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Company Registration No. CH-170.3.031.267-0

Stemcor Risk Management AG, Zug

Unaudited Financial Statements

31 December 2018

[Company No. F0028991]

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Corporate information

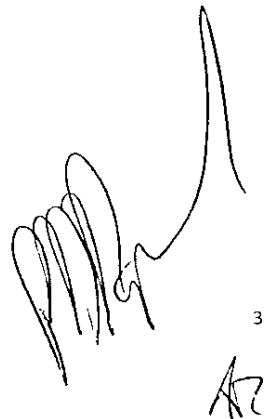
Directors

Andrew Checketts

Philip Papamichael

Julian Verden

Mathieu Jacquin

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Balance Sheet

At 31 December 2018

	2018 CHF	2018 USD	2017 CHF	2017 USD
Assets				
Cash at bank and in hand	9,531	9,664	33,146	35,151
Debtors: amounts falling due within one year				
Due from third parties	1,690	1,714	504,612	535,144
Due from shareholders	3,052,310	3,095,042	2,472,005	2,621,574
Total assets	3,063,531	3,106,420	3,009,763	3,191,869
Liabilities and shareholders equity				
Creditors: amounts falling due within one year				
Due to shareholders	109,983	111,523	134,792	142,948
Accrued expenses and deferred income	1,307	1,325	24,996	26,508
Deferred gain on translation	292,462	-	161,441	-
Total liabilities	403,752	112,848	321,229	169,456
Shareholders' equity				
Share capital	100,000	85,960	100,000	85,960
Statutory retained earnings				
General legal retained earnings	50,000	47,803	50,000	47,803
Voluntary retained earnings				
Results carried forward	2,538,534	2,888,650	2,455,864	2,800,464
Profit for the year	(28,755)	(28,841)	82,670	88,186
Total shareholders' equity	2,659,779	2,993,572	2,688,534	3,022,413
Total liabilities and shareholders' equity	3,063,531	3,106,420	3,009,763	3,191,869



Andrew Checketts
Director
28 May 2019




Philip Papamichael
Director
28 May 2019


Income statement

For the year ended 31 December 2018

	2018 CHF	2018 USD	2017 CHF	2017 USD
Revenue from trading	-	-	10,155	10,833
Cost of trading	-	-	(16,582)	(17,688)
Gross profit	-	-	(6,427)	(6,855)
Administrative expenses	(55,663)	(55,830)	(50,180)	(53,529)
Operating loss	(55,663)	(55,830)	(56,607)	(60,384)
Interest receivable and similar income	63,531	63,722	53,164	56,711
Foreign exchange (losses)/gains	(32,683)	(32,781)	86,666	92,449
(Loss)/profit on ordinary activities before taxation	(24,815)	(24,889)	83,223	88,776
Direct taxes	(3,940)	(3,952)	(553)	(590)
(Loss)/profit for the financial year after taxation	(28,755)	(28,841)	82,670	88,186



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Notes to the financial statements

1. Accounting policies

The financial statements have been prepared in accordance with the regulations of the Swiss Accounting Law. The significant accounting policies, which are not prescribed by law are described below.

The company maintains its accounting records in the US Dollar ("USD") functional currency whereas the presentation currency is Swiss Franc ("CHF"). For statutory reporting purposes the USD closing balances are translated into CHF applying the following method and exchange rates (from the Swiss Federal Tax Administration):

- Closing exchange rate as of 31 December 2018 for assets and liabilities,
- Average exchange rate of the year 2018 for income statement accounts,
- Historical exchange rates for equity transactions.

Foreign currency gains resulting from this translation are deferred.

1. Foreign exchange rates applied within the translation of financial statements

Statement of financial position FX rates (closing rate)			Income statement FX rates (average rate)		
	31/12/2018	31/12/2017		31/12/2018	31/12/2017
CHF/USD	1.014	1.061	CHF/USD	1.003	1.067

2. Number of FTE's on an annual average

The number of full-time employees on an annual average in the reporting year and the previous year was less than 10.

3. Going Concern

Stemcor Risk Management AG is a subsidiary of Stemcor Global Holdings Limited ("SGHL" or "the Group"). From a financing perspective, the Group centrally manages its core facilities and a number of key facilities are guaranteed at a Group level.

The SGHL directors have reviewed current trading, cash flow projections, business forecasts and the Group's financing facilities as part of their assessment of the Group's ability to continue as a going concern.

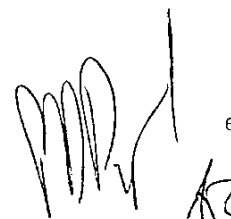
They have worked with senior management within the Group and agreed a business plan that forecasts trading through to the end of December 2020. This business plan has been used as the basis for the going concern assessment and other estimates made during the financial year. The business plan contains the most up-to-date management information and provides a sufficient level of detail to support these assessments.

The SGHL directors believe that with the majority of the Group's trading transactions being short term in nature, they can reasonably forecast the results of the group's operating model. The business plan includes analysis of the Group's income statement, statement of financial position, statement of cash flows, KPIs and also performance against the covenants within its various financing facilities over the forecast period.

The SGHL directors are aware of the following uncertainties facing the industry in which the business operates:

- The commodities market is subject to a degree of volatility which could result in unforeseen market shocks or loss of key customers;
- There is continued over-capacity in global steel markets which could lead to lower volumes and pricing

These uncertainties may prevent the Group from performing in accordance with its business plan, from meeting its forecasts and from complying with its covenants. Where appropriate, the business plan has been subjected to sensitivity testing which involves flexing a number of the main underlying assumptions and evaluating the potential impact of the Group's principal risks occurring, and considering the mitigating actions available to the Group over the relevant timeframe, if such risks did arise.



Notes to the financial statements

4. Going Concern (continued)

Although there remain some uncertainties in relation to market conditions, the Group's financing risks are mitigated by:

- the early refinancing of the French element of the SEBB facility ahead of its March 2019 maturity, and also ongoing development of plans and active discussions with various financial institutions with respect to the refinancing of other zones within this facility well ahead of March 2019; and
- entering into new bilateral trade finance facilities and increasing the limits available under existing bilateral trade finance facilities.

The SGHL directors believe that the Group has an expectation of managing any remaining risks, based on its robust finance model, appropriate scale, a streamlined and efficient cost base, a clear trading strategy and strong corporate governance.

After making reasonable enquiries and having carefully considered the matters described above, the directors believe that the Group, including Stemcor Risk Management AG, is a sustainable business, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Strategic Report, the Directors' Report and the financial statements.

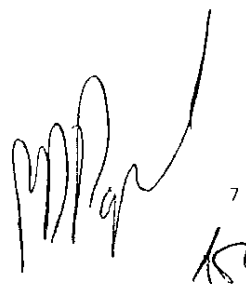
5. Personnel expenses

Other than the directors, the Company had no employees for the period ended 31 December 2018.

None of the directors received any emoluments in respect of their services as directors of the Company during the period ended 31 December 2018. The remuneration of the directors is paid by another entity within the Group, which makes no recharges to the Company. The directors act in a group capacity only and do not allocate specific time to the Company and therefore it is not possible to make an accurate apportionment of their emoluments in respect of the Company.

Proposed appropriation of available earnings 31 December 2018

The Directors of Stemcor Risk Management AG propose that the balance of available earnings at 31 December 2018 amounting to CHF 2,509,779 (2017: CHF 2,538,534) be carried forward.



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