitment to be same as the new money
<p>Direct Access to European Business</p>	<ul style="list-style-type: none"> • 2023 and 2026 Noteholder claims to be partially exchanged into the European Business providing an improved attachment point • Noteholders providing the new money to own 49% equity of the European Business benefitting from potential upside in the business • The European Business will be capitalised as follows immediately post-closing⁽¹⁾: <ul style="list-style-type: none"> – €12.5M 1L New Money instrument maturing Sep-26 – €66M 2L Bond I instrument maturing Dec-26 – €7.5M preferred equity return on certain equity interests • The instruments were sized on the basis of a debt capacity analysis prepared as part of the restructuring opinion provided by FTI Andersch <ul style="list-style-type: none"> – For purposes of the restructuring opinion, the projections for the European Business have been adjusted as compared to the independent business review that formed the basis for the indicative amounts included in the 2023 Noteholders’ resolution.
<p>Exposure to Upside in Remaining Business</p>	<ul style="list-style-type: none"> • Remaining 2023 and 2026 Noteholders claims to be exchanged into extended notes at a new subsidiary of Metalcorp and positioned to benefit from any potential upside realised from the remaining Metals & Concentrates business (the “Remaining Business”) • Metalcorp (with its economic interest in the Remaining business) will be capitalised as follows: <ul style="list-style-type: none"> – €100M limited recourse 2.5L Bond II instrument maturing Dec-26⁽²⁾ – €235⁽³⁾M limited recourse 3L Bond III instrument maturing Dec-27 – Amounts payable under the 2.5L Bond II instrument and the 3L Bond III instrument will be limited to the amounts recovered from a monetisation of MidCo 2 and MidCo 3 and the Metalcorp guarantee, and any residual claims will be released
<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 – Remaining Business benefitting from the knowledge and expertise of the local equity partner

Notes: (1) Additional Opco Debt of c. €36M

(2) Later of 30 Dec-23, SBG Exit Date and Midco 3 Exit Date

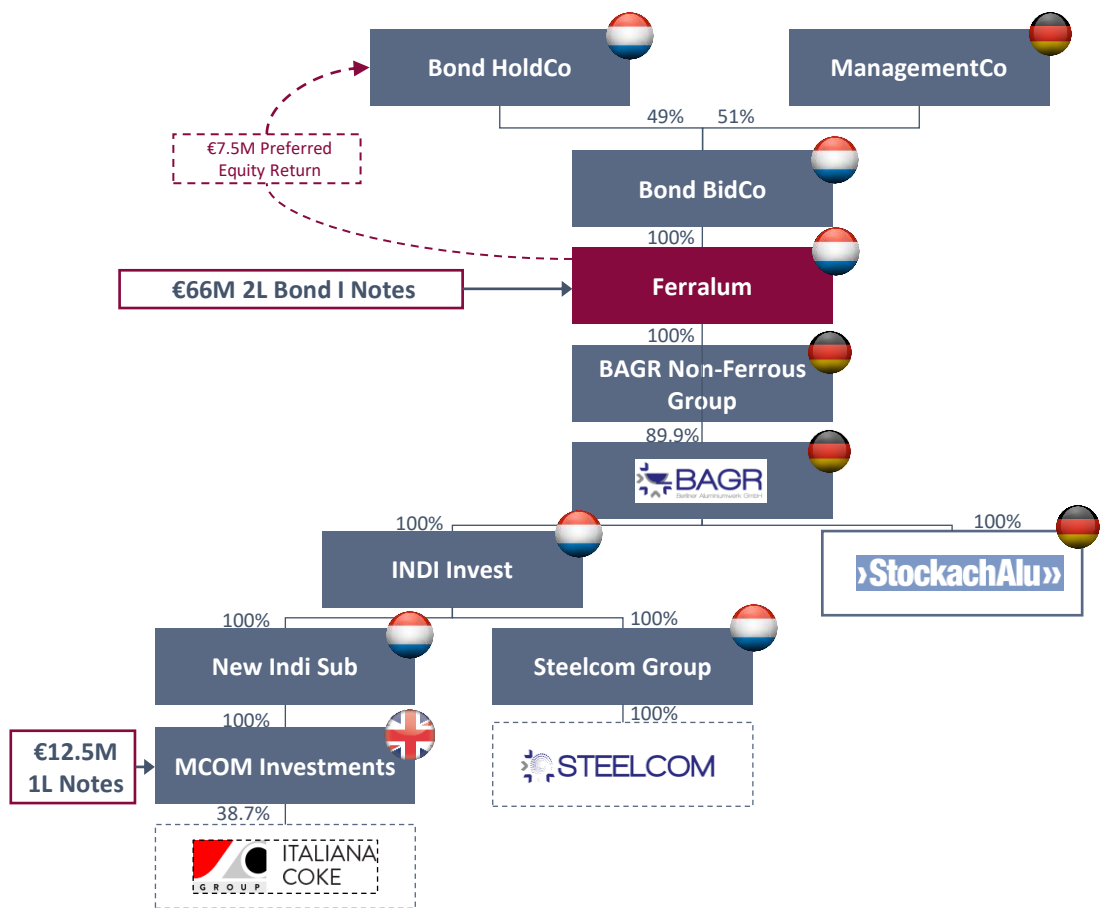
(3) Accrued and unpaid interest under the existing notes up until closing to be included in Bond III Notes

Highly Illustrative & Simplified

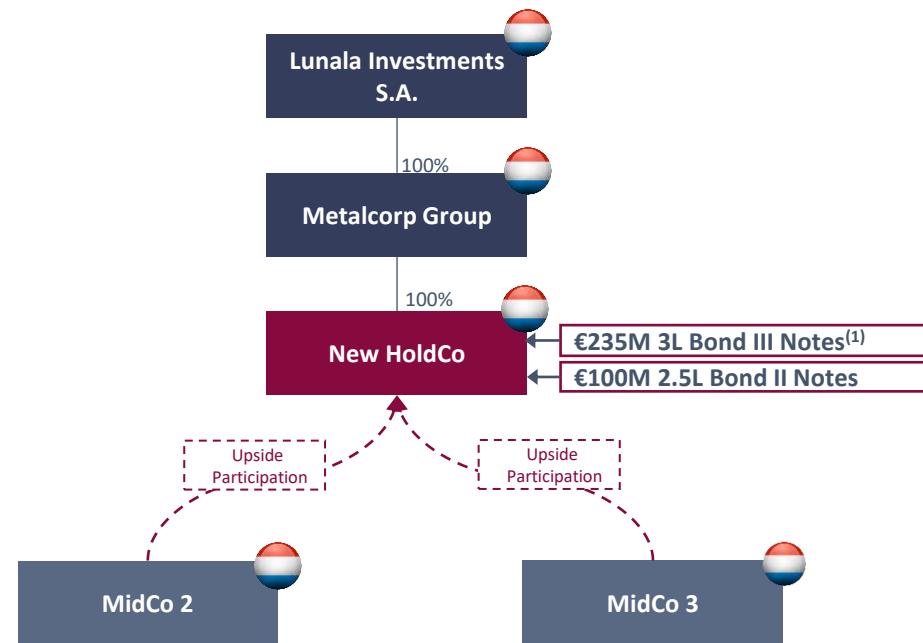
CREDITORS RECEIVE DIRECT ACCESS TO EUROPEAN BUSINESS

Ability for all noteholders to participate in 1L New Money Instruments issued at MCOM Investments and existing 2023 and 2026 Notes partially exchanged for new 2L Bond I at Ferralum

Aluminium and Bulk and Ferrous Business



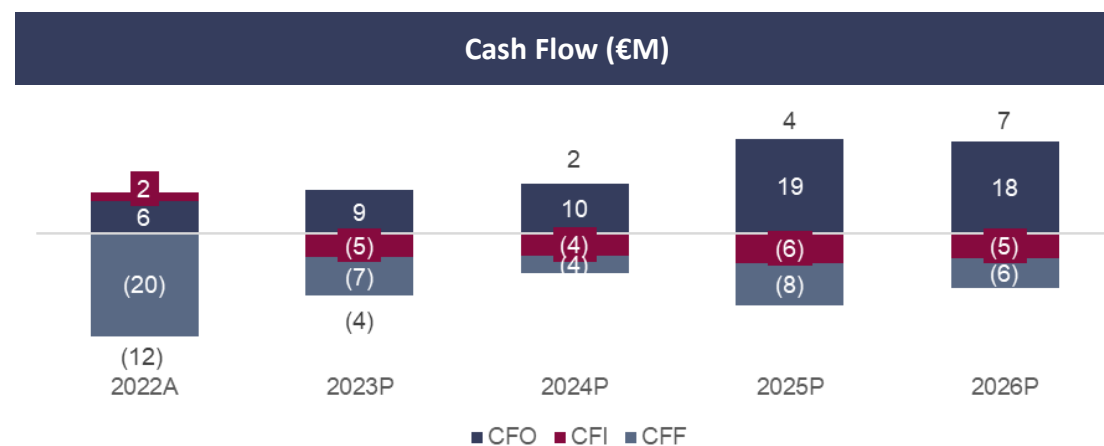
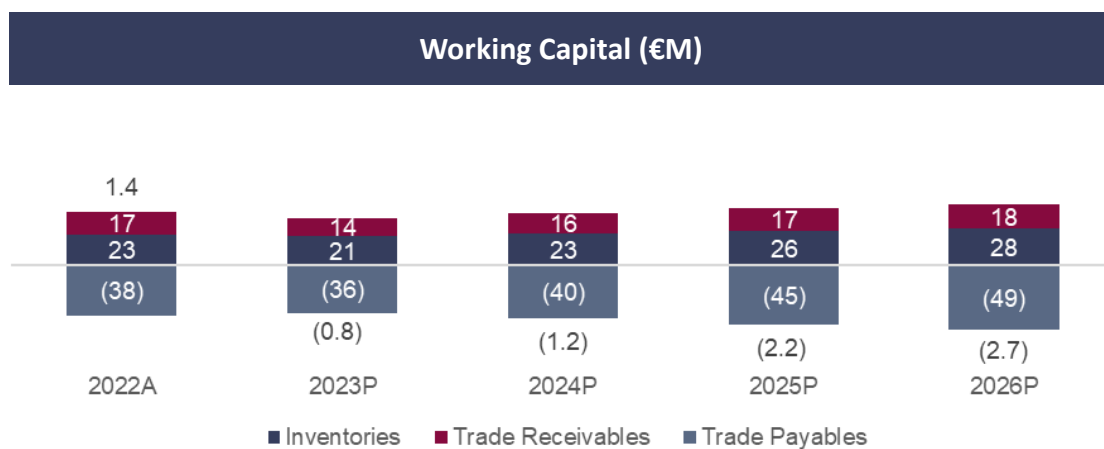
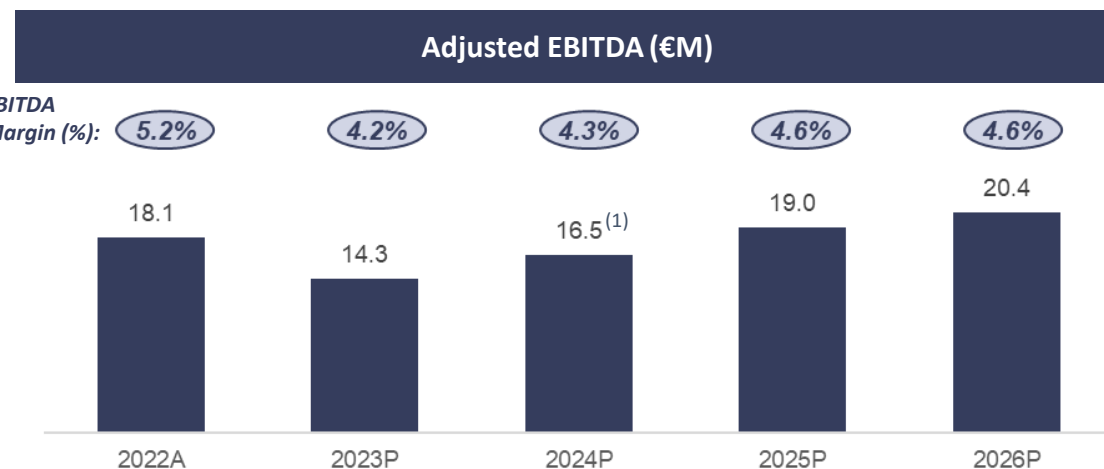
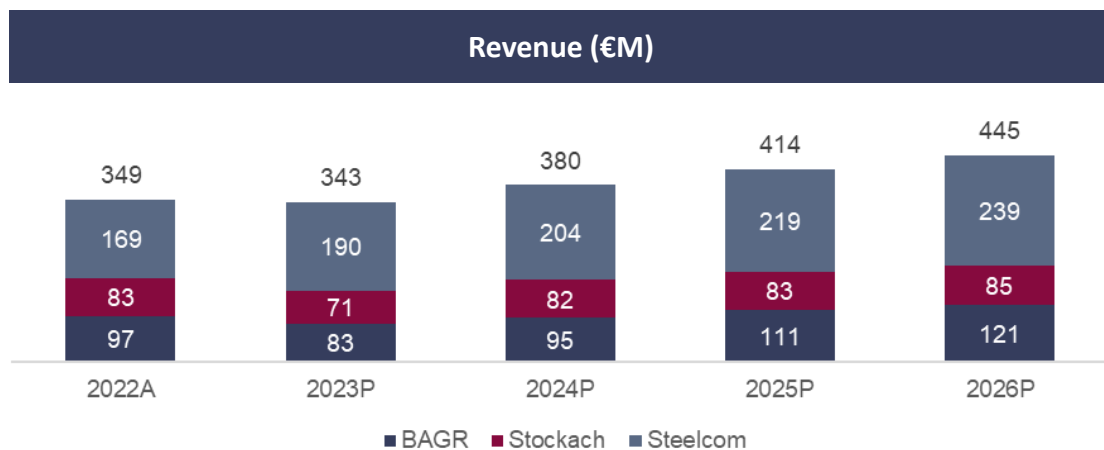
Metals & Concentrates Business



Notes: (1) Accrued and unpaid interest under the existing notes up until closing to be included in Bond III Notes

EUROPEAN BUSINESS POSITIONED FOR GROWTH

The European Business is expected to benefit from developments in its key end markets



LONG-TERM STABILITY THROUGH SUSTAINABLE CAPITAL STRUCTURE

The Transaction will achieve a sustainable capital structure for the European Business

Net Debt (€M)

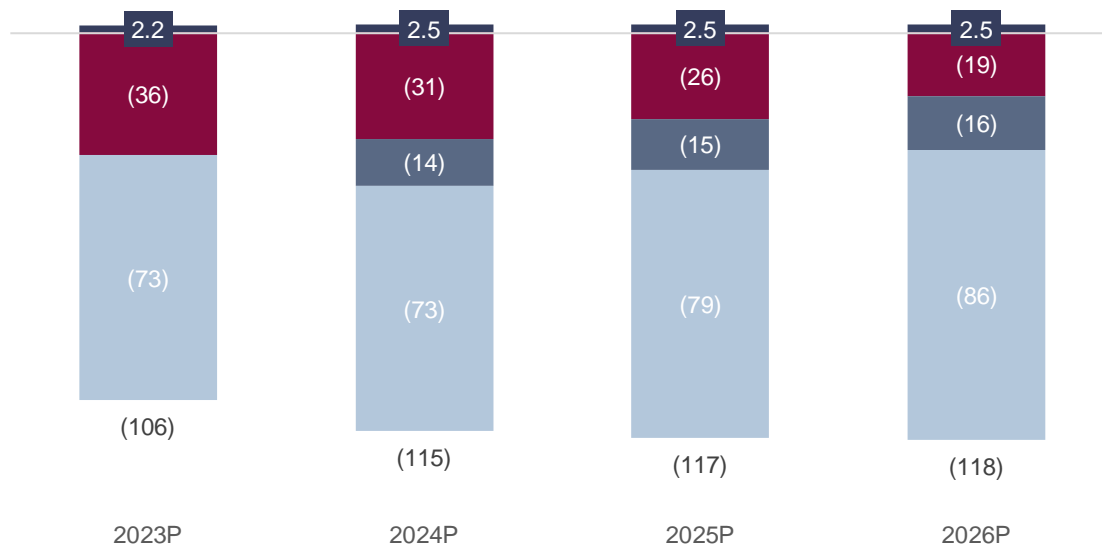
Net Leverage
(x)⁽¹⁾:

3.7x

3.7x

3.3x

3.1x



■ Cash ■ OpCo Debt ■ 1L Bonds ■ 2L Bonds

Interest Expense (€M)

Cash Interest
(€M)⁽²⁾:

3.8

7.4

6.8

5.4

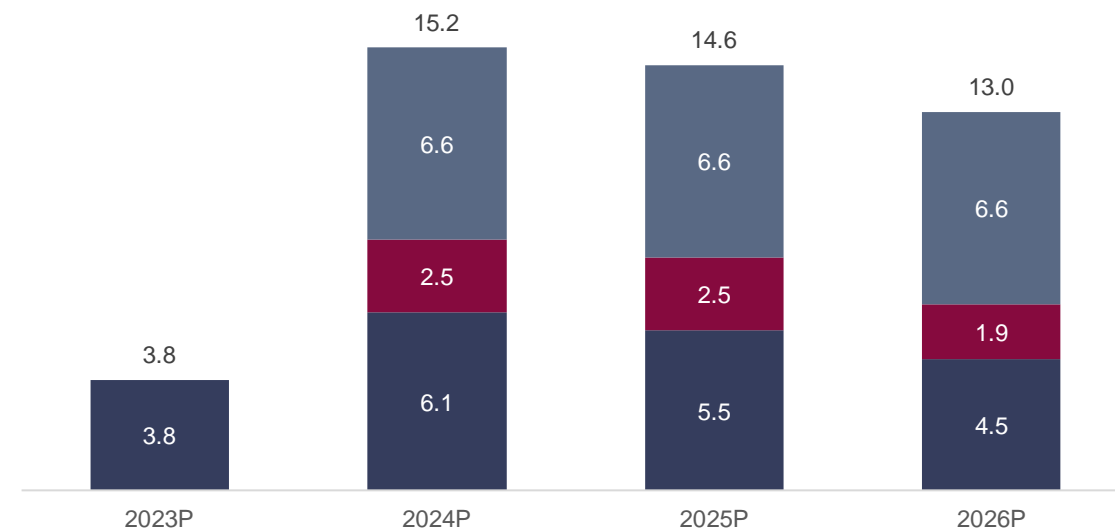
PIK interest
(€M):

-

7.9

7.9

7.5



■ OpCo Debt Interest ■ 1L Bonds ■ 2L Bonds

NEW ALLOCATION TO THE 2023 AND 2026 NOTES

New Capital Structure		
	Issuer	
European Business	c. €36M Existing OpCo Debt	OpCos
	€12.5M 1L Notes	MCOM Investments
	€66M 2L Bond I Notes	Ferralum
	49% of Common Equity (incl. €7.5M preferred equity return)	Bond Holdco
Remaining Business	€100M 2.5L Bond II Notes	New HoldCo
	c. €235M 3L Bond III Notes ⁽¹⁾	New HoldCo

New Instruments Allocation		
Participating Noteholders	Non-participating Noteholders	
	2023 Noteholders	2026 Noteholders
✓		
✓	✓	✓
✓		
✓	✓	✓
✓	✓	✓

Notes: (1) Accrued and unpaid interest under the existing notes up until closing to be included in Bond III Notes

NEW ALLOCATION TO THE 2023 AND 2026 NOTES (CONT.)

- **The €66M aggregate principal amount of 2L Bond I Notes to be allocated as follows:**
 - An aggregate amount equal to 7.5% of the aggregate outstanding amount of the 2023 Notes and 2026 Notes will be allocated to all 2023 Noteholders and 2026 Noteholders, in each case pro rata to their holding of principal and accrued and unpaid interest in respect of 2023 Notes and 2026 Notes, respectively; and
 - The remaining aggregate principal amount will be allocated among and between the participating 2023 Noteholders and 2026 Noteholders pro rata to their respective new money commitments⁽¹⁾

- **The €100M aggregate principal amount of 2.5L Bond II Notes will be allocated as follows:**
 - To participating 2023 Noteholders and 2026 Noteholders pro rata to their New Money Commitment, an aggregate principal amount of 2.5L Bond II Notes equal to 4.5x the total principal amount of the New Money Commitments less an amount equal to the total aggregate principal amount of 2L Bond I Notes and 2.5L Bond II Notes already held by such noteholders⁽¹⁾⁽²⁾
 - The remaining aggregate principal amount will be allocated among all 2023 Noteholders and 2026 Noteholders pro rata to their holding of principal and accrued and unpaid interest in respect of 2023 Notes and 2026 Notes, respectively

- **An amount equal to the aggregate principal amount of remaining claims in respect of principal and accrued and unpaid interest in respect of the 2023 Notes and the 2026 Notes, if any, will be reinstated as 3L Bond III Notes**

Notes: (1) Subject to the €8M aggregate principal amount to be allocated to 2023 Noteholders as per the 2023 Noteholder Resolution
(2) Subject to a floor of zero

KEY DATES AND NEXT STEPS

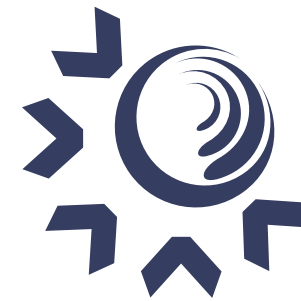
Nov-23

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			

Dec-23

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	31

Key Dates	Events
2 Nov 2023	<ul style="list-style-type: none"> Lock-up signed with c. 40% of the 2026 Noteholders
Est: 9 Nov 2023	<ul style="list-style-type: none"> Invitation for 1st vote for 2026 Notes to be published on the Federal Gazette
Est: 27 Nov 2023	<ul style="list-style-type: none"> Results of the 1st vote for 2026 Notes to become available
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 Investments
Backstop Providers	<ul style="list-style-type: none"> Certain participating holders of 2023 Notes and 2026 Notes
Guarantors	<ul style="list-style-type: none"> New Indi Sub, Ferralum
Status	<ul style="list-style-type: none"> Senior Secured
Initial Amount	<ul style="list-style-type: none"> €12.5M (plus potential drawing under the €3.0m Permitted Tap Issuances (see below))
Permitted Tap Issuances	<ul style="list-style-type: none"> Up to €3.75m additional notes on identical terms as 1L Notes, fully backstopped at customary terms through 2024
OID	<ul style="list-style-type: none"> 20%
Maturity	<ul style="list-style-type: none"> 30 September 2026
Coupon	<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"> Second ranking charge of land at an entity within the European Business 100% of the shares of Ferralum and BAGR Non-Ferrous Group GmbH and other group companies as applicable⁽¹⁾ Bank accounts of Ferralum, BAGR Non-Ferrous Group GmbH and New Indi Sub Certain existing and future intercompany receivables
Use of Proceeds	<ul style="list-style-type: none"> Repayment of the Land-Secured Facility of an entity within the European Business Remaining cash proceeds to be on-lent to Ferralum for settlement of certain transaction costs and expenses and a small portion to be on-lent to Metalcorp (via New HoldCo) 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

Note: (1) No share pledge to be granted over the shares in Italiana Coke or MCOM Investments

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

<p>Prepayment</p>	<ul style="list-style-type: none"> • Voluntary prepayment at par at the option of the Issuer • Mandatory prepayment with 30 days following: <ul style="list-style-type: none"> – Sale of all or substantially all assets of the European Business – Repayment of the HoldCo On-Loan Facility – Repayment of the on-loan facility which is used to repay the Land-Secured Facility of an entity within the European Business – Receipt of net proceeds from a financial transaction, or from the sale, disposal or transfer of assets of greater than €1M – Value received from Italiana Coke
<p>General Covenants and Undertakings</p>	<ul style="list-style-type: none"> • To include certain limitation on financial indebtedness, distributions and certain general limitations
<p>Financial Covenants</p>	<ul style="list-style-type: none"> • Quarterly tested on a rolling LTM Consolidated EBITDA⁽¹⁾⁽²⁾ basis starting Q1-2024 with a headroom between 33% and 35% <ul style="list-style-type: none"> – Subject to any material changes to the macro-economic frame conditions having severe impact to the activity of the European Business • Minimum liquidity of €2.5M on a consolidated basis⁽²⁾ with headroom of: <ul style="list-style-type: none"> – €2.0M for FY-2024 – €1.5M for FY-2025 – Nil headroom thereafter
<p>Events of Default</p>	<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 • Certain milestones related to sale of all of parts of the European Business
<p>Change of Control</p>	<ul style="list-style-type: none"> • Put right at 102%
<p>Listing</p>	<ul style="list-style-type: none"> • Issuer is obliged to make an application to admission of the 1L Notes to official listing on a stock exchange or to another regulated market
<p>Governing Law</p>	<ul style="list-style-type: none"> • English law

Notes: (1) For the first four covenant tests (i.e. including Q4-2024), results from 2023 shall be disregarded and the results from 2024 shall be annualised instead
(2) Excluding Italiana Coke

SUMMARY OF KEY TERMS – BOND I NOTES

Issuer	<ul style="list-style-type: none"> Ferralum
Guarantors	<ul style="list-style-type: none"> New Indi Sub
Common Representative	<ul style="list-style-type: none"> DMR Rechtsanwälte
Amount	<ul style="list-style-type: none"> €66M
Maturity	<ul style="list-style-type: none"> 30 December 2026
Pricing	<ul style="list-style-type: none"> 10% p.a PIK
Interest Period	<ul style="list-style-type: none"> Interest to be capitalised 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
Early Redemption	<ul style="list-style-type: none"> Voluntary prepayment at par at the option of the Issuer after the 1L Notes have been redeemed or refinanced in full Mandatory prepayment, after the 1L Notes have been repaid, within 30 days following: <ul style="list-style-type: none"> Sale of all or substantially all assets of the European Business Net proceeds recovered by the European Business (sale proceeds, dividend distributions, upstream loans, etc.) Receipt of net proceeds from a financial transaction, or from the sale, disposal or transfer of assets in excess of €1M Value received from monetisation of any investments in the European Business
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"> None
Limited Recourse Amount	<ul style="list-style-type: none"> €100M The residual claims will be released upon a full realisation of the MidCo 2 and MidCo 3 value
Maturity	<ul style="list-style-type: none"> The latest of: <ul style="list-style-type: none"> 30 December 2026 Full value realised on Midco 2 Full value realised on Midco 3
Pricing	<ul style="list-style-type: none"> Same as Bond I Notes
Interest Period	<ul style="list-style-type: none"> Interest to be capitalised on the last business day of each month
Collateral	<ul style="list-style-type: none"> 100% of the shares in the Issuer on a 1st-priority basis Any claims arising from Midco 2 and Midco 3 sale Bank accounts of the Issuer
Prepayment	<ul style="list-style-type: none"> Voluntary prepayment at par at the option of the Issuer Mandatory prepayment: <ul style="list-style-type: none"> From proceeds of the upside sharing arrangement with Midco 2 From 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 in excess of €500K
General Covenants and Undertaking	<ul style="list-style-type: none"> To include certain limitation on financial indebtedness, distributions and certain general limitations
Events of Default	<ul style="list-style-type: none"> Same as Bond I Notes, save for No M&A advisor appointed, or no sale process launched for: <ul style="list-style-type: none"> Taressa Mining Logistic S.a.r.l by 31 December 2023; and Tenant Metals by 31 December 2023
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"> New HoldCo
Guarantors	<ul style="list-style-type: none"> The Company, with recourse under the agreement being limited to amounts recovered from Company's assets
Limited Recourse Amount	<ul style="list-style-type: none"> c.€235M⁽¹⁾ The residual claims will be released upon a full realisation of the MidCo 2 and MidCo 3 value
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 Guarantor on a 1st-priority basis. Same as the Bond II Notes, 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 Bond II Notes have been redeemed or refinanced in full: <ul style="list-style-type: none"> – Same as Bond II Notes
General Covenants and Undertaking	<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

Notes: (1) Accrued and unpaid interest under the existing notes up until closing to be included in Bond III Notes