TRAFIGURA

# 2021 INTERIM REPORT

FOR THE PERIOD ENDED 31 MARCH 2021

**TRAFIGURA GROUP PTE. LTD.**

*ADVANCING* TRADE

# Financial and business highlights[1]

### Group revenue

**$98.4bn**

| | |
|---|---|
| 2021 | 98.4 |
| 2020 | 83.0[2] |
| 2019 | 86.3 |

### Gross profit

**$4.3bn**

| | |
|---|---|
| 2021 | 4.3 |
| 2020 | 2.8[2] |
| 2019 | 1.5 |

### Total assets

**$76.8bn**

| | |
|---|---|
| 2021 | 76.8 |
| 2020 | 57.0[3] |
| 2019 | 54.2 |

### Oil and Petroleum Products revenue as a percentage of Group revenue

**59%**

| | |
|---|---|
| 2021 | 59 |
| 2020 | 63[2] |
| 2019 | 67 |

### Profit for the period

**$2.1bn**

| | |
|---|---|
| 2021 | 2.1 |
| 2020 | 0.5[2] |
| 2019 | 0.4 |

### Total non-current assets

**$13.0bn**

| | |
|---|---|
| 2021 | 13.0 |
| 2020 | 11.1[3] |
| 2019 | 10.8 |

### Metals and Minerals revenue as a percentage of Group revenue

**41%**

| | |
|---|---|
| 2021 | 41 |
| 2020 | 37[2] |
| 2019 | 33 |

### EBITDA[4]

**$3.7bn**

| | |
|---|---|
| 2021 | 3.7 |
| 2020 | 2.4[2] |
| 2019 | 1.1 |

### Total Group equity

**$9.9bn**

| | |
|---|---|
| 2021 | 9.9 |
| 2020 | 7.8[3] |
| 2019 | 6.8 |



1 Six-month period ended 31 March 2021.
2. Six-month period ended 31 March 2020.
3. As at 30 September 2020.
4. EBITDA (earnings before interest, tax, depreciation and amortisation) is operating profit excluding the share in results of equity-accounted investees, depreciation and amortisation, gains/losses on divestments of subsidiaries, equity-accounted investees and other investments, impairment losses and other operating income and expenses.

## Statement from the Executive Chairman and Chief Executive Officer

# Strong commercial performance in a rapidly evolving market

**Jeremy Weir**
Executive Chairman and Chief Executive Officer

I am pleased to present this interim financial statement from the Trafigura Group, covering the period from 1 October 2020 to 31 March 2021. It shows a strong commercial and financial performance in what continues to be a rapidly evolving business environment, with record net profit, gross profit and EBITDA for the period.

This outstanding first half performance reflects our continuing efforts to build customer business, expand our product footprint and adapt to structural changes across many commodity markets driven by the energy transition.

As the global economy emerged from the worst effects of the COVID-19 pandemic, commodity prices also recovered. Managing supply chains remained a key challenge, however, underlining the need for companies such as Trafigura to leverage their logistical, risk management and financial capabilities to help customers navigate fluctuations in supply and demand. Increased trading volumes in the period demonstrated that we are building customer business based on these capabilities.

The energy transition is creating additional needs for trading services, in markets such as electric power and carbon; accordingly our newly-established Power and Renewables trading division ramped up operations in the first half of this year, and we established a carbon trading desk in March. We also continued to build out our strategy for reducing greenhouse gas emissions from our own operations and from our supply chain, a topic of increasing importance to our commercial and financial counterparts.

We maintained an extremely robust financial position during the period, thanks to enhanced access to finance in a consolidating market and despite higher commodity prices, and continued to invest in a range of new ventures. These included the acquisition of a 10 percent equity stake in Russian oil and gas company Vostok Oil; an investment in nickel producer Prony Resources in New Caledonia; expanding operations and building the management team at our Nala Renewables joint venture; and a new collaboration with H2 Energy Holding AG, an innovator in commercial vehicles powered by green hydrogen, with which we have established a joint venture to expand operations across Europe.

This diverse portfolio reflects the changes we are making to position the Company to contribute to and benefit from the energy transition in commodity markets. In metals, electrical infrastructure and electric vehicles are stoking demand for crucial materials such as copper, nickel and cobalt. In oil, there is a continuing need for investment in low-cost production to ensure that developing countries can maintain their access to energy during the transition to a lower-carbon world. More generally, entirely new markets are taking shape based on renewables and alternative fuels.

Trafigura's investments in the first half are accompanied by ongoing activity to reduce the carbon footprint of our own operations, having set our first greenhouse gas reduction targets in January. We have made good progress towards achieving our target of a 30 percent reduction in Scope 1 and 2 emissions by 2023 compared to 2020, and we are working to better define and reduce Scope 3 supply chain and shipping emissions, with the aim of setting a Scope 3 emissions target well in advance of this same timeframe.

Securing access to critical minerals required for the energy transition must go hand in hand with increased transparency and due diligence into their responsible production and supply. In this regard, we continue to extend and operationalise our leading responsible sourcing programme, to undertake due diligence into potential social and environmental impacts in our supply chain.

Our existing industrial assets delivered improved performance. Nyrstar is showing better results thanks to its ongoing turnaround and investment programme, Puma Energy is continuing its restructuring, and the MATSA mining venture is making a strong contribution based on higher copper prices and increased production.

The Trafigura Group has emerged strengthened from the disruption caused by the COVID-19 pandemic, with a robust platform for sustained business growth and consistently strong financial performance. Our core trading divisions are firing on all cylinders, and our newer operations are rapidly gaining momentum in enlarging our service offering. Thus, while we do not expect to match the first half results in the second half of this financial year, we do expect very strong performance for the full year and look with increasing confidence to 2022.

## Financial review

# Record profits and trading volumes

Trafigura delivered a strong performance in the first half of its 2021 financial year, 1 October 2020 to 31 March 2021, with a record net profit for the period of USD2,095 million, compared to USD542 million for the first half of 2020.

**Christophe Salmon**
Group Chief Financial Officer

**Group revenue**

**$98.4bn**

| | |
|---|---|
| 2021 | 98.4 |
| 2020 | 83.0[1] |

**Total assets**

**$76.8bn**

| | |
|---|---|
| 2021 | 76.8 |
| 2020 | 57.0[2] |

**Gross profit**

**$4.3bn**

| | |
|---|---|
| 2021 | 4.3 |
| 2020 | 2.8[1] |

**Total non-current assets**

**$13.0bn**

| | |
|---|---|
| 2021 | 13.0 |
| 2020 | 11.1[2] |

**Gross profit margin**

**4.3%**

| | |
|---|---|
| 2021 | 4.3 |
| 2020 | 3.8[1] |

**Total Group equity**

**$9.9bn**

| | |
|---|---|
| 2021 | 9.9 |
| 2020 | 7.8[2] |

**Profit for the period**

**$2.1bn**

| | |
|---|---|
| 2021 | 2.1 |
| 2020 | 0.5[1] |

**EBITDA**

**$3.7bn**

| | |
|---|---|
| 2021 | 3.7 |
| 2020 | 2.4[1] |

[1] Six-month period ended 31 March 2020

[2] As at 30 September 2020

Both our principal trading divisions, Oil and Petroleum Products and Metals and Minerals, showed increased trading volumes, higher margins and larger gross profit. Market conditions, driven in large part by the economic recovery, underlined the need for reliable service providers such as Trafigura with the risk management skills, global network, physical assets and financial capacity to help customers navigate these markets. Gross margin rose to 4.3 percent from 3.8 percent when compared to the same period last year.

Revenue rose 18.6 percent to USD98,369 million from the first half of 2020 as a result of increased traded volumes and higher commodity prices. Gross profit of USD4,275 million was 54 percent higher. The even stronger rise in net profit in part reflected stabilisation of the Group's industrial assets, which had negatively impacted results in the previous year. EBITDA was USD3,682 million, a 53 percent increase from a year ago.

The period included our announcement of a number of key transactions, including the acquisition of a 10 percent equity stake in Russian oil and gas company Vostok Oil, as well as investments in green hydrogen, battery storage and nickel production projects, indicating the key role that the energy transition together with the technologies and materials needed to support it are now playing in our business.

Another notable feature of the period was a substantial strengthening of the Group's overall financial position enabling it to handle larger trade flows. We secured access to increased bank liquidity on favourable terms, issued in the public and private EUR debt capital markets, while an increase in retained earnings strengthened Group equity and reduced leverage. This marked an acceleration of the "flight to quality" we have seen in the financial sector's support for commodities trading in the past few years: even as some banks have withdrawn from providing credit to traders, or reduced their exposure to the sector, the largest and best-capitalised trading firms have been able to benefit from increased bank liquidity. In addition, factors such as strong governance, transparency and sustainability are playing an increasingly important role, with Trafigura seen by financial institutions as an industry leader on these topics.

▲ Trafigura Group's recent equity investment: Prony Resources cobalt-nickel mine in New Caledonia

## Exceptional trading performance

This was an exceptional first half for our trading divisions by any standards. The energy markets saw substantial volatility as the global economy started to recover from the effects of the pandemic, as cold weather in the northern hemisphere impacted energy demand and in response to other events such as the temporary closure of the Suez Canal. Meanwhile, non-ferrous concentrates, refined metals and bulk minerals saw increased demand, with copper leading the way due to its role as a key component of the electrical infrastructure that will be needed to enable the transition to a low-carbon economy.

Trafigura's Oil and Petroleum Products division traded an average of 6.4 million barrels per day in the first half, a 14 percent increase from the average of 5.6 million barrels traded daily in the 2020 fiscal year. The division struck a number of substantial supply agreements with producers and refiners in the period, including the exclusive agreement with the Prax Group, which will enable it to optimise crude supplies to its UK refinery. These transactions indicate that Trafigura is increasingly the trading partner of choice by virtue of its global reach and strong focus on evolving customer requirements.

Volumes handled by the Metals and Minerals division rose seven percent compared to the same six-month period in 2020. Important supply agreements were concluded in the period, including a trading agreement with Enterprise Générale du Cobalt under which Trafigura will provide funding towards the creation of strictly controlled artisanal mining zones to enable responsible sourcing of cobalt from the Democratic Republic of the Congo, and an investment in and off-take agreement for nickel from Prony Resources in New Caledonia.

The Oil and Petroleum Products trading division showed gross profit of USD2,771 million (65 percent of the total), while the contribution from Metals and Minerals was USD1,504 million (35 percent of the total). Trafigura's newly-founded Power and Renewables trading division is now establishing itself in a range of regional electricity markets. The division made a small loss in the first half, but expects to be profitable over the full year.

## Industrial assets improving and new ventures established

Spanish mining joint venture MATSA had a very strong first half, increasing production and benefiting from rising copper prices. Our TFG Marine bunker fuel joint venture with shipowners Frontline Ltd. and Golden Ocean Group Ltd continued to build market share.

Elsewhere, the period saw a continuing turnaround in the performance of industrial assets that form part of the Group. Zinc and lead refining company Nyrstar made further progress with a major capital investment programme aimed at restoring production and profitability. The Burnside terminal on the Mississippi River in Louisiana continued to struggle with a difficult market and saw its value impaired by USD55 million, the only significant impairment recorded in the period.

Downstream company Puma Energy improved its operational performance in challenging operating conditions, in particular for aviation fuel; the value at which it is held in our books did not materially change in the period. After the end of the half-year, however, an agreement was concluded to recapitalise Puma Energy and restructure its share capital which is expected to have the effect of increasing Trafigura's shareholding in excess of 90 percent once regulatory approvals are received later this year.

At the same time, we continued to invest in projects connected to the energy transition. The Nala Renewables joint venture with IFM Investors announced its first investment, in a EUR30 million battery storage facility at Nyrstar's Balen site in Belgium, and continued to build up its management team.

Trafigura also committed to invest an initial USD62 million into H2 Energy Holding AG, an innovator in production and distribution of green hydrogen commercial vehicles, establishing a joint venture to expand operations beyond Switzerland and across Europe.

▲ Nyrstar's smelting and refining facility in Balen, Belgium

## Income, expenditure and balance sheet

Of the total Group first half net revenue of USD98,369 million (H1 2020: USD82,960 million), Oil and Petroleum Products was responsible for USD58,519 million (H1 2020: USD52,248 million) while Metals and Minerals accounted for USD39,850 million (H1 2020: USD30,712 million). The result from operating activities was USD2,865 million (H1 2020: USD1,275 million).

As at 31 March 2021, total assets stood at USD76,751 million, compared to USD56,986 million on 30 September 2020. This increase was almost entirely attributable to a 39 percent rise in current assets — mainly inventories and trade receivables, reflecting increased trading volumes and higher commodity prices — to USD63,769 million from USD45,867 million. Inventories rose due to increased traded volumes and higher commodity prices, with inventory in transit to be delivered representing 38 percent of the total (2020: 30 percent). In accordance with Trafigura policy, 100 percent of these inventories are hedged or pre-sold. Fixed and non-current assets were USD12,980 million, compared to USD11,116 million six months earlier. Prepayments were little changed at USD3,953 million, but the proportion of prepayments on terms of more than one year increased as a result of a debt restructuring agreement with a sovereign counterparty.

Loans and borrowings were significantly higher than a year ago at USD41,754 million (2020: USD32,854 million) as the Group secured increased liquidity to fund higher trading volumes. However, Trafigura's leverage ratio was much lower as a result of an increase in Group equity and non-recourse debt financing. We assess the Group's financial leverage by calculating a ratio of adjusted net debt to equity. Adjusted net debt corresponds to the Company's total non-current and current debt less cash, fully-hedged and readily marketable inventories, non-recourse debt related to the Group's securitisation programme and the non-recourse portion of loans from financial institutions. Total Group equity grew by 27 percent to USD9,894 million from USD7,790 million. Our ratio of adjusted net debt to equity stood at 0.1x. Our target remains to maintain this ratio at around 1x through the cycle.

## Liquidity and financing

As mentioned above, we secured increased access to liquidity throughout the half-year, with credit lines of USD64 billion from a network of around 140 financial institutions. Despite the increase in loan facilities, net financing costs were 23 percent lower than in the first half of 2020 at USD334 million, owing to the fall in LIBOR in the intervening months.

The majority of our day-to-day trading activity is financed through uncommitted, self-liquidating trade finance facilities, while we use corporate credit facilities to finance other short-term liquidity requirements, such as margin calls. This funding model gives us the necessary flexibility to cope with periods of enhanced price volatility as utilisation of the trade finance facilities increases or decreases to reflect the volumes traded and underlying prices. Trafigura also maintains an active programme of capital markets debt to secure longer-term finance in support of our investments.

During the six months ended 31 March 2021, the Group completed a number of important transactions. In October 2020, it announced the closure of its new Asian Syndicated Revolving Credit Facility at USD1.6 billion-equivalent. The facility was oversubscribed and upsized from the initial launch amount of USD1.0 billion-equivalent, with 24 banks participating in the transaction.

In January 2021, the Group successfully issued a EUR400 million senior bond with a five-year maturity at a price of 3.875 percent, thanks to very strong support from institutional investors and private banks. In February 2021, the Group entered the Schuldschein loan market with an inaugural EUR110 million loan, split between three- and five-year maturities. Likewise this issuance received strong investor demand and as a result was increased from an initial EUR75 million launch amount.

In March 2021, the Group announced the closing of its new 365-day European multi-currency syndicated revolving credit facility (ERCF) totalling USD1.85 billion, as well as the extension and increase of its USD3.65 billion three-year facility. The facilities included the Company's first sustainability-linked loan structure. The ERCF was initially launched at USD1.5 billion and closed substantially oversubscribed.

## Cash flow

After adjusting profit before tax for non-cash items, the operating cash flow before working capital changes for the first half of the year rose to USD3,712 million from USD2,345 million. Trafigura believes its financial performance is best assessed on the basis of operating cash flow before working capital changes, as the level of working capital is primarily determined by prevailing commodity prices and price variations are financed through the Group's self-liquidating finance lines. Net cash used in operating activities (after working capital changes) was USD4,579 million due to the significant increase in inventories and trade receivables, which itself was related to an increase in volumes traded and underlying commodity prices. Net cash used in investing activities was USD2,221 million, driven by the Vostok Oil investment. Net cash generated from financing activities reached USD8,414 million, matching the working capital needs of the period.

## Outlook

The ongoing economic recovery and shifts in supply and demand in commodity markets make for a favourable backdrop for Trafigura's business in the second half of the year. The energy transition that is now gaining momentum is already having a profound impact on our business — in driving seismic changes in fossil fuel markets as well as fuelling exponential increases in demand for certain non-ferrous metals. These are secular changes, which underline the market need for companies such as Trafigura that can balance supply and demand and manage the risks of change. We are further encouraged by the confidence our customers are placing in us as a counterparty of choice in long-term supply deals.

Whilst we continue to expect strong performance from our Oil and Petroleum Products and Metals and Minerals trading divisions, as well as continued improvements in our operational assets and Power and Renewables division, the second half performance is not expected to match the first half result. Nonetheless, Trafigura's performance over the past 18 months has set a new benchmark for the Company, indicating that it has entered a new phase of growth based on winning long-term customer business in a consolidating market.

▼ TFG Marine biofuel bunkering operation at the Port of Amsterdam

## Marketplace review

# Turbulence giving way to resilient growth

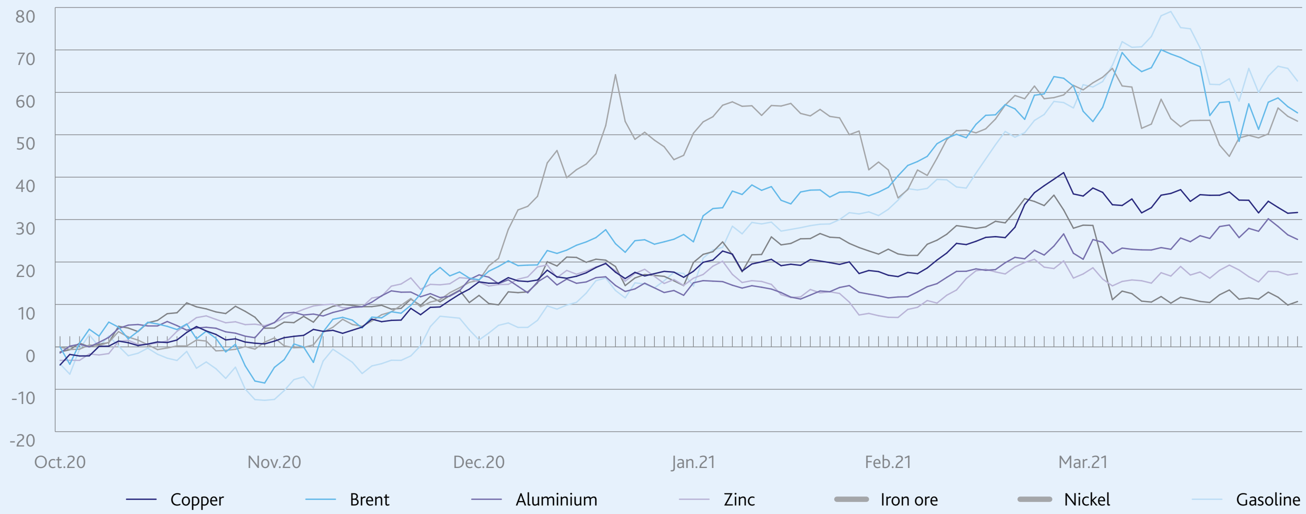
**Saad Rahim**
Chief Economist

From today's vantage point, the fight against the COVID-19 pandemic appears to be advancing and the global economy on the road to recovery. This was far less clear when Trafigura's fiscal year began in October 2020, when confirmation of vaccines that were both effective and that could be delivered rapidly and on a global scale was still some way off.

As such, a 70 percent recovery in oil prices (Brent); a 41 percent increase in copper prices to an all-time high; a 30 percent rise in aluminium prices; a 35 percent peak in nickel prices; and a 55 percent increase in iron ore, were all the more impressive given the conditions at the start of the fiscal year[1]. Impressive but not entirely unanticipated. As noted both in our 2020 Interim Report and again in the 2020 Annual Report, physical commodity markets were starting to see a multi-speed recovery emerging in different commodities and geographies, even before the end of our last fiscal year.

### Commodity prices

*In percentage change from 30 September 2020*




*Source: Bloomberg, Trafigura Research*

[1] All price changes calculated using Bloomberg as the data source, and calculating the percentage change from the closing price on 30 September 2020 to 31 March 2021.

## Metals markets

Base metals markets were the first to rebound from the COVID-19-induced swoon, as a result of supply disruptions in Latin America and very strong demand. Manufacturing continued to operate at very high capacity around the world, even during the peak of the lockdowns as consumers went on a buying spree of vehicles, home appliances and technology. Additionally, stimulus measures from numerous governments helped boost construction and infrastructure.

What is perhaps most striking about the recovery in metals demand is that, for the first time in at least a decade, this is not just a China story. In fact, if anything, China's demand has been a bit softer than anticipated. But this has more than been made up for by demand across the rest of the world, with manufacturing output and end-use demand in the US, Europe, Japan, Korea and many emerging markets recently reaching record highs. Copper in particular has been the standout performer due to supply disruptions, low inventories and higher demand, all of which we expect to continue to be structural features of the market going forward. This is particularly true due to copper's integral role in the energy transition, exacerbated by future supply growth being constrained due to under-investment. Demand remains robust for aluminium, zinc, lead and nickel too, as the global recovery picks up steam and we see greater transition to light-weight transportation (aluminium), electric vehicles (nickel) and infrastructure spending (zinc).

## Oil markets

Oil markets took a different path, which was to be expected, given that the COVID-19 pandemic brought significant restrictions on mobility of all kinds. By the start of our fiscal year, prices had more than doubled from their lows (and in the case of WTI, much more than that, given that prices briefly went negative in April 2020). Nonetheless, Brent was still only trading around USD40 per barrel in October 2020, a far cry from the near-USD70 pre-pandemic levels. However, announcements of vaccine breakthroughs and continued supply discipline from OPEC+ and other producers meant that the oil market started to heal, and prices subsequently rose to over USD70 by the end of March 2021. In the US, which remains the world's largest oil market, inventories of the key transportation fuels, gasoline, diesel and jet, were already back at normal levels by mid-March, falling from nearly 500 million barrels at their peak back to their long-term average of 405 million barrels. Globally, strong manufacturing and trade activity supported diesel and petrochemical markets throughout 2020 and well into 2021, but gasoline and jet fuel demand lagged due to mobility restrictions, only to begin to pick up in the first quarter of 2020. As more countries have accelerated their vaccination programmes and lifted restrictions, demand has picked up accordingly, boosting volumes, flows and prices.

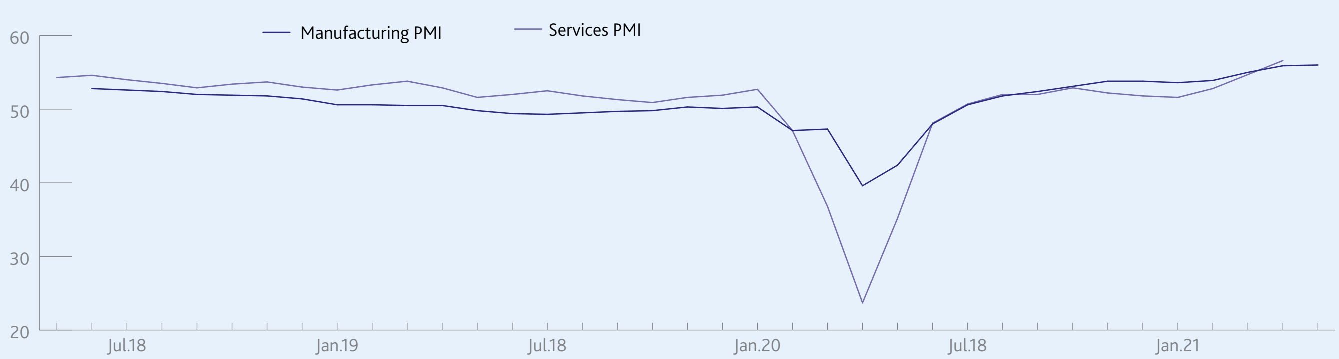
## Outlook

Looking ahead, the global economy is by no means fully out of the woods yet, with slower vaccine roll-outs in key emerging markets, especially India and Brazil, an ongoing source of concern. Globally, supply chain tightness all the way from upstream commodity production, through shipping availability, and into inventories of everything from autos to houses to semiconductors, mean that inflationary pressures are also starting to become a major concern for markets.

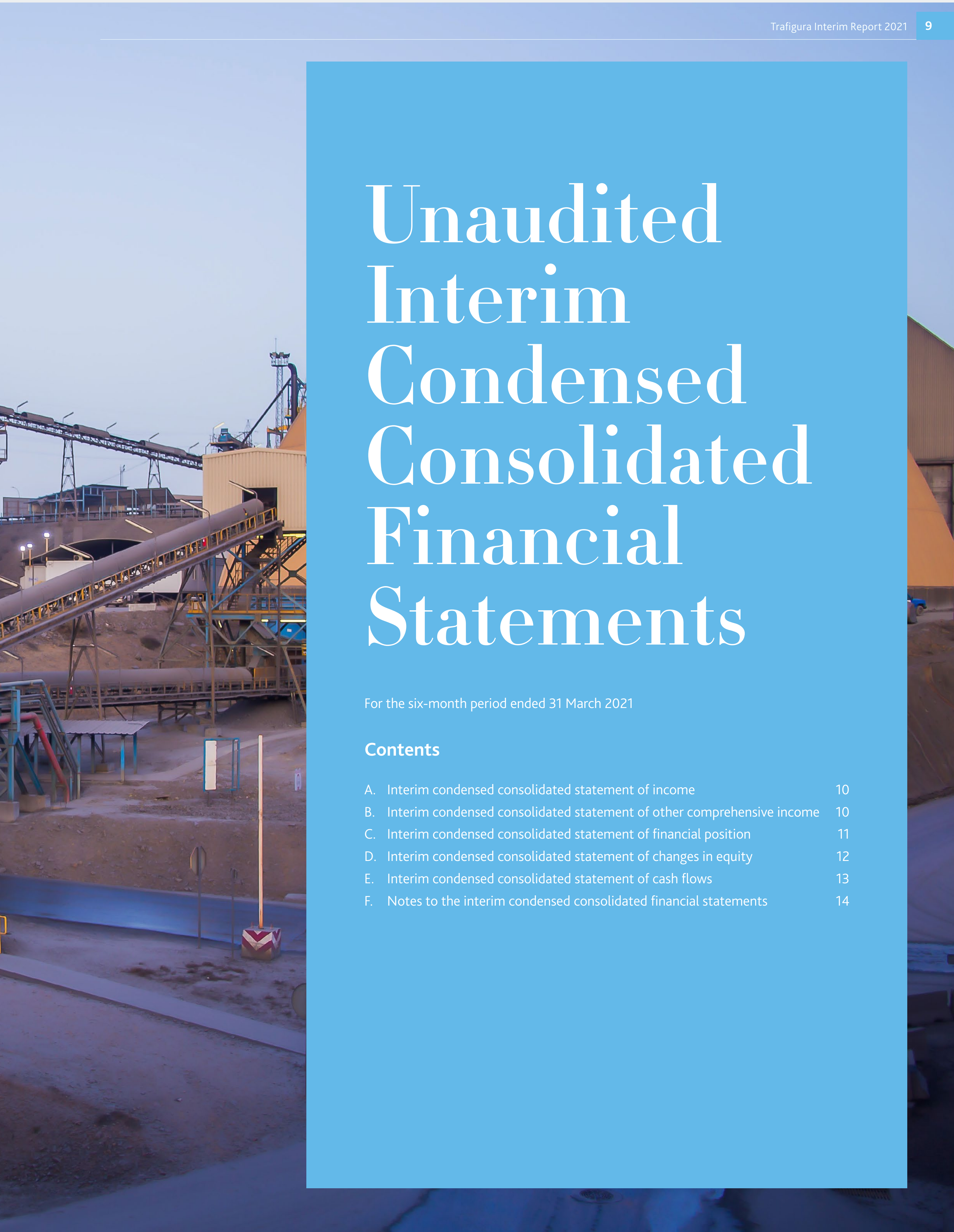
Beyond these pressures, the global economy looks set for generationally strong macroeconomic conditions, as ultra-accommodative monetary policy, unprecedented fiscal stimulus, pent-up demand, strong household balance sheets, and record savings all combine to paint a picture of a resilient and strong growth trajectory.

### JP Morgan PMIs

*>50 = Expansion*




*Source: Bloomberg, Trafigura Research*



# Unaudited Interim Condensed Consolidated Financial Statements

For the six-month period ended 31 March 2021

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# A. Interim condensed consolidated statement of income

For the six-month period ended 31 March

| | Note | HY 2021 USD'M | HY 2020 USD'M |
|---|---|---|---|
| Revenue | | **98,369.2** | 82,960.3 |
| Cost of sales | | **(94,094.2)** | (80,189.8) |
| **Gross profit** | 5 | **4,275.0** | 2,770.5 |
| General and administrative expenses | | **(1,363.5)** | (1,097.9) |
| Impairments of PP&E and intangible fixed assets | 8 | **(76.3)** | (6.4) |
| Impairments of financial assets and prepayments | 8 | **(58.4)** | (8.3) |
| Impairments of equity-accounted investees | 8 | **(0.2)** | (298.4) |
| Other income/(expenses) – net | 9 | **88.0** | (84.5) |
| **Results from operating activities** | | **2,864.6** | 1,275.0 |
| Finance income | | **201.4** | 224.0 |
| Finance expense | | **(535.7)** | (656.1) |
| **Net financing costs** | | **(334.3)** | (432.1) |
| Share of profit/(loss) of equity-accounted investees | 14 | **(25.3)** | (135.4) |
| **Profit before tax** | | **2,505.0** | 707.5 |
| Income tax expense | 10 | **(410.4)** | (165.6) |
| **Profit for the period** | | **2,094.6** | 541.9 |
| **Profit attributable to** | | | |
| Owners of the Company | | **2,093.2** | 542.1 |
| Non-controlling interests | | **1.4** | (0.2) |
| **Profit for the period** | | **2,094.6** | 541.9 |

See accompanying notes.

# B. Interim condensed consolidated statement of other comprehensive income

For the six-month period ended 31 March

| | Note | HY 2021 USD'M | HY 2020 USD'M |
|---|---|---|---|
| **Profit for the period** | | **2,094.6** | 541.9 |
| **Other comprehensive income** | | | |
| *Items that are or may be reclassified to profit or loss:* | | | |
| Gain/(loss) on cash flow hedges | 24 | **(56.6)** | (198.8) |
| Effect from hyperinflation adjustment | | **9.6** | – |
| Tax on other comprehensive income | 10 | **16.2** | 31.5 |
| Exchange gain/(loss) on translation of foreign operations | | **55.4** | (35.5) |
| Share of comprehensive income/(loss) from associates | | **(6.2)** | (207.7) |
| *Items that will not be reclassified to profit or loss:* | | | |
| Net change in fair value through other comprehensive income, net of tax | 17 | **(11.4)** | (15.1) |
| Defined benefit plan actuarial gains/(losses), net of tax | | **(0.3)** | – |
| **Other comprehensive income for the period, net of tax** | | **6.7** | (425.6) |
| **Total comprehensive income for the period** | | **2,101.3** | 116.3 |
| **Total comprehensive income attributable to:** | | | |
| Total comprehensive income for the period | | **2,099.9** | 116.5 |
| Non-controlling interests | | **1.4** | (0.2) |
| **Total comprehensive income for the period** | | **2,101.3** | 116.3 |

See accompanying notes.

# C. Interim condensed consolidated statement of financial position

| | Note | 31 March 2021 USD'M | 30 September 2020 USD'M |
|---|---|---|---|
| **Assets** | | | |
| Property, plant and equipment | 11 | **3,444.0** | 3,430.2 |
| Intangible assets | 12 | **213.7** | 210.3 |
| Right-of-use assets | 13 | **1,921.0** | 2,091.5 |
| Lease receivables | 13 | **114.8** | 124.1 |
| Equity-accounted investees | 14 | **2,336.7** | 2,438.6 |
| Prepayments | 15 | **1,721.6** | 1,061.0 |
| Loans receivable | 16 | **764.1** | 694.4 |
| Other investments | 17 | **1,964.0** | 517.1 |
| Derivatives | 28 | **248.6** | 232.7 |
| Deferred tax assets | | **94.8** | 124.3 |
| Other non-current assets | 18 | **156.6** | 192.0 |
| **Total non-current assets** | | **12,979.9** | 11,116.2 |
| Inventories | 19 | **27,817.6** | 20,177.6 |
| Trade and other receivables | 20 | **24,736.0** | 15,245.1 |
| Lease receivables | 13 | **42.6** | 37.4 |
| Derivatives | 28 | **1,255.9** | 866.4 |
| Prepayments | 15 | **2,231.6** | 2,934.5 |
| Income tax receivable | | **32.3** | 31.6 |
| Other current assets | 22 | **390.8** | 351.2 |
| Deposits | 23 | **436.5** | 466.0 |
| Cash and cash equivalents | 23 | **6,825.5** | 5,757.0 |
| **Total current assets** | | **63,768.8** | 45,866.8 |
| Non-current assets classified as held for sale | | **2.6** | 2.6 |
| **Total assets** | | **76,751.3** | 56,985.6 |
| **Equity** | | | |
| Share capital | 24 | **1,503.7** | 1,503.7 |
| Capital securities | 24 | **1,100.4** | 1,097.7 |
| Reserves | 24 | **(938.7)** | (965.4) |
| Retained earnings | 24 | **7,996.1** | 5,923.3 |
| **Equity attributable to the owners of the Company** | | **9,661.5** | 7,559.3 |
| Non-controlling interests | | **232.1** | 230.6 |
| **Total Group equity** | | **9,893.6** | 7,789.9 |
| **Liabilities** | | | |
| Loans and borrowings | 25 | **8,133.8** | 7,070.1 |
| Derivatives | 28 | **282.0** | 190.8 |
| Long-term lease liabilities | 13 | **1,246.7** | 1,407.4 |
| Provisions | | **388.7** | 371.5 |
| Other non-current liabilities | | **507.5** | 722.0 |
| Deferred tax liabilities | | **170.9** | 209.7 |
| **Total non-current liabilities** | | **10,729.6** | 9,971.5 |
| Current tax liabilities | | **384.3** | 249.1 |
| Loans and borrowings | 25 | **33,620.5** | 25,783.5 |
| Short-term lease liabilities | 13 | **948.2** | 981.6 |
| Trade and other payables | 26 | **19,558.0** | 11,081.0 |
| Other current liabilities | | **316.8** | 488.9 |
| Derivatives | 28 | **1,300.3** | 640.1 |
| **Total current liabilities** | | **56,128.1** | 39,224.2 |
| **Total Group equity and liabilities** | | **76,751.3** | 56,985.6 |

See accompanying notes.

# D. Interim condensed consolidated statement of changes in equity

For the six-month period ended 31 March

| USD'000 | Note | Equity attributable to the owners of the Company | | | | | | | | Non-controlling interests | Total Group equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital | Currency translation reserve | Revaluation reserve | Cash flow hedge reserve | Capital securities | Retained earnings | Profit for the period | Total | | |
| **Balance at 1 October 2020** | | 1,503,722 | (822,640) | (63,329) | (79,442) | 1,097,692 | 4,224,202 | 1,699,139 | 7,559,344 | 230,642 | 7,789,986 |
| Profit for the period | | – | – | – | – | – | – | 2,093,221 | 2,093,221 | 1,447 | 2,094,668 |
| Other comprehensive income | | – | 59,458 | (11,389) | (50,738) | – | 9,378 | – | 6,709 | – | 6,709 |
| **Total comprehensive income for the period** | | **–** | **59,458** | **(11,389)** | **(50,738)** | **–** | **9,378** | **2,093,221** | **2,099,930** | **1,447** | **2,101,377** |
| Profit appropriation | | – | – | – | – | – | 1,699,139 | (1,699,139) | – | – | – |
| Dividend | 24 | – | – | – | – | – | (13,000) | – | (13,000) | – | (13,000) |
| Recycling revaluation reserve to retained earnings FVOCI instruments | | – | – | 43,482 | – | – | (43,482) | – | – | – | – |
| Share-based payments | | – | – | – | – | – | 69,858 | – | 69,858 | – | 69,858 |
| Reclassification | | – | (12,799) | – | – | – | 12,799 | – | – | – | – |
| Capital securities (currency translation) | 24 | – | – | – | – | 657 | (657) | – | – | – | – |
| Capital securities dividend | 24 | – | – | – | – | – | (39,430) | – | (39,430) | – | (39,430) |
| Share of other changes in equity of associates | | – | – | – | – | – | (13,871) | – | (13,871) | – | (13,871) |
| Capital contribution from the minority shareholders | | – | – | – | – | – | – | – | – | – | – |
| Other | | – | – | (1,265) | – | 2,063 | (2,063) | – | (1,265) | – | (1,265) |
| **Balance at 31 March 2021** | | **1,503,722** | **(775,981)** | **(32,501)** | **(130,180)** | **1,100,412** | **5,902,873** | **2,093,221** | **9,661,566** | **232,089** | **9,893,655** |

| USD'000 | Note | Equity attributable to the owners of the Company | | | | | | | | Non-controlling interests | Total Group equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital | Currency translation reserve | Revaluation reserve | Cash flow hedge reserve | Capital Securities | Retained earnings | Profit for the year | Total | | |
| **Balance at 1 October 2019** | | 1,503,722 | (770,724) | (29,018) | (100,566) | 1,073,792 | 3,928,066 | 871,731 | 6,477,003 | 327,685 | 6,804,688 |
| Profit for the period | | – | – | – | – | – | – | 542,121 | 542,121 | (215) | 541,906 |
| Other comprehensive income | | – | (201,380) | (15,055) | (209,162) | – | – | – | (425,597) | – | (425,597) |
| **Total comprehensive income for the period** | | **–** | **(201,380)** | **(15,055)** | **(209,162)** | **–** | **–** | **542,121** | **116,524** | **(215)** | **116,309** |
| Profit appropriation | | – | – | – | – | – | 871,731 | (871,731) | – | – | – |
| Share-based payments | | – | – | – | – | – | 91,713 | – | 91,713 | – | 91,713 |
| Capital securities (currency translation) | 24 | – | – | – | – | 2,950 | (2,950) | – | – | – | – |
| Capital securities dividend | 24 | – | – | – | – | – | (38,399) | – | (38,399) | – | (38,399) |
| Share of other changes in equity of associates | | – | – | – | – | – | (619) | – | (619) | – | (619) |
| Capital contribution from the minority shareholders | | – | – | – | – | – | – | – | – | 3,745 | 3,745 |
| Other | | – | – | – | – | 1,742 | (1,742) | – | – | – | – |
| **Balance at 31 March 2020** | | **1,503,722** | **(972,104)** | **(44,073)** | **(309,728)** | **1,078,484** | **4,847,800** | **542,121** | **6,646,222** | **331,215** | **6,977,437** |

See accompanying notes.

# E. Interim condensed consolidated statement of cash flows

For the six-month period ended 31 March

| | Note | HY 2021 USD'M | HY 2020 USD'M |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | | **2,505.0** | 707.5 |
| **Adjustments for:** | | | |
| Depreciation | | **677.4** | 620.2 |
| Amortisation of intangible assets | | **24.5** | 24.9 |
| Provisions | | **1.2** | 0.1 |
| Gain/(loss) on fair value through profit and loss instruments | | **(50.2)** | 24.7 |
| Impairment losses on financial assets and prepayments | 8 | **58.4** | 8.3 |
| Impairment losses on non-financial fixed assets | 8 | **76.3** | 6.5 |
| Impairment losses on equity-accounted investees | 8 | **0.2** | 298.4 |
| Net finance costs | | **334.3** | 432.1 |
| Share of (profit)/loss of equity-accounted investees | 14 | **25.3** | 135.4 |
| (Gain)/loss on sale of non-financial fixed assets | 9 | **(8.3)** | (4.6) |
| (Gain)/loss on sale of equity-accounted investees | 9 | **0.1** | (1.3) |
| (Gain)/loss on sale of other investments | 9 | **(1.8)** | – |
| (Gain)/loss on divestments of subsidiaries | 9 | **–** | 0.7 |
| Equity-settled share-based payment transactions | | **69.9** | 91.7 |
| **Operating cashflow before working capital changes** | | **3,712.1** | 2,344.6 |
| **Changes in:** | | | |
| Inventories | 19 | **(7,639.9)** | 1,885.0 |
| Trade and other receivables and derivatives | 20 | **(10,062.9)** | 443.9 |
| Prepayments | 15 | **3.3** | (411.8) |
| Trade and other payables and derivatives | 26 | **9,408.6** | (2,686.0) |
| **Cash generated from/(used in) operating activities** | | **(4,578.8)** | 1,575.7 |
| Interest paid | | **(523.6)** | (660.1) |
| Interest received | | **181.5** | 216.2 |
| Dividends (paid)/received | 14 | **85.5** | 0.9 |
| Tax (paid)/received | | **(289.0)** | (96.6) |
| **Net cash from/(used in) operating activities** | | **(5,124.4)** | 1,036.1 |
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment | 11 | **(187.8)** | (194.0) |
| Proceeds from sale of property, plant and equipment | 11 | **30.9** | 41.4 |
| Acquisition of intangible assets | 12 | **(26.2)** | (26.2) |
| Acquisition of equity-accounted investees | 14 | **(39.6)** | (32.7) |
| Disposal of equity-accounted investees | | **0.7** | 20.2 |
| Proceeds from loans receivable and advances | 15/16 | **(73.1)** | (37.9) |
| Repayment of loans receivable and advances | 15/16 | **0.5** | 1.8 |
| Acquisition of other investments | 17 | **(1,927.9)** | (65.8) |
| Disposal of other investments | 17 | **1.0** | 121.8 |
| **Net cash from/(used in) investing activities** | | **(2,221.5)** | (171.4) |
| **Cash flows from financing activities** | | | |
| Payment of capital securities dividend | 24 | **(35.5)** | (34.8) |
| Proceeds from capital contributions to subsidiaries by non-controlling interests | | **–** | 3.7 |
| Increase in long-term loans and borrowings | 25 | **7,446.4** | 2,357.7 |
| (Decrease )in long-term loans and borrowings | 25 | **(5,171.1)** | (1,761.3) |
| Payment of lease liabilities (instalments) | 13/25 | **(499.4)** | (439.0) |
| Net increase/(decrease) in short-term bank financing | 25 | **6,673.9** | (541.0) |
| **Net cash from/(used in) financing activities** | | **8,414.3** | (414.7) |
| **Net increase/(decrease) in cash and cash equivalents** | | **1,068.5** | 450.0 |
| Cash and cash equivalents at 1 October | 23 | **5,757.0** | 6,267.2 |
| **Cash and cash equivalents at 31 March** | 23 | **6,825.5** | 6,717.2 |

See accompanying notes.

# F. Notes to the interim condensed consolidated financial statements

## 1. Corporate information

The principal business activities of Trafigura Group Pte. Ltd. (the 'Company') and together with its subsidiaries (the 'Group') are trading in crude and petroleum products, non-ferrous concentrates, refined metals and bulk commodities such as coal and iron ore. The Group also invests in assets, including through investments in associates, which have strong synergies with its core trading activities. These include storage terminals, service stations, metal warehouses, industrial facilities and mines.

The Company is incorporated in Singapore and its principal business office is at 10 Collyer Quay, Ocean Financial Centre, #29-00, Singapore, 049315.

The Company's immediate holding company is Trafigura Beheer B.V., a company incorporated in the Netherlands. Trafigura Beheer B.V. is ultimately controlled by Farringford Foundation, which is established under the laws of Panama.

The interim condensed consolidated financial statements for the six-month period ended 31 March 2021 were authorised for issue by the Board of Directors on 9 June 2021.

## 2. Statement of compliance

The Company's interim condensed consolidated financial statements for the six-month period ended 31 March 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 September 2020. The interim condensed consolidated financial statements have not been audited.

The interim condensed consolidated financial statements have been prepared under the historical cost convention except for inventories, derivatives and certain other financial instruments that have been measured at fair value. The interim condensed consolidated financial statements have been prepared on a going concern basis.

### 2.1 Functional and presentation currency

The Group's presentation currency is the US dollar (USD) and all values are rounded to the nearest tenth of a million (USD'M 0.1) except when otherwise indicated. The US dollar is the functional currency of most of the Group's principal operating subsidiaries. Most of the markets in which the Group is involved are USD denominated.

## 3. Basis of preparation

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are prepared using the same accounting policies as applied in the Group's annual consolidated financial statements for the year ended 30 September 2020.

*Restatement of first half year financial year 2020*

The Group has reclassified production-related depreciation and employee benefits from general and administrative expenses to cost of sales as from financial year-end 2020 onwards. The income statement and notes of the comparison period have been restated accordingly. The impact on the first half year of financial year 2020 amounts to USD355.0 million.

In addition, the impairment losses are presented separately from other income/(expenses).

### 3.1 Going concern

The COVID-19 pandemic continues to have a significant negative impact on economies around the world.

Ongoing volatile market conditions in the financial year 2021 had a positive effect on the Groups' trading results which were at the same time offset by additional impairments on some industrial assets due to COVID-19 and the consequent economic downturn.

As the COVID-19 pandemic continues to evolve, governments continue to adjust their response. Consequently, the extent of lockdown measures and progress towards reopening continues to vary across different regions. All of these factors contribute to the uncertainty regarding the timing of a full recovery.

The Group has taken measures to ensure that its employees and partners continue to be safe while interacting together. Measures have been taken to minimise the impact of the pandemic and to continue operations in the Group's businesses. Business continues to function well and largely uninterrupted. Parts of it are already returning to some kind of normality. The Group continues to provide access to vital materials for modern life. The Group is showing that this can be done responsibly and efficiently in challenging circumstances.

The Group has sufficient cash and headroom in its credit facilities. Given the evolving nature of COVID-19, uncertainties will remain and the Group is unable to reasonably estimate the future impact. However, the financial situation of the Group is currently healthy, and the Group does not believe that the impact of the COVID-19 virus will have a material adverse effect on its financial condition or liquidity. Therefore, based on the Group's current cash balance and expected yearly cash outflow, the Group expects that it will be able to meet its financial obligations and therefore continues to adopt a going concern assumption as the basis for preparing its interim condensed consolidated financial statements.

### 3.2 Uses of estimated and judgements

The preparation of the Group's interim condensed consolidated financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, and are used to judge the carrying amount of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from those estimates. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. For the areas the Group identified as being critical to understanding its financial position we refer to the 2020 annual report.

For leases (IFRS 16) management has made various assumptions in determining the discount rate used to discount assets and liabilities arising from leases to present value. The lease payments are discounted using the lessee's incremental borrowing rate. The incremental borrowing rate is determined using recent third-party financing received adjusted for both changes in financing conditions since third party financing was received and for terms of this specific lease.

Furthermore, in determining the lease term, management makes various estimates and assumptions in considering all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

## 4. Adoption of new and revised standards

### 4.1 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the financial year 2021 reporting periods and have not been early adopted by the Group:

- Definition of Material – amendments to IAS 1 and IAS 8;
- Definition of a Business – amendments to IFRS 3;
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7; and
- Revised Conceptual Framework for Financial Reporting.

#### *4.1.1 Interest Rate Benchmark Reform*

The amendments made to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement provide certain reliefs in relation to interest rate benchmark reforms.

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by inter-bank offered rate (IBOR) reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainty arising from interest rate benchmark reform is no longer present.

## 5. Operating segments

The following tables present revenue and profit information about the Group's reportable segments for the six-month period ended 31 March 2021 and 2020 respectively:

| HY 2021 | Oil and Petroleum USD'M | Metals and Minerals USD'M | Corporate and Other USD'M | Total USD'M |
|---|---|---|---|---|
| Sales revenue from external customers | 58,086.3 | 39,753.6 | – | 97,839.9 |
| Service revenue from external customers | 433.1 | 96.2 | – | 529.3 |
| **Gross profit** | 2,770.8 | 1,504.2 | – | **4,275.0** |
| | | | | |
| **Profit for the period** | | | | **2,094.6** |
| | | | | |
| *31 March 2021* | | | | |
| **Total segment assets** | | | | **76,751.3** |
| **Total segment liabilities** | | | | **66,587.7** |

| HY 2020 | Oil and Petroleum USD'M | Metals and Minerals USD'M | Corporate and Other USD'M | Total USD'M |
|---|---|---|---|---|
| Sales revenue from external customers | 52,248.4 | 30,711.9 | – | 82,960.3 |
| **Gross profit** | 2,127.8 | 642.7 | – | **2,770.5** |
| | | | | |
| **Profit for the period** | | | | **541.9** |
| | | | | |
| *30 September 2020* | | | | |
| **Total segment assets** | | | | **56,985.7** |
| **Total segment liabilities** | | | | **49,195.8** |

The basis of the segmentation of the Company has not changed compared to the annual consolidated financial statements.

The Power and Renewables trading division started up in the first half of the financial year. As operations are ramping up but not yet material, in our 2021 Interim Report, the division is not disclosed as a separate segment but included in the Oil and Petroleum segment.

## 6. Acquisitions of subsidiaries and non-controlling interests

### 6.1 Half year 2021

There were no significant acquisitions of subsidiaries and non-controlling interest during the six-month period ended 31 March 2021.

### 6.2 Financial year 2020

There were no significant acquisitions of subsidiaries and non-controlling interest during the financial year ended 30 September 2020.

## 7. Deconsolidation of subsidiaries

### 7.1 Half year 2021

There were no significant deconsolidations of subsidiaries and non-controlling interest during the six-month period ended 31 March 2021.

### 7.2 Financial year 2020

There were no significant deconsolidations of subsidiaries and non-controlling interest during the financial year ended 30 September 2020.

# F. Notes to the interim condensed consolidated financial statements

## 8. Impairments

| | HY 2021 USD'M | HY 2020 USD'M |
|---|---|---|
| Impairments of property, plant and equipment | **76.3** | 6.4 |
| Impairments of right-of-use assets | **–** | – |
| **Impairments of fixed assets** | **76.3** | 6.4 |
| Impairments of financial assets | **20.4** | 8.3 |
| Impairments of prepayments | **38.0** | – |
| **Impairments of financial assets and prepayments** | **58.4** | 8.3 |
| Impairments of equity-accounted investees | **0.2** | 298.4 |
| **Impairments of equity-accounted investees** | **0.2** | 298.4 |
| **Total impairments** | **134.9** | 313.1 |

### 8.1 Half year 2021

*Non-financial assets – Property, plant and equipment*

As compared to 30 September 2020, the economics of the Burnside logistics export terminal on the Mississippi river in Louisiana, US further deteriorated. As a result of the COVID-19 pandemic, Gulf coast oil refining reduced as well oil demand adversely impacting near-term forecast PetCoke throughput volumes. In addition, continued unfavourable coal export economics, driven by an ongoing decline in US coal supply and global coal demand, also limited near-term coal throughput volumes. This all triggered the performance of an impairment test.

The identifiable assets were combined into one CGU with independent cash flows to assess the potential impairment. The value-in-use calculation includes projections over the period 2021 up to and including 2025, and results in an estimated recoverable amount of USD36 million. Consequently, the related operational fixed assets were impaired by USD55 million.

*Financial assets and prepayments*

Reference is made to note 15.

### 8.2 Half year 2020

*Equity-accounted investees*

During the six-month period ended 31 March 2020, the results of the equity-accounted investee Tendril Ventures (which indirectly holds a 49 percent equity interest in Nayara Energy Limited) have been negatively impacted by adverse market developments. The negative impact on global energy demand and increased global crude supplies caused refinery margins to tighten, which in turn resulted in a downward adjustment in expected operating performance compared to previous expectations. The impairment test resulted in the conclusion that the carrying amount of the investment exceeded the recoverable amount by USD287.0 million, which was consequently recognised as an impairment.

## 9. Other income and expenses

| | HY 2021 USD'M | HY 2020 USD'M |
|---|---|---|
| Gain/(loss) on fair value through profit and loss instruments | **50.2** | (24.6) |
| Release/(additions) to provisions | **(1.2)** | (0.1) |
| Gain/(loss) on foreign exchange | **(12.0)** | (69.0) |
| Gain/(loss) on divestment of subsidiaries | **–** | (0.7) |
| Gain/(loss) from disposal of other investments | **1.8** | – |
| Gain/(loss) on disposal of equity-accounted investees | **(0.1)** | 1.3 |
| Gain/(loss) on disposal of tangible and intangible fixed assets | **8.2** | 4.6 |
| Dividend income | **0.3** | 6.5 |
| Other | **40.8** | (2.5) |
| **Total** | **88.0** | (84.5) |

### 9.1 Half year 2021

The gain on fair value through profit and loss instruments includes various fair value movements on other investments.

### 9.2 Half year 2020

*Gain/(loss) on fair value through profit and loss instruments*

The loss on the fair value through profit and loss instruments includes the positive result on the sale of Scorpio Tankers Inc. and Frontline Ltd. shares of USD34.9 million and the negative revaluation of the remaining number of these shares at 31 March 2020 of USD51.7 million. Dividend income of USD6.5 million relates to dividends received on these shares.

## 10. Income tax

### 10.1 Tax expense

The major components of the income tax expense in the interim condensed consolidated statement of income for the six-month periods ended 31 March 2021 and 2020 respectively are:

| | HY 2021 USD'M | HY 2020 USD'M |
|---|---|---|
| Current income tax expense | **397.9** | 193.1 |
| Adjustments in relation to current income tax of previous year | **5.1** | 0.8 |
| Deferred tax expense/(income) | **1.1** | 2.3 |
| Withholding tax in the current year | **6.3** | (30.6) |
| **Total** | **410.4** | 165.6 |

## 11. Property, plant and equipment

| USD'M | Land and buildings | Machinery and equipment | Barges and vessels | Mine property and development | Other fixed assets | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **Balance at 1 October 2020** | 1,280.7 | 2,381.3 | 582.9 | 61.7 | 847.4 | **5,154.0** |
| Additions | 5.1 | 19.5 | 2.9 | 7.8 | 152.5 | 187.8 |
| Reclassifications | 22.0 | 74.3 | 4.2 | (25.0) | (88.9) | (13.4) |
| Effect of movements in exchange rates, including hyperinflation adjustment | 6.9 | 58.7 | – | 4.2 | 6.4 | 76.2 |
| Disposals | (1.0) | (28.9) | (6.7) | 2.9 | (34.1) | (67.8) |
| **Balance at 31 March 2021** | 1,313.7 | 2,504.9 | 583.3 | 51.6 | 883.3 | **5,336.8** |
| **Depreciation and impairment losses** | | | | | | |
| **Balance at 1 October 2020** | 473.2 | 710.3 | 271.6 | 5.5 | 263.2 | **1,723.8** |
| Depreciation for the period | 21.6 | 89.6 | 12.2 | 3.4 | 25.0 | 151.8 |
| Impairment losses | 25.2 | 51.3 | – | – | 0.1 | 76.6 |
| Reclassifications | 4.5 | 2.8 | (0.9) | (15.6) | (2.8) | (12.0) |
| Effect of movements in exchange rates, including hyperinflation adjustment | (2.8) | 0.4 | – | 0.1 | – | (2.3) |
| Disposals | (0.2) | (27.1) | – | 2.9 | (20.7) | (45.1) |
| **Balance at 31 March 2021** | 521.5 | 827.3 | 282.9 | (3.7) | 264.8 | **1,892.8** |
| **Net book value at 31 March 2021** | 792.2 | 1,677.6 | 300.4 | 55.3 | 618.5 | **3,444.0** |

Additions in the six-month period ended 31 March 2021 amounted to USD187.8 million, mainly relating to investments in the Nyrstar industrial facilities of USD128.7 million.

Included in the Other fixed assets category are assets under construction, which relates to assets not yet in use and some Nyrstar related assets. Net book value as at 31 March 2021 amounted to USD465.8 million (30 September 2020: USD449.0 million). Once the assets under construction come into operation they are reclassified to the appropriate asset category and from that point they are depreciated.

Depreciation is included in depreciation and amortisation. Impairment charges are separately disclosed in the income statement.

Reference is made to Note 8 for details on impairments.

## 12. Intangible fixed assets

| USD'M | Goodwill | Licences | Other intangible assets | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| **Balance at 1 October 2020** | 70.2 | 25.6 | 511.6 | **607.4** |
| Additions | 0.1 | – | 26.1 | 26.2 |
| Reclassifications | – | – | (0.3) | (0.3) |
| Effect of movements in exchange rates, including hyperinflation adjustment | – | 0.7 | 0.5 | 1.2 |
| Disposals | – | – | (1.1) | (1.1) |
| **Balance at 31 March 2021** | 70.3 | 26.3 | 536.8 | **633.4** |
| **Amortisation and impairment losses** | | | | |
| **Balance at 1 October 2020** | 5.9 | 23.5 | 367.7 | **397.1** |
| Amortisation for the period | – | – | 24.5 | 24.5 |
| Effect of movements in exchange rates, including hyperinflation adjustment | – | 0.7 | (0.1) | 0.6 |
| Reclassifications | – | – | (1.4) | (1.4) |
| Disposals | – | – | (1.1) | (1.1) |
| **Balance at 31 March 2021** | 5.9 | 24.2 | 389.6 | **419.7** |
| **Net book value at 31 March 2021** | 64.4 | 2.1 | 147.2 | **213.7** |

Additions in the six-month period ended 31 March 2021 amounted to USD26.2 million, mainly relating to investments in IT development.

# F. Notes to the interim condensed consolidated financial statements

## 13. Leases

The Group leases various assets including land and buildings, and plant and equipment. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions, including termination and renewal rights. The Group, as a lessor, only has finance leases.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

### 13.1 Right-of-use assets

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Freight | **1,373.2** | 1,382.7 |
| Storage rentals | **54.5** | 92.7 |
| Office rent | **81.4** | 85.7 |
| Other | **412.1** | 530.4 |
| **Total** | **1,921.0** | 2,091.5 |

| USD'M | Freight | Storage rentals | Office rent | Other | Total |
|---|---|---|---|---|---|
| Balance at 1 October 2020 | 1,382.7 | 92.7 | 85.7 | 530.4 | 2,091.5 |
| Additions/remeasurements | 352.1 | 1.5 | 5.2 | 7.5 | 366.3 |
| Disposals | (0.7) | (1.2) | (0.1) | – | (2.0) |
| Depreciation | (345.8) | (42.0) | (10.5) | (127.3) | (525.6) |
| Effect of movement in exchange rate | – | 0.3 | 1.0 | 1.2 | 2.6 |
| Other | (15.1) | 3.1 | – | 0.2 | (11.8) |
| **Total** | 1,373.2 | 54.5 | 81.4 | 412.1 | **1,921.0** |

The 'Other' category mainly includes assets located in Corpus Christi, Texas, that enable the transportation, storing, processing, and vessel loading of crude oil and crude oil products.

### 13.2 Lease receivables

The following table sets out a maturity analysis of lease receivables at 31 March 2021, showing the undiscounted lease payments to be received:

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Less than one year | **47.4** | 43.7 |
| Later than one year and less than five years | **120.0** | 132.6 |
| Later than five years | **–** | – |
| **Total undiscounted lease receivables** | **167.4** | 176.3 |
| Unearned finance income | **(10.0)** | (14.8) |
| **Lease receivables included in the statement of financial position** | **157.4** | 161.5 |
| *Of which are:* | | |
| **Current** | **42.6** | 37.4 |
| **Non-current** | **114.8** | 124.1 |

The lease payments are evenly distributed over the remaining period.

### 13.3 Lease liabilities

The following table sets out a maturity analysis of the lease liabilities at 31 March 2021, indicating the undiscounted lease amounts to be paid:

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Less than one year | **1,006.9** | 1,065.0 |
| Later than one year and less than five years | **1,084.0** | 1,216.4 |
| Later than five years | **322.9** | 367.0 |
| **Total undiscounted lease receivables** | **2,413.8** | 2,648.4 |
| Future finance costs | **(218.9)** | (259.4) |
| **Lease liabilities included in the statement of financial position** | **2,194.9** | 2,389.0 |
| *Of which are:* | | |
| **Current** | **948.2** | 981.6 |
| **Non-current** | **1,246.7** | 1,407.4 |

| USD'M | Freight | Storage rentals | Office rent | Other | Total |
|---|---|---|---|---|---|
| Balance at 1 October 2020 | 1,555.1 | 103.7 | 89.3 | 640.9 | 2,389.0 |
| Interest | 31.6 | 1.8 | 2.3 | 11.4 | 47.1 |
| Additions/remeasurements | 367.6 | 1.5 | 5.2 | 7.4 | 381.6 |
| Disposals | (0.7) | (1.2) | (0.1) | – | (2.0) |
| Payments | (391.4) | (49.2) | (10.6) | (158.2) | (609.5) |
| Effect of movement in exchange rate | (0.0) | 0.3 | 1.1 | 1.3 | 2.7 |
| Other | (14.6) | 5.2 | (0.9) | (3.9) | (14.1) |
| **Balance at 31 March 2021** | 1,547.6 | 62.2 | 86.3 | 498.9 | **2,194.9** |
| Current | 628.8 | 43.9 | 19.0 | 256.4 | 948.2 |
| Non-current | 918.8 | 18.2 | 67.2 | 242.5 | 1,246.7 |
| **Balance at 31 March 2021** | 1,547.6 | 62.2 | 86.2 | 498.9 | **2,194.9** |

## 14. Equity-accounted investees

| | HY 2021 USD'M | 2020 USD'M |
|---|---|---|
| Opening balance | **2,438.6** | 3,416.5 |
| Effect of movements in exchange rates | **4.6** | (121.7) |
| Additions | **41.0** | 94.5 |
| Disposals | **(12.4)** | (27.1) |
| Impairments | **(0.2)** | (524.2) |
| Share of net profit/(loss) | **(25.3)** | (327.0) |
| Dividends received | **(85.5)** | (4.9) |
| Other | **(24.1)** | (67.5) |
| **Total** | **2,336.7** | 2,438.6 |

### 14.1 Half year 2021

During the first half year of 2021, the additions to equity-accounted investees amounted to USD41.0 million. In the financial year, the Group participated for its share in an equity contribution in Tendril Ventures resulting in an additional investment (USD26.5 million). Other additions include an additional investment in Porto Sudeste do Brasil (USD9.2 million), and various smaller investments.

The share of net loss from investments amounts to USD25.3 million. This is predominantly the result of losses in Puma Energy (USD1.2 million) and Porto Sudeste do Brasil (USD55.9 million), partly offset by USD32.4 million profits from TM Mining Ventures S.L (MATSA), Atalaya Mining and Impala Terminals Group Sarl (previously Simba).

During the first half year of 2021 the Group received USD85.5 million in dividends from its investments in equity-accounted investees, which fully relates to MATSA.

### 14.2 Financial year 2020

The effect of movements in exchange rates of USD121.7 million includes a negative foreign currency translation impact from Puma Energy Holdings Pte. Ltd. (Puma Energy) of USD83.0 million and a negative foreign currency translation impact of USD22.9 million from Tendril Ventures Pte. Ltd. (Tendril Ventures), which indirectly holds shares in Nayara Energy Limited. This foreign exchange movement is included in the other comprehensive income line share of comprehensive income/(loss) from associates.

Puma Energy agreed to a shareholding restructuring transaction with Trafigura and Cochan Holdings. Cochan Holdings reduced its stake in Puma Energy from 15 percent to less than 5 percent, by selling shares in Puma Energy to Trafigura. Hereafter, Puma Energy bought back and cancelled these shares. Puma Energy funded the re-purchase with a subordinated shareholder loan from Trafigura with an initial tenor of seven years. The parties completed the transaction in June 2020. As a result of this transaction, Trafigura's shareholding in Puma Energy increased to 55.5 percent.

Based on agreement between the shareholders, the power to direct the relevant activities of Puma Energy lies solely with its Board of Directors, and shareholders' rights are only protective in nature. Trafigura appoints three out of eight directors, and decisions by Puma Energy's Board of Directors are taken by simple majority. Therefore, Trafigura does not have the majority of decision-making power in the Board of Directors. The transaction did not alter the existing shareholder agreement. Therefore, the increase in Trafigura's shareholding did not result in Trafigura gaining control over Puma Energy. Consequently, the equity investment in Puma Energy will continue to be accounted for under the equity method.

During 2020, the additions to equity-accounted investees amounted to USD94.5 million. In the financial year, the Group participated for its share in an equity contribution in Tendril Ventures resulting in an additional investment of USD44.3 million. Other main additions relate to a new investment in a natural gas and power company focusing on the Italian market of USD11.4 million and an investment in Bluewater Texas Terminals of USD22.6 million.

The share of net loss from investments amounted to USD327.0 million. This was predominantly the result of losses in Puma Energy (USD326.1 million) and Porto Sudeste do Brasil (USD46.6 million), partly offset by profits from MATSA, Guangxi Jinchuan and Impala Terminals Group Sarl (previously Simba) of USD37.8 million. The carrying value of the equity investment in Puma Energy amounted to USD1,122 million as at 30 September 2020.

During the financial year 2020, there have been negative market developments in the economic environment in which some of our equity-accounted investees operate. This has resulted in impairments on our investments in Puma Energy and Tendrill Ventures (Nayara). Reference is made to Note 8.

Other predominately includes the negative movements on cash flow hedges of equity-accounted investees, as well as USD23 million relating to Puma Energy.

## 15. Prepayments

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Current | **2,231.6** | 2,934.5 |
| Non-current | **1,721.6** | 1,061.0 |
| **Total** | **3,953.2** | 3,995.5 |

Prepayments relate to prepayments of commodity deliveries, and are split into non-current prepayments (due > 1 year) and current prepayments (due < 1 year). A significant portion of the non-current prepayments, as well as current prepayments, are either financed on a non-recourse basis or insured.

Under the prepayments category, the Group accounts for the prepayments of commodity deliveries. Out of the total current prepayments balance, an amount of USD1.0 billion (30 September 2020: USD0.7 billion) relates to prepayments which are made for specifically identified cargos.

The contractually outstanding prepayments amount decreases in size with each cargo that is delivered, until maturity. Once the contractually agreed total cargo has been fully delivered, the prepayment agreement falls away leaving no remaining contractual obligations on Trafigura or the supplier.

The Group monitors the commodity prices in relation to the prepayment contracts and manages the credit risk together with its financial assets as described in Note 28. A portion of the long-term prepayments, as well as short-term prepayments, is on a limited recourse basis. Interest on the prepayments is added to the prepayment balance.

The global decrease in demand for commodity products as a result of COVID-19 resulted in an increased credit risk towards our suppliers. Therefore, the Group has calculated expected credit losses on the outstanding prepayments as from the financial year 2020. The methodology of the expected credit loss calculation is similar to the methodology used in the expected credit loss calculations on loans receivable.

# F. Notes to the interim condensed consolidated financial statements

Based upon the individual analysis of the prepayments, the cumulated expected credit losses on these prepayments recorded by the Group amount to USD181.9 million (30 September 2020: USD143.8 million). The following table explains the movements of the expected credit loss between the beginning and the end of the reporting period and the gross carrying amounts of the prepayments by credit risk category:

| | HY 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Performing | Under performing | Total | Performing | Under performing | Total |
| | 12-months ECL | Lifetime ECL | | 12-months ECL | Lifetime ECL | |
| Prepayments | USD'M | USD'M | USD'M | USD'M | USD'M | USD'M |
| **Expected credit loss (ECL) provision** | | | | | | |
| Opening balance – 1 October | **40.3** | **103.5** | **143.8** | – | – | – |
| ECL on prepayments recognised during the period | **–** | **–** | **–** | 40.3 | 103.5 | 143.8 |
| Changes in PD/LGD/EAD | **(7.8)** | **45.8** | **38.0** | – | – | – |
| **Closing balance – 31 March** | **32.5** | **149.3** | **181.9** | 40.3 | 103.5 | 143.8 |
| Carrying amount – 31 March | | | | | | |
| Current | **1,724.1** | **507.5** | **2,231.6** | 1,553.9 | 1,380.6 | 2,934.5 |
| Non-current | **869.3** | **852.3** | **1,721.6** | 688.9 | 372.1 | 1,061.0 |
| **Total** | **2,593.4** | **1,359.8** | **3,953.2** | 2,242.8 | 1,752.7 | 3,995.5 |

## 16. Loans and other receivables

| | 2021 | 2020 |
|---|---|---|
| | USD'M | USD'M |
| Loans to associates and related parties | **441.9** | 453.2 |
| Other non-current loans receivable | **322.2** | 241.2 |
| **Total** | **764.1** | 694.4 |

Loans to associates and related parties include a loan receivable from Puma Energy Holding Pte. Ltd. of USD390 million which relates to the funding of a buy back and subsequent cancelation of shares by Puma Energy Holding Pte. Ltd. from one of its shareholders. Further, this line includes a loan to a Galena investment fund (USD39.4 million), which relates to their investment in a Canadian mine, and a loan related to Prony Resources New Caledonia (USD34.0 million).

Other non-current loans receivables include various loans which are granted to counterparties which the Group trades with. This line also includes the debt agreement with the Angolan Ministry of Finance which relates to compensation for iron ore investments made by the Group following the liquidation of a consolidated Angolan subsidiary in 2016. In 2019, the original debt agreement has been renegotiated with a new redemption schedule in place. Over the years, due to the economic situation in Angola with collapsing oil prices, lack of liquidity and COVID-19, it has not been possible for the Angolan Ministry of Finance to honour all of its obligations. The Angolan Ministry of Finance has advised the Group that they are actively seeking to start regular payments of the debt.

Based upon the individual analysis of these loans, the recorded expected credit losses on these loans amounts to USD142.3 million (30 September 2020: USD121.9 million). The following table explains the movements of the expected credit loss between the beginning and the end of the reporting period and the gross carrying amounts of the loan receivables by credit risk category:

| | HY 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Performing | Under performing | Total | Performing | Under performing | Total |
| | 12-months ECL | Lifetime ECL | | 12-months ECL | Lifetime ECL | |
| Loans Receivable | USD'M | USD'M | USD'M | USD'M | USD'M | USD'M |
| **Expected credit loss (ECL) provision** | | | | | | |
| Opening balance – 1 October | **4.6** | **117.4** | **121.9** | 2.6 | 4.5 | 7.1 |
| Transfer to under-performing | **–** | **–** | **–** | (2.6) | 2.6 | – |
| New loans originated during the period | **–** | **–** | **–** | 4.2 | 3.3 | 7.5 |
| Changes in PD/LGD/EAD | **0.1** | **20.3** | **20.4** | 0.3 | 107.0 | 107.3 |
| **Closing balance** | **4.7** | **137.7** | **142.3** | 4.6 | 117.4 | 121.9 |
| Carrying amount | | | | | | |
| Current (Note 20) | **332.6** | **16.7** | **349.3** | 302.8 | – | 302.8 |
| Non-current (Note 16) | **501.3** | **262.7** | **764.1** | 393.9 | 300.5 | 694.4 |
| **Total** | **833.9** | **279.4** | **1,113.4** | 696.7 | 300.5 | 997.2 |

## 17. Other investments

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Listed equity securities – Fair value through OCI | **2.1** | 3.9 |
| Listed equity securities – Fair value through profit or loss | **82.5** | 25.3 |
| Listed debt securities – Fair value through profit or loss | **243.1** | 220.9 |
| Unlisted equity investments – Fair value through profit or loss | **82.7** | 34.3 |
| Unlisted equity investments – Fair value through OCI | **235.2** | 232.7 |
| Other investments – Fair value through profit or loss | **1,318.4** | – |
| **Total** | **1,964.0** | 517.1 |

The Group's long-term investments consist of listed equity securities, listed debt securities and unlisted equity securities. The listed equity securities have no fixed maturity or coupon rate. The fair values of listed equity investments are based on quoted market prices, while the fair value of the unlisted equity securities is determined based on a Level 3 valuation as prepared by management.

The increase in the listed equity securities (fair value through profit or loss) is primarily resulting from the investment in Tianshan Aluminium Group (USD30.9 million), and an investment in Saras (USD20.4 million), an Italian refinery and energy company.

### 17.1 Acquisition of 10 percent participatory equity interest in Vostok Oil

On 24 December 2020 the Group entered into a transaction consisting of an investment in a 100 percent owned Structured Entity (SE), that subsequently acquired a 10 percent participatory equity interest in Vostok Oil LLC from Rosneft, and other contractual agreements including supply contracts. Vostok Oil LLC is an oil and gas company incorporated in the Russian Federation. The transaction builds on the longstanding commercial relationship between Trafigura and Rosneft, providing access to long-term off-take supply of crude oil including from Vostok Oil.

The SE is governed by an independent board of directors and as a result the Group does not have the ability to use its power to influence the variable returns from the SE. As a consequence, the SE is not consolidated in the Group's consolidated financial statements.

The Group made an initial contribution of EUR1.5 billion of equity to the SE in cash. Additional debt funding was attracted by the SE to finance the acquisition of the 10 percent participatory equity interest for a total consideration of EUR7.0 billion. The principal activity of the SE is that of a holding and trading company.

The initial equity investment in the SE and the associated agreements are considered as a single unit-of-account and classified under Other Investments on the consolidated statement of financial position.

As the Group does not control the SE, the Other investment qualifies as a financial instrument, classified as fair value through profit or loss. The main Level 3 inputs used by the Group are derived as follows:

- Discount rate using weighted average use of capital asset pricing model reflecting the Group's own capital structure and time value of money;
- Risk adjustment to factor in exposures relating to the counterparties, as well as the specific terms of commercial contracts;
- Market volatility in oil price estimated based on the Group's knowledge of the business.

A change in discount rate by 0.5 percentage points has an impact of minus USD19.9 million/plus USD20.1 million on the valuation as per 31 March 2021.

The net value of the investment as a single unit of account at 31 March 2021 amounts to USD1.3 billion (30 September 2020: nil) and accounts for value of the investment and associated agreements.

## 18. Other non-current assets

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Non-financial hedged items | **71.6** | 76.9 |
| Restricted cash | **35.0** | 68.0 |
| Other | **50.0** | 47.1 |
| **Total** | **156.6** | 192.0 |

For further information on the non-financial hedged items, refer to Note 28.8. The restricted cash balance mainly represents amounts placed on deposit to cover certain reclamation costs for Nyrstar mining operations.

## 19. Inventories

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Storage inventories | **16,794.4** | 13,670.1 |
| Floating inventories | **10,486.7** | 6,103.6 |
| Work-in-progress inventories | **514.4** | 391.2 |
| Supplies | **22.1** | 12.7 |
| **Total** | **27,817.6** | 20,177.6 |

Inventories increased significantly due to an increase in volumes and movements in average prices. As at 31 March 2021 (and 30 September 2020), the entire inventory has either been pre-sold or hedged. Part of the inventory has been pledged for securitisation purposes. Refer to Note 21.2.

Work-in-progress inventories fully relate to inventories being processed in the Nyrstar smelters.

# F. Notes to the interim condensed consolidated financial statements

## 20. Trade and other receivables

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Trade debtors | 10,072.9 | 6,286.7 |
| Provision for bad and doubtful debts | (42.7) | (47.8) |
| Accrued turnover | 9,511.0 | 5,539.8 |
| Broker balances | 1,279.3 | 1,571.4 |
| Other debtors | 887.0 | 309.0 |
| Loans to third parties | 324.3 | 294.9 |
| Loans to related parties | 25.0 | 7.9 |
| Other taxes | 484.0 | 438.0 |
| Related parties | 2,195.2 | 845.2 |
| **Total** | **24,736.0** | 15,245.1 |

All financial instruments included in trade and other receivables are held to collect the contractual cash flows, except for those subject to certain dedicated financing facilities, which would be held for collection of contractual cash flows and for selling the financial asset. Furthermore, the cash flows that the Group receives on these instruments are solely payments of principal and interest except for trade and other receivables related to contracts including provisional pricing features.

The Group entered into a number of dedicated financing facilities, which finance a portion of its receivables. Part of these facilities meet the criteria of derecognition of the receivables according to IFRS.

As per 31 March 2021, an amount of USD4,106.5 million (30 September 2020: USD2,513.3 million) of trade debtors has been discounted. Of this amount, USD3,755.6 million (30 September 2020: USD2,318.9 million) has been derecognised, as the Group has transferred substantially all the risks and rewards of ownership of the financial asset with non-recourse. The remaining part of discounted receivables which does not meet the criteria for derecognition amounting to USD351.0 million (30 September 2020: USD194.4 million), continues to be recognised as trade debtors. For the received amount of cash of these items the Group has recognised a liability under current loans and borrowings.

Of USD10,072.9 million trade debtors (30 September 2020: USD6,286.7 million), USD4,090.6 million had been sold on a non-recourse basis under the securitisation programme (30 September 2020: USD1,950.1 million). Of the USD2,375.3 million receivables on related parties (30 September 2020: USD845.1 million), USD202.2 million had been sold on a non-recourse basis under the securitisation programme (30 September 2020: USD309.6 million). Refer to Note 21.

As at 31 March 2021, 11.7 percent (30 September 2020: 7.3 percent) of receivables were between 1-60 days overdue, and 5.5 percent (31 March 2020: 8.5 percent) were greater than 60 days overdue. Trafigura applied the simplified method in assessing expected credit losses. The accounts receivables have been divided in aging buckets and based on an analysis on historical defaults and recovery rates, and considering forward looking information, a percentage for expected credit losses has been determined. Trafigura manages to limit credit losses by renegotiating contracts in the case of a default. From the above analysis, an expected credit loss as at 31 March 2021 amounted to USD6.0 million (30 September 2020: USD6.0 million) has been taken into account. The loss allowance provision at 31 March 2021 amounts to USD42.7 million (30 September 2020: USD47.8 million). The provision mostly relates to demurrage claims and commercial disputes with our clients. Accrued turnover represents receivable balances for sales which have not yet been invoiced. They have similar risks and characteristics as trade debtors. Trade debtors and accrued turnover have similar cash flow characteristics and are therefore considered to be a homogeneous group of financial assets.

Total trade and other receivables related to contracts including provisional pricing features amount to USD10.6 billion (30 September 2020: USD 6.5 billion).

## 21. Securitisation programmes

The Group operates various securitisation programmes: Trafigura Securitisation Finance plc. (TSF) and Argonaut Receivables Company S.A. (Argo) enable the Group to sell eligible receivables, and an inventory securitisation programme, through Trafigura Commodities Funding Pte. Ltd. (TCF), and Trafigura Global Commodities Funding Pte. Ltd. (TGCF), enables Trafigura to sell and repurchase eligible inventories. Those securitisation vehicles are consolidated and consequently the securitised receivables and inventories are included within the consolidated trade debtor and inventory balances.

### 21.1 Receivables securitisations

Over time the external funding of TSF has increased significantly in size, mostly through Variable Funding Notes (VFN) purchased by bank sponsored conduits, while incorporating a longer term committed funding element, in the form of Medium Term Notes (MTN).

Argo was launched in May 2020 and is funded through short-term VFN only.

The available external funding of the receivables securitisation programmes consists of:

| | Interest rate | Maturity | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| TSF AAA MTN | Libor +0.73% | 2021 – September | **185.0** | 185.0 |
| TSF AAA MTN | 3.73% | 2021 – September | **280.0** | 280.0 |
| TSF BBB MTN | 4.33% | 2021 – September | **35.0** | 35.0 |
| TSF AAA VFN | See Note | Various throughout the year | **3,449.9** | 2,519.9 |
| TSF BBB VFN | See Note | Various throughout the year | **259.5** | 189.5 |
| Argonaut Receivables Securitisation | | 2021 – April | **225.0** | 225.0 |
| TSF senior subordinated debt | | 2023 – March | **118.8** | 91.6 |
| **Total** | | | **4,553.2** | 3,526.0 |

As at 31 March 2021, the maximum available amount of external funding was USD4,553.2 million (30 September 2020: USD3,526.0 million) for the receivable securitisation programme.

The rate of interest applied to the TSF AAA VFN is principally determined by the demand for commercial paper issued by 10 bank-sponsored conduits. The Group benchmarks the rate provided against 1-week Libor. In the case of the rate of interest applicable to the TSF BBB VFN, the rate of interest is principally determined by the liquidity of the interbank market.

The maturity of the TSF AAA and BBB VFNs have been staggered to diversify the maturity profile of the notes. This aims to mitigate the 'liquidity wall' risk associated with a single maturity date for a significant funding amount.

### 21.2 Inventory securitisation

| | Interest rate | Maturity | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| TCF/TGCF VFN | See Note | 2020 – November | **–** | 410.0 |
| TCF/TGCF MLF | See Note | 2020 – November | **–** | 40.0 |
| TCF/TGCF VFN | See Note | 2021 – November | **365.0** | – |
| TCF/TGCF MLF | See Note | 2021 – November | **35.0** | – |
| **Total** | | | **400.0** | 450.0 |

As at 31 March 2021, the maximum available amount of external funding was USD400.0 million (30 September 2020: USD450.0 million) for the inventory securitisation programme.

The rate of interest applied to the VFN and Margin Liquidity Facility (MLF) under the inventories securitisation is defined in the facility documentation.

## 22. Other current assets

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Non-financial hedged items | **137.4** | 64.5 |
| Prepaid expenses | **247.2** | 278.1 |
| Other | **6.2** | 8.6 |
| **Total** | **390.8** | 351.2 |

The non-financial hedged items balance fully relates to the current part of the non-financial hedged items, refer to Note 28.8 for further information. Prepaid expenses relate to prepayments other than those made for physical commodities.

## 23. Cash and cash equivalents and deposits

### 23.1 Cash and cash equivalents

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents approximates the carrying value.

An amount of USD90.9 million (30 September 2020: USD43.4 million) of cash at bank is restricted including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used, unless fixed asset construction invoices are presented to the banks.

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Cash at bank and in hand | **6,095.5** | 5,405.8 |
| Short-term deposits | **730.0** | 351.2 |
| **Total** | **6,825.5** | 5,757.0 |

As at 31 March 2021, the Group had USD8.8 billion (30 September 2020: USD9.0 billion) of committed unsecured syndicated loans, of which USD2.0 billion (30 September 2020: USD3.8 billion) remained unutilised. The Group had USD3.9 billion (30 September 2020: USD3.3 billion) of immediately (same day) available cash in liquidity funds. Therefore, the Group had immediate access to available liquidity balances from liquidity funds and corporate facilities in excess of USD5.9 billion (30 September 2020: USD7.1 billion).

### 23.2 Deposits

Short-term deposits made for periods longer than three months are shown separately in the statement of financial position and earn interest at the respective short-term deposit rates.

# F. Notes to the interim condensed consolidated financial statements

## 24. Capital and reserves

### 24.1 Share capital

As at 31 March 2021, the Company has 25,000,000 ordinary shares outstanding and a capital of USD1,504 million. During the six-month period ended 31 March 2021, no changes took place in the outstanding share capital.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

### 24.2 Capital securities

As part of the financing of the Company and its subsidiaries, the Company has two capital securities instruments with a total carrying value as at 31 March 2021 of USD1,100.4 million (30 September 2020: USD1,097.7 million). These two capital securities have a par value of USD800 million and EUR262.5 million respectively.

These two capital securities are perpetual in respect of which there is no fixed redemption date. The distribution on the capital securities is payable semi-annually in arrears every six months from the date of issue. The Company may elect to defer (in whole but not in part) any distribution in respect of these capital securities by providing no more than 30 or less than 5 business days' notice, unless a compulsory interest payment event has occurred, including amongst others the occurrence of a dividend payment in respect of subordinated obligations of the Company. Any interest deferred shall constitute arrears of interest and shall bear interest.

In the event of a winding-up, the rights and claims of the holders in respect of the capital securities shall rank ahead of claims in respect of the Company's shareholders, but shall be subordinated in right of payment to the claims of all present and future senior obligations, except for obligations of the Company that are expressed to rank pari passu with, or junior to, its obligations under the capital securities.

The USD800 million capital security was originally issued on 21 March 2017 for USD600 million, and the issuance was re-opened for an additional amount of USD200 million on 21 November 2017. The USD800 million capital security is listed on the Singapore Stock Exchange. The distribution on the capital security is 6.875 percent per annum until the distribution payment date in March 2022. The capital security may be redeemed at the Company's option in whole, but not in part, in the period starting 90 calendar days before, and ending of, the distribution payment date in March 2022 or any distribution date thereafter upon giving not less than 30 nor more than 60 days' notice to the holders. The early redemption amount payable by the Company shall be the principal amount of the capital security, together with any interest accrued to the date fixed for redemption, all arrears of interest and all additional interest amounts.

The EUR262.5 million capital security was issued on 31 July 2019 and is listed on the Singapore Stock Exchange. The distribution on the capital security is 7.5 percent per annum until the distribution payment date in July 2024. The capital security may be redeemed at the Company's option in whole, but not in part, in the period starting 90 calendar days before, and ending of, the distribution payment date in July 2024 or any distribution date thereafter upon giving not less than 30 nor more than 60 days' notice to the holders. The early redemption amount payable by the Company shall be the principal amount of the capital security, together with any interest accrued to the date fixed for redemption, all arrears of interest and all additional interest amounts.

### 24.3 Currency translation reserve

The currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation. The currency translation reserve as per 31 March 2021 includes a negative reserve of USD726.5 million related to the equity investment in Puma Energy Holdings Pte. Ltd. (30 September 2020: USD725.8 million).

### 24.4 Revaluation reserve

The revaluation reserve comprises the fair value measurements movements of the equity investments which are accounted for at fair value through other comprehensive income. On realisation of these gains or losses, for example the sale of an equity instrument, the cumulative amounts of this reserve are transferred to retained earnings. Included in the revaluation reserve is a loss of USD32.5 million (30 September 2020: USD63.3 million loss) related to the mark-to-market valuation of equity investments.

### 24.5 Cash flow hedge reserve

The Group has elected not to apply the cost of hedging option. A change in the fair value of derivatives designated as a cash flow hedge is initially recognised as a cash flow hedge reserve in other comprehensive income (OCI). The deferred amount is then released to the statement of income in the same period during which the hedged transaction affects the statement of income.

Included in the cash flow hedge reserve is a loss of USD130.2 million (30 September 2020: USD79.4 million loss) related to the effective portion of the changes in fair value of cash flow hedges, net of tax. The items hedged included in the cash flow hedge relationship are disclosed in Note 28.7. The losses on hedging derivatives currently shown in the cash flow hedge reserve will be offset by decreased purchase/finance costs and increased sales values in the period the hedged transactions are recognised. Over time, the overall net impact of the hedged items and hedging instruments together to the statement of income and OCI will be minimal.

The cash flow hedge reserve as at 31 March 2021, includes a negative reserve of USD57.3 million relating to the Group's share in the cash flow hedge reserves of equity-accounted investees (30 September 2020: USD57.6 million negative).

### 24.6 Dividends

The value of the dividends declared on the ordinary shares amount to USD13.0 million (30 September 2020: USD585.9 million). Dividend payments are mostly made in relation to the share redemption by the direct parent company.

## 25. Loans and borrowings

This Note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, refer to Note 28.

| Carrying value of loans and borrowings | 2021 USD'M | 2020 USD'M |
|---|---|---|
| **Non-current** | | |
| Committed unsecured syndicated loans | **4,036.7** | 3,962.8 |
| Private placements | **782.2** | 650.3 |
| Listed bonds | **1,857.6** | 1,203.0 |
| Securitisation programmes | **118.8** | 91.6 |
| Other loans | **1,338.4** | 1,162.4 |
| **Total non-current** | **8,133.8** | 7,070.1 |
| **Current** | | |
| Committed unsecured syndicated loans | **2,503.7** | 1,029.6 |
| Private placements | **363.9** | 355.3 |
| Securitisation programmes | **4,668.9** | 3,040.0 |
| Other loans | **434.6** | 201.1 |
| Current bank borrowings | **25,649.4** | 21,157.5 |
| **Total current** | **33,620.5** | 25,783.5 |
| **Total** | **41,754.3** | 32,853.6 |

During the financial year ended 31 March 2021, a number of important transactions for the Group were completed:

- Closure of the Company's new Asian Syndicated Revolving Credit Facility of USD1.6 billion equivalent;
- Issue of a EUR 400 million bond with a five year maturity at a price of 3.875 percent;
- Closing of its new 365-day European multi-currency syndicated revolving credit facility (ERCF) totalling USD1.85 billion as well as the extension and increase of its USD3.65 billion 3-year facility. The facilities included the Company's first sustainability-linked loan structure.

The Group was in compliance with all its corporate and financial covenants as at 31 March 2021.

# F. Notes to the interim condensed consolidated financial statements

## 25.1 Terms and debt repayment schedule

The terms and conditions of the outstanding debt (excluding short-term bank borrowings) per 31 March 2021 are as follows:

| | Principal | Interest rate | Maturity | Floating/fixed rate debt | Note | < 1 year USD'M | 1-5 years USD'M | > 5 years USD'M | Total USD'M |
|---|---|---|---|---|---|---|---|---|---|
| **Committed unsecured syndicated loans** | | | | | | | | | |
| CNH | 1,020.2 | Hibor + 1.00% | 2021 – October | Floating | | 155.5 | – | – | **155.5** |
| CNH | 2,937.2 | 3.40% | 2021 – October | Fixed | | 447.6 | – | – | **447.6** |
| USD | 1,855.0 | Libor + 0.65% | 2022 – March | Floating | | – | – | – | **–** |
| USD | 875.0 | Libor + 0.90% | 2022 – March | Floating | | 870.6 | – | – | **870.6** |
| USD | 110.0 | Libor + 0.90% | 2023 – March | Floating | | – | 110.0 | – | **110.0** |
| USD | 2,665.0 | Libor + 0.90% | 2024 – March | Floating | | – | 2,654.4 | – | **2,654.4** |
| USD | 520.0 | Libor + 1.10% | 2021 – October | Floating | | 520.0 | – | – | **520.0** |
| USD | 300.0 | Libor + 1.10% | 2022 – October | Floating | | – | 300.0 | – | **300.0** |
| USD | 278.0 | Libor + 1.20% | 2023 – October | Floating | | – | 278.0 | – | **278.0** |
| USD | 220.0 | Libor + 0.75% | 2021 – October | Floating | | – | – | – | **–** |
| USD | 510.0 | Libor + 0.75% | 2021 – October | Floating | | 510.0 | – | – | **510.0** |
| JPY | 67,800.0 | Libor + 0.90% | 2023 – March | Floating | | – | 613.0 | – | **613.0** |
| JPY | 9,000.0 | Libor + 1% | 2025 – March | Floating | | – | 81.4 | – | **81.4** |
| | | | | | | 2,503.7 | 4,036.7 | – | **6,540.4** |
| **Private placements** | | | | | | | | | |
| USD | 98.0 | 7.11% | 2021 – April | Fixed | | 98.0 | – | – | **98.0** |
| CNY | 500.0 | 6.50% | 2021 – April | Fixed | | 76.3 | – | – | **76.3** |
| CNY | 500.0 | 6.50% | 2021 – May | Fixed | | 76.2 | – | – | **76.2** |
| CNY | 700.0 | 6.20% | 2021 – September | Fixed | | 106.7 | – | – | **106.7** |
| CNY | 540.0 | 5.49% | 2022 – May | Fixed | | – | 82.3 | – | **82.3** |
| USD | 57.5 | 5.53% | 2023 – March | Fixed | | – | 57.5 | – | **57.5** |
| USD | 53.0 | 5.55% | 2023 – May | Fixed | | – | 53.0 | – | **53.0** |
| USD | 35.0 | 4.01% | 2025 – March | Fixed | | – | 35.0 | – | **35.0** |
| USD | 67.0 | 5.72% | 2025 – May | Fixed | | – | 67.0 | – | **67.0** |
| USD | 83.0 | 4.17% | 2027 – March | Fixed | | – | – | 83.0 | **83.0** |
| USD | 20.0 | 5.86% | 2028 – May | Fixed | | – | – | 20.0 | **20.0** |
| USD | 85.0 | 4.60% | 2030 – March | Fixed | | – | – | 85.0 | **85.0** |
| USD | 200.0 | 6.33% | 2036 – July | Fixed | | 6.7 | 31.4 | 138.8 | **176.9** |
| USD | 8.5 | 4.00% | 2026 – February | Fixed | | – | 10.0 | – | **10.0** |
| USD | 101.5 | 3.50% | 2024 – February | Fixed | | – | 119.3 | – | **119.3** |
| | | | | | | 363.9 | 455.4 | 326.8 | **1,146.1** |
| **Listed bonds** | | | | | | | | | |
| USD | 465.8 | 5.25% | 2023 – March | Fixed | | – | 463.8 | – | **463.8** |
| CHF | 165.0 | 2.25% | 2023 – May | Fixed | | – | 175.1 | – | **175.1** |
| CHF | 55.0 | 3.25% | 2024 – September | Fixed | | – | 58.4 | – | **58.4** |
| USD | 184.2 | 0.00% | 2026 – July | Fixed | | – | – | 129.4 | **129.4** |
| USD | 500.0 | 5.875% | 2025 – September | Fixed | | – | 502.2 | – | **502.2** |
| EUR | 450.0 | 3.875% | 2026 – February | Fixed | | – | 528.8 | – | **528.8** |
| | | | | | | – | 1,728.2 | 129.4 | **1,857.6** |
| **Securitisation programmes** | | | | | | | | | |
| USD | 365.0 | Libor + 1.0% | 2021 – November | Floating | | 242.6 | – | – | **242.6** |
| USD | 35.0 | Libor + 0.5% | 2021 – November | Floating | | 5.1 | – | – | **5.1** |
| USD | 225.0 | Libor + 1.0% | 2021 – April | Floating | | 225.0 | – | – | **225.0** |
| USD | 280.0 | 3.73% | 2021 – September | Fixed | | 280.0 | – | – | **280.0** |
| USD | 185.0 | Libor +0.73% | 2021 – September | Floating | | 185.0 | – | – | **185.0** |
| USD | 35.0 | 4.33% | 2021 – September | Fixed | | 35.0 | – | – | **35.0** |
| USD | 118.8 | Libor + 4.25% | 2023 – March | Floating | | – | 118.8 | – | **118.8** |
| USD | 3,709.4 | Various | Various | Floating | | 3,696.3 | – | – | **3,696.3** |
| | | | | | | 4,668.9 | 118.8 | – | **4,787.7** |
| Other Loans | | | | | | 434.6 | 1,274.2 | 64.2 | **1,773.0** |
| **Total** | | | | | | **7,971.1** | **7,613.3** | **520.5** | **16,104.9** |

## 26. Trade and other payables

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 28.

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Trade creditors | **3,780.4** | 2,618.9 |
| Accrued costs of sales and expenses | **15,760.8** | 8,341.5 |
| Related parties | **16.8** | 120.6 |
| **Total** | **19,588.0** | 11,081.0 |

Total trade and other payables related to contracts including provisional pricing features amount to USD10.6 billion (30 September 2020: USD6.2 billion).

## 27. Commitments and contingencies

The Company and its subsidiaries are party to a number of legal claims and proceedings arising out of their business operations. The Company believes that the ultimate resolution of these claims and proceedings will not, in the aggregate, have a material adverse effect on the Group's financial position, income or cash flows. Such legal claims and proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is unpredictable. It is possible that the Group could be required to make expenditures, in excess of established provisions, in amounts that cannot be reasonably estimated.

The total contingent liabilities related to trade finance instruments, such as letters of credit and guarantees, as at 31 March 2021 amount to USD9,035.0 million (30 September 2020: USD4,535.3 million).

The Group had outstanding commitments at the end of 31 March 2021 and 30 September 2020 as follows:

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Service arrangement contracts | **1,143.4** | 1,325.6 |
| Long-term lease commitments – Not yet started | **511.6** | 478.1 |
| Short-term lease contracts | **348.9** | 201.0 |
| **Subtotal commitments** | **2,004.0** | 2,004.7 |
| Assets under construction | **87.9** | 82.2 |
| **Total commitments** | **2,091.9** | 2,086.9 |

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Less than one year | **989.0** | 843.8 |
| Later than one year and less than five years | **898.0** | 981.8 |
| Later than five years | **117.0** | 179.1 |
| **Commitments excluding assets under construction** | **2,004.0** | 2,004.7 |

The Group has a potential financial exposure resulting from certain oil trading and risk management activities of its counterparty's representative. These activities are the subject of on-going actions, claims and disputes against the Group. The underlying circumstances regarding these actions, claims and disputes are complex and opaque and consequently how these disputes and actions will be resolved is uncertain and the provisions taken for them are reviewed annually (and adjusted appropriately) based on the most current information and advice.

Guarantees include guarantees to trading partners in the normal course of business.

# F. Notes to the interim condensed consolidated financial statements

## 28. Financial instruments

### 28.1 Financial risk management

The Group is exposed to a number of different financial risks arising from normal business exposures as well as its use of financial instruments including: market risks relating to commodity prices, foreign currency exchange rates, interest rates and equity prices; credit risk; and liquidity risk.

Prudently managing these risks is an integral element of the Group's business and has been institutionalised since the Group's foundation. Risk management guidelines are established at senior management level. The various risks the Group is exposed to are managed through a combination of internal procedures, such as strict control mechanisms and policies, as well as external third parties such as the derivative, insurance and bank markets. As a rule, the Group actively manages and lays off where possible a large majority of the risks inherent to its activity. The Group's conservative risk management process is designed to:

- Provide a full and accurate awareness of risks throughout the Group;
- Professionally evaluate and monitor these risks through a range of risk metrics;
- Limit risks via a dynamic limit setting framework;
- Manage risks using a wide range of hedging instruments and strategies; and
- Ensure a constant dialogue between trading desks, risk managers and senior management.

The three main reinforcing, components of the Group's risk management process are the Chief Risk Officer (CRO), the Market Risk Management Committee and the trading teams.

The CRO is independent of the revenue-producing units and reports to the Chief Operating Officer and the Management Committee. The CRO has primary responsibility for assessing and monitoring the Group's market risks. The CRO's team liaises directly with the trading teams to analyse new opportunities and ensure that risk assessments adapt to changing market conditions. The CRO's team also ensures the Group's risk management capabilities incorporate ongoing advances in technology and risk management modelling capabilities.

The Market Risk Management Committee, which comprises members of the Management Committee and the CRO, is responsible for applying the Group's risk management capabilities towards improving the overall performance of the Group. In the reporting period, the Market Risk Management Committee met at least weekly to discuss and set risk and concentration limits, review changing market conditions, and analyse new market risks and opportunities.

The Group's trading teams provide deep expertise in hedging and risk management in the specific markets each team operates in. While the trading teams have front line responsibility for managing the risks arising from their activities, the Group's process ensures a strong culture of escalation and accountability, with well-defined limits, automatic notifications of limit overages and regular dialogue with the CRO and Market Risk Management Committee.

### 28.2 Market risk

Market risk is the risk of loss in the value of the Group's positions due to changes in market prices. The Group holds positions primarily to ensure the Group's ability to meet physical supply commitments to the Group's customers, to hedge exposures arising from these commitments, and to support the Group's investment activities. The Group's positions change due to changing customer requirements and investment opportunities. The value of the Group's positions is accounted for at fair value and therefore fluctuates on a daily basis due to changes in market prices. Categories of market risk the Group is exposed to include:

- Commodity price risk results from exposures to changes in spot prices, forward prices and volatilities of commodities, such as crude oil, petroleum products, natural gas, base metals, coal and iron ore.
- Currency rate risk results from exposures to changes in spot prices, forward prices and volatilities of currency rates.
- Interest rate risk results from exposures to changes in the level, slope and curvature of yield curves, the volatilities of interest rates, and credit spreads.
- Equity price risk results from exposures to changes in prices and volatilities of individual equities and equity indices.

The Group hedges a large majority of price risks arising from its activities. When there is a difference in the characteristics of available hedging instruments and the corresponding commodity price exposures, the Group remains exposed to a residual price risk referred to as basis risk. Dynamically managing the basis risk that arises from the Group's activities requires specialist skills and is a core focus of the Group's trading and risk management teams.

#### *Value at Risk*

Value at Risk (VaR) is a statistical estimate of the potential loss in value of the Group's positions and unsold in-transit material due to adverse market movements. The Group calculates VaR over a one-day time horizon with a 95 percent confidence level. The Group uses an integrated VaR model which captures risks including commodity prices, interest rates, equity prices and currency rates. The Group's integrated VaR model facilitates comparison of VaR across portfolios comprised of a range of different risk exposures.

As of 31 March 2021, the Group's one day market risk VaR was USD59.4 million (30 September 2020: USD10.3 million). Average market risk VaR (1 day 95 percent) during the period was USD43.2 million compared to USD26.4 million in the previous full financial year. The Group's Management Committee has set a target of maintaining VaR (one-day 95 percent) below 1 percent of Group equity.

The Group is aware of the inherent limitations to VaR and therefore uses a variety of risk measures and risk management techniques to create a robust risk management process. Limitations of VaR include:

- VaR does not estimate potential losses over longer time horizons where the aggregate moves may be extreme.
- VaR does not take account of the liquidity of different risk positions and therefore does not estimate the losses that might arise if the Group liquidated large positions over a short period of time.
- VaR is based on statistical analysis of historical market data. If this historical data is not reflective of futures market prices movements, VaR may not provide accurate predictions of future possible losses.

The Group's VaR calculation covers its trading businesses in the crude oil, refined oil products, petrochemical, natural gas, metals, concentrates, coal, iron ore, and freight markets and assesses the open-priced positions which are those subject to price risk, including inventories of these commodities. The Group's VaR model is based on historical simulations, with full valuation of more than 5,000 market risk factors.

VaR is calculated based on simultaneously shocking these risk factors. More recent historical price data is more heavily weighted in these simulations, which enables the VaR model to adapt to more recent market conditions and improves the accuracy of the Group's estimates of potential losses.

The Group's VaR model utilises advanced statistical techniques that incorporate the non-normal price dynamics that are an important feature of commodity markets. The Group's VaR model is continuously and automatically calibrated and back-tested to ensure that its out-of-sample performance adheres to well defined targets. In addition, the Group's VaR model is regularly updated to ensure it reflects the current observed dynamics of the markets the Group is active in.

The Group has made a significant, ongoing investment in risk management systems, including a reporting system which automatically distributes customised risk reports throughout the Group on a daily basis. These reports provide up-to-date information on each team's risk using industry standard measures, such as 95 percent and 99 percent Value at Risk and performance indicators such as Sharpe ratios.

All trading books have well defined VaR risk limits. Management and the trading teams are automatically notified whenever a book nears its risk limit, as well as whenever a VaR limit breach occurs. In addition, the Group's deals desk management team is automatically notified whenever statistically anomalous changes occur in the profit and loss of any deal.

For senior management, the daily reports provide a comprehensive view of the Group's risk, classified according to various risk factors. These reports emphasise the risk diversification created by the Group's varied activities and highlight any excessive risk concentrations.

## 28.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument or physical contract fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, and investment in debt and equity securities.

The Group has a formalised credit process with credit officers in the key locations around the world. Strict credit limits are set up for each counterparty on the basis of detailed financial and business analysis. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of the Group's statement of financial position. The Group makes extensive use of the banking and insurance markets to cover any counterparty or country risks that are in excess of its credit limits.

The risk management monitoring and decision-making functions are centralised and make extensive use of the Group's integrated bespoke IT system. The Group conducts transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for both oil and bulk, e.g. producers, refiners/smelters and end-users. Sales to investment grade and non-investment grade counterparties are made on open terms up to internally approved credit limits. Exposures above such limits are subject to payment guarantees.
- Payment guarantee counterparties, i.e. prime financial institutions from which the Group obtains payment guarantees.
- Hedge counterparties comprising a number of prime financial institutions and physical participants in the relevant markets. There is no significant concentration of risk with any single counterparty or group of counterparties. Collateral is obtained from counterparties when the Group's exposure to them exceeds approved credit limits. It is the Group's policy to have ISDA Master Agreements or ISDA-based Long-Form Confirmation Agreements in place with all hedging counterparties.

The Group trades in all major geographic regions. Where appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. The Group has gross credit exposure in locations across the world with a concentration in emerging markets. Most of this exposure is transferred to third parties while the Group retains between 10 percent and 20 percent on average of the individual exposures.

The Group's maximum exposure to credit risk, without considering netting agreements or without taking into account of any collateral held or other credit enhancements, is equal to the carrying value of its financial assets as indicated in the statement of financial position plus the guarantees to third parties and associates.

The Group has amounts and guarantees outstanding related to countries that are impacted by sanctions currently imposed by the United States and European Union. The Group analysed the sanctions and exposures and concluded that these do not materially impact the Group's positions.

### *28.3.1 Concentration of credit risk*

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect the Group's counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The carrying amount of financial assets represents the maximum credit exposure. The Group determines concentrations of credit risk by monitoring the country profile of its third-party trade receivables on an on-going basis.

The Group has a diverse customer base, with no customer representing more than 3.5 percent of its revenues over the six-month period ended 31 March 2021 (2020: 4.2 percent).

Refer to Note 20 for the aging of trade and other receivables at the reporting date that were not impaired.

# F. Notes to the interim condensed consolidated financial statements

*28.3.2 Financial assets that are not past due*

Trade and other receivables that are not past due are creditworthy debtors with good payment records with the Group. Cash and cash equivalents and derivatives that are not past due are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default. The credit quality of trade and other receivables is assessed based on a strict credit policy. The Group has monitored customer credit risk, by grouping trade and other receivables based on their characteristics.

Based on the Group's monitoring of customer credit risk, the Group believes that, except as indicated above, no material expected credit loss allowance is necessary in respect of trade receivables not past due.

*28.3.3 Impairment of financial assets*

Information regarding impairment of financial assets is disclosed in Note 8 (Impairment) and Note 20 (Trade and other receivables).

*28.3.4 Guarantees*

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries and trading partners in the normal course of business. As part of the Group's ordinary physical commodity trading activities, Trafigura Group Pte. Ltd. may act as guarantor by way of issuing guarantees accepting responsibility for subsidiaries' contractual obligations.

## 28.4 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an on-going basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash and cash equivalents and ready sources of committed funding available to meet anticipated and unanticipated funding needs. Sound financial management with a focus on liquidity has been instrumental to the Group's success. The Group has demonstrated the ability to raise the appropriate types of financing to match the needs of the business and to tap various investor bases (e.g. syndicated loan markets, trade finance markets, bond markets, private placement markets, securitisation etc.), maturities and geographies.

The Group manages its treasury and liquidity risks maintaining a strong liquidity position through the following:

- Targeting immediately available cash on hand of minimum USD500 million under normal conditions (higher in the case of extreme volatility);
- Maintaining transactional lines which allow the Group to mark-to-market financings to the value of the underlying physical assets. Mark-to-market financing is performed weekly (or intra-weekly in the case of extreme volatility) and provides an additional source of liquidity which is not available to competitors, which are financed purely from revolving credit facilities and/or capital markets securities;
- Committed unsecured credit facilities;
- Maintaining headroom under transactional trade finance lines and committed revolving credit facilities; and
- Reasonable distribution of profit (in order to generate retained earnings) and subordination of repurchased equity.

The maturity analysis of the Group's financial liabilities based on the contractual terms is as follows:

| | 0-1 years USD'M | 1-5 years USD'M | > 5 years USD'M | **Total USD'M** |
|---|---|---|---|---|
| **31 March 2021** | | | | |
| *Financial liabilities* | | | | |
| Current and non-current loans and borrowings | 33,620.5 | 7,613.3 | 520.5 | **41,754.3** |
| Trade and other payables | 19,738.1 | – | – | **19,738.1** |
| Derivative financial liabilities | 1,300.3 | 237.1 | 44.9 | **1,582.3** |
| **Total financial liabilities** | 54,658.9 | 7,850.4 | 565.4 | **63,074.7** |

| | 0-1 years USD'M | 1-5 years USD'M | > 5 years USD'M | **Total USD'M** |
|---|---|---|---|---|
| **30 September 2020** | | | | |
| *Financial liabilities* | | | | |
| Current and non-current loans and borrowings | 25,783.5 | 6,556.5 | 513.6 | **32,853.6** |
| Trade and other payables | 11,081.1 | – | – | **11,081.1** |
| Derivative financial liabilities | 640.1 | 162.6 | 28.2 | **830.9** |
| **Total financial liabilities** | 37,504.7 | 6,719.1 | 541.8 | **44,765.6** |

## 28.5 Interest rate risk

The Group is not exposed to significant interest rate risk since the maturity of its short-term funding ranges from a few weeks to a few months and each commercial transaction considers current interest rate levels. Interest rate risk of the Group is mainly applicable on the long-term funding of the Group, although a majority of debt, whether long-term or short-term, is at floating rate.

From time to time the Group enters into interest rate derivative transactions to lock-in current interest rate levels, for instance, interest rate swaps provide a method of reducing the Group's exposure to floating interest rates arising from its corporate funding programmes. To realise the desired matching of derivative results with the hedged interest rate payments, cash flow hedge accounting is applied and the derivatives are designated as hedging instruments. The derivatives are carried on balance and their effectiveness is tested on a quarterly basis.

## 28.6 Currency risk

The Group has few exposures to foreign currency risk on its trading activities and those that do exist are hedged out. The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

The Group uses cross-currency swaps to hedge currency risk on the principal and related payments of foreign currency denominated loans and bonds for which cash flow hedge accounting is applied. The hedge relationship is expected to be highly effective due to the matching of critical terms between the underlying hedged item and the associated hedge instrument.

The periods when the cash flows are expected to occur are similar to the periods when the cash flows on the foreign currency denominated loans and bonds occur as indicated in Note 24 and 28.4. Ineffectiveness may arise (i) if the underlying interest reference rate is divergent to the underlying reference rate in the Group's debt agreements; (ii) to the extent that the hedging instrument is already in the money or out of the money at the point of designation (compared to the hypothetical derivative that must be created on market); (iii) when the timing of the hedging instrument goes beyond the hedged item and it is not considered highly probable that the hedged item will be refinanced beyond its current maturity date; or (iv) if the hedging instrument is for an amount greater than the hedged item.

## 28.7 Cash flow hedge accounting

In some instances the Group has elected to apply cash flow hedge accounting to certain highly probable cash flows. These cash flows relate to the following hedged items:

- Interest and currency exposure on corporate loans;
- Forecasted purchases and sales of LNG;
- Sales of mining production;
- Purchases of electricity which is needed for the refinery process; and
- Operating expenditure, interest payments and other forecasted purchases and sales.

The designated hedge derivatives are accounted for at fair value, with the fair value movements being deferred through other comprehensive income where they are deemed to be entered in an effective hedge relationship with cash flows that are yet to be reflected in the statement of income. Any fair value movements that are not considered to be an effective hedge are recognised directly through the statement of income.

Ineffectiveness will occur due to time spread between the hedged item and the hedging instrument as well as due to the basis risk. The effectiveness of the economic relationship between the hedging instruments and the hedged item has been assessed at the inception of the hedge accounting designation and is reassessed at least on an annual basis. The hedge ratio is determined by the ratio which provides a strong relationship between movements in the fair value of the hedged item and hedging instruments at the inception of the hedge accounting relationship.

The overview of the cash flow hedges is as follows:

| | Maturity | Equivalent | 2021 Notionals | 2020 Notionals | 2021 Fair values | 2020 Fair values |
|---|---|---|---|---|---|---|
| Cross-currency/interest swaps hedging interest payments | 0-4 years | USD'M | **2,540.7** | 2,094.7 | **(37.6)** | (20.9) |
| Gas and fx futures/swaps hedging future purchases and sales of LNG | 0-4 years | various | **225.3** | 604.3 | **2.7** | (51.5) |
| Fx swaps hedging future non-USD loan transaction and opex payments | 0-2 years | USD'M | **2,056.2** | 2,089.1 | **106.5** | 77.2 |
| LME futures hedging future sales and mining production | 0-2 years | DMT | **185,271.5** | 261,661.4 | **(31.3)** | (8.0) |
| Commodity swaps hedging future sales of metals | < 1 year | DMT | **4,476.0** | – | **(16.9)** | – |
| Electricity swaps hedging future purchase of electricity | 0-10 years | AUD'M | **561.8** | 592.1 | **(143.0)** | (70.6) |
| Oil related instruments hedging future purchases, sales and cost | < 1 year | USD'M | **8.5** | 25.5 | **3.9** | 1.0 |
| **Total** | | | | | **(115.6)** | (72.8) |

| | Ineffectiveness recognised through statement of income HY 2021 USD'M | Ineffectiveness recognised through statement of income 2020 USD'M | Hedge result deferred through other comprehensive income HY 2021 USD'M | Hedge result deferred through other comprehensive income 2020 USD'M |
|---|---|---|---|---|
| Cross-currency/interest swaps hedging interest payments | **–** | 3.5 | **25.3** | (33.3) |
| Gas and fx futures/swaps hedging future purchases and sales of LNG | **0.5** | 0.3 | **47.3** | 35.1 |
| Fx swaps hedging future non-USD loan transaction and opex payments | **(13.7)** | 14.2 | **3.8** | 78.0 |
| LME futures hedging future sales and mining production | **1.4** | 1.7 | **(52.7)** | 18.8 |
| Commodity swaps hedging future sales of metals | **–** | – | **(16.9)** | – |
| Electricity swaps hedging future purchase of electricity | **0.1** | (0.1) | **(66.0)** | (52.7) |
| Oil related instruments hedging future purchases, sales and cost | **0.3** | 0.1 | **2.6** | 1.0 |
| **Total** | **(11.3)** | 19.6 | **(56.6)** | 46.7 |
| Cash flow hedge reserve on equity-accounted investees | | | **(13.7)** | (43.7) |
| Tax on cash flow hedge reserve | | | **19.6** | 18.1 |
| **Cash flow hedge reserve movement in statement of changes in equity** | | | **(50.7)** | 21.1 |

# F. Notes to the interim condensed consolidated financial statements

## 28.8 Fair value hedge accounting

In some instances, the Group elects to apply fair value hedge accounting to certain physical forward contracts described in the table below (the hedged items) and the corresponding paper hedge positions (the hedging instruments). Under the strict rules of hedge accounting, the Group is required to match each paper hedge position with the corresponding physical contract position. The intention is that a movement in fair value of a physical contract is accounted against the corresponding (and opposite) movement in fair value of the related paper hedges: both movements (increase and decrease) are recorded in the statement of income (specifically to the line cost of sales), leading to a neutral result. It is important to note that the fair value of the physical contracts does not include any trading margin, premium or any form of potential profit of the physical contracts.

The Group has elected to apply fair value hedge accounting to non-financial hedged items or certain risk components of non-financial hedged items. These non-financial hedged items relate to firm commitments with respect to tolling agreements, a transportation agreement, and offtake agreements amongst others described below.

| | Tolling agreements | Transportation agreements | Offtake agreements |
|---|---|---|---|
| Nature of forward contract (=hedged item) | Convert crude to refined products | Transport crude from Permian Basin to Gulf Coast | Offtake LNG in the US |
| Main counterparty of forward contract | Buckeye Texas Processing LLC and Magellan Processing LP | Cactus II Pipeline LLC | Cheniere Marketing LLC and Freeport LNG Marketing LLC |
| Maturity of forward contract | Ranging from 2020 to 2023 | Ranging from 2020 to 2024 | Ranging from 2020 to 2033 |
| Trading strategy | Process crude into refined products | Transport crude from Permian Basin to Gulf Coast | Purchase LNG in the US, transport, transform back into natural gas, and sell natural gas in Europe |
| Nature of paper hedge (=hedging instrument) | Hedging spread exposure (crude vs refined products) with futures and swaps | Hedging spread exposure (Permian Basin crude vs Gulf Coast crude) with futures and swaps | Hedging spread exposure (LNG in the US vs natural gas in Europe) with futures and swaps |

### *28.8.1 Hedged items*

The Group's tolling agreements represent non-financial hedged items, which the Group has entered into for fractionation services to convert crude feedstock into various crude refined products. The derivative hedging instruments (hedges consisting of futures and swaps) are entered into to hedge the spread exposures, referred to as the hedged risk, between the purchase of crude feedstock and the sale of crude refined products.

The Group's transportation agreement represents a non-financial hedged item, which the Group has entered into for the transportation of crude oil from the Permian Basin of Texas to the Gulf Coast. The derivative hedging instruments (hedges consisting of futures and swaps) are entered into to hedge the spread exposures, referred to as the hedged risk, between the purchase of inland crude oil barrels and the sale of those barrels on the Gulf Coast.

The Group's offtake agreements represent a non-financial hedged item, which the Group has entered into for the purchase of liquefied natural gas (LNG) from the United States with a number of counterparties. The derivative hedging instruments (hedges consisting of futures and swaps) are entered into to hedge the spread exposures, referred to as the hedged risk, between purchasing LNG from the US and selling LNG to its expected destination markets.

The Group's storage and bareboat charter agreements represent non-financial hedged items, which the Group has entered into for the purpose of storing and transporting oil. The derivative hedging instruments are entered to hedge the time spread and freight exposure on the different contracts.

### *28.8.2 Hedging instruments*

When applicable, the Group designates derivative hedging instruments as fair value hedges in relationship to the associated hedged items:

- The maturity profile of the hedging instrument used for hedging the designated risk components associated with the tolling agreements varies from one month to four years.
- The maturity profile of the hedging instruments used for hedging the designated risk components associated with the transportation agreement varies from one month to five years.
- The maturity profile of the hedging instruments used for the hedging of the offtake agreement varies from one month to five years.
- The maturity profile of the hedging instruments used for hedging the storage and bareboat charter agreements varies from one month to three years.

The designated hedge derivatives are accounted for at fair value through profit and loss. The identified hedged items are accounted for at fair value and recognised in cost of sales within the statement of income, the fair value is reflected in the statement of financial position as either a recognised asset or liability. The fair value is determined using benchmarks best representing the designated hedged item. Specifically in the case of LNG, the fair value of the hedged item also considers unobservable inputs.

### *28.8.3 Economic relationship*

IFRS 9 requires the existence of an economic relationship between the hedged item and the hedging instrument. At designation and at the start of each reporting period critical terms of both hedged items and hedge instruments in a hedge relationship are reviewed to ascertain the expectation that the value of the hedging instrument and the value of the hedged item would move into opposite directions as a result of the common underlying and therefore meeting the risk management objective of the hedge relationship.

### *28.8.4 Hedge effectiveness assessment*

At each reporting date or on significant changes in circumstances a quantitative hedge effectiveness assessment is performed. The fair values of both hedged items and hedging instruments are measured and the net difference of the changes is the hedge ineffectiveness amount. The hedge ineffectiveness amount is analysed by its various sources (for example: basis differences, location differences, timing differences, quantity or notional amount differences, currency basis and forward points, credit risk or other risks) where applicable. Specific factors that may impact ineffectiveness are a mismatch in the designated hedge period and the maturity period of the hedging instrument and a differential of the various benchmarks for the pricing of the hedging instruments and the hedged items. In the case of LNG, the hedged item designated includes foreign currency exposure, however, the foreign currency hedges have not been designated into the hedge relationship, giving rise to additional, unintentional ineffectiveness. The fair value of the foreign exchange hedges, that have not been designated, can be seen in the table below.

The ineffectiveness year-to-date amounted to a loss of USD250.0 million (2020: loss of USD75.9 million).

The fair value adjustment on the non-financial hedged items is presented in the balance sheet under the following categories:

| | 31 March 2021 | | 30 September 2020 | |
|---|---|---|---|---|
| | USD'M | USD'M | USD'M | USD'M |
| | **Other non-current assets (Note 18)** | **Other current assets (Note 22)** | Other non-current assets (Note 18) | Other current assets (Note 22) |
| Non-financial hedged items – Tolling agreements | **48.0** | **60.6** | 76.9 | 61.8 |
| Non-financial hedged items – LNG contracts | **22.0** | **75.5** | – | 0.7 |
| Non-financial hedged items – Bareboat charter agreements | **1.6** | **1.3** | – | 2.0 |
| **Closing balance of the hedged item** | **71.6** | **137.4** | 76.9 | 64.5 |

| | 31 March 2021 | | 30 September 2020 | |
|---|---|---|---|---|
| | USD'M | USD'M | USD'M | USD'M |
| | **Other non-current liabilities** | **Other current liabilities** | Other non-current liabilities | Other current liabilities |
| Non-financial hedged items – Transportation agreement | **110.6** | **240.8** | 163.2 | 270.3 |
| Non-financial hedged items – LNG contracts | **–** | **10.3** | 159.1 | 151.4 |
| Non-financial hedged items – Bareboat charter agreements | **0.1** | **30.0** | 1.0 | 28.7 |
| Non-financial hedged items – Storage agreements | **0.9** | **6.2** | 2.5 | 9.1 |
| **Closing balance of the hedged item** | **111.5** | **287.3** | 325.7 | 459.5 |
| **Net balance of the hedged item (+ = asset/ - = liability)** | **(189.9)** | **–** | (643.8) | – |

The following table summarises the movements in the non-financial hedged items and the related derivatives recognised in the statement of income:

| Fair value hedge accounting | 31 March 2021 USD'M | 30 September 2020 USD'M |
|---|---|---|
| **Opening balances of the derivatives marked as hedges** | **471.1** | (170.0) |
| Fair value movement included in the hedge relationship | **413.1** | 760.7 |
| Hedges for which hedge relationship matured | **(773.0)** | (27.1) |
| Hedges not designated in hedge relationship | **(40.4)** | (92.5) |
| **Closing balance of the derivatives marked as hedges** | **70.7** | 471.1 |
| Opening balance of the hedged item | **(643.8)** | 100.9 |
| Fair value movement included in the hedge relationship | **(163.1)** | (684.8) |
| Release of fair value adjustment due to matured hedge relationship | **617.0** | (59.9) |
| **Closing balance of the hedged item** | **(189.9)** | (643.8) |
| Lifetime to date net gain/(loss) | **(119.1)** | (172.7) |
| Year to date net gain/(loss) | **53.6** | (103.7) |

## 28.9 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company's immediate parent, Trafigura Beheer B.V., is exclusively owned by its employees. This shareholding arrangement leads to an alignment of the long-term interests of the Group and its management team. By virtue of having its own capital at risk, senior management is incentivised to take a long-term view of the Group's overall performance and to protect its capital.

The Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current period.

The Group monitors its capital adequacy using an adjusted debt-to-equity ratio, which is adjusted total debt divided by the Group's equity. For this purpose, the adjusted debt metric represents the Group's total non-current and current debt less cash, deposits, readily marketable inventories (including purchased and pre-paid inventories which are being released), debt related to the Group's receivables securitisation programme and the non-recourse portion of loans from third-parties.

The Company's long term average target adjusted debt-to-equity ratio is 1.0x. The Company's adjusted net debt-to-equity ratio at the end of the reporting period was as follows:

| | 2021 USD'M | 2020 USD'M |
|---|---|---|
| Non-current loans and borrowings | **8,133.8** | 7,070.1 |
| Current loans and borrowings | **33,620.5** | 25,783.5 |
| **Total debt** | **41,754.3** | 32,853.6 |
| Adjustments | | |
| Cash and cash equivalents | **6,825.5** | 5,757.0 |
| Deposits | **436.5** | 466.0 |
| Inventories (including purchased and pre-paid inventories) | **28,851.4** | 20,921.8 |
| Receivables securitisation debt | **4,540.1** | 2,750.6 |
| Non-recourse debt | **351.0** | 198.4 |
| **Adjusted total debt** | **749.8** | 2,759.9 |
| **Group equity** | **9,893.6** | 7,789.9 |
| **Adjusted debt to Group equity ratio at the end of the period** | **0.08** | 0.35 |

# F. Notes to the interim condensed consolidated financial statements

## 28.10 Fair value

### *28.10.1 Fair values versus carrying amounts*

The fair values of inventories, financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

| 31 March 2021 | Carrying value USD'M | Fair value USD'M |
|---|---|---|
| **Assets** | | |
| Listed equity securities – Fair value through OCI | 2.1 | 2.1 |
| Listed equity securities – Fair value through profit or loss | 82.5 | 82.5 |
| Listed debt securities – Fair value through profit or loss | 243.1 | 243.1 |
| Unlisted equity investments – Fair value through profit or loss | 82.7 | 82.7 |
| Unlisted equity investments – Fair value through OCI | 235.2 | 235.2 |
| Other investments – Fair value through profit or loss | 1,318.4 | 1,318.4 |
| Loans receivable (*) | 764.1 | 764.1 |
| Inventories | 27,817.6 | 27,817.6 |
| Trade and other receivables (*) | 24,916.1 | 24,916.1 |
| Non-financial hedged items | 209.0 | 209.0 |
| Derivatives | 1,504.5 | 1,504.5 |
| Deposits (*) | 436.5 | 436.5 |
| Cash and cash equivalents (*) | 6,825.5 | 6,825.5 |
| **Total financial assets and inventories** | **64,437.3** | **64,437.3** |
| **Liabilities** | | |
| *Loans and borrowings* | | |
| Floating rate borrowings (*) | 38,435.6 | 38,435.6 |
| Fixed rate borrowings | 3,318.7 | 3,421.1 |
| Trade and other payables (*) | 19,738.1 | 19,738.1 |
| Non-financial hedged items | (398.9) | (398.9) |
| Derivatives | (1,582.3) | (1,582.3) |
| **Total financial liabilities** | **59,511.2** | **59,613.6** |

| 30 September 2020 | Carrying value USD'M | Fair value USD'M |
|---|---|---|
| **Assets** | | |
| Listed equity securities – Fair value through OCI | 3.9 | 3.9 |
| Listed equity securities – Fair value through profit or loss | 25.3 | 25.3 |
| Listed debt securities – Fair value through profit or loss | 220.9 | 220.9 |
| Unlisted equity investments – Fair value through profit or loss | 34.3 | 34.3 |
| Unlisted equity investments – Fair value through OCI | 232.7 | 232.7 |
| Loans receivable (*) | 694.4 | 730.0 |
| Inventories | 20,177.6 | 20,177.6 |
| Trade and other receivables (*) | 15,245.1 | 15,251.2 |
| Non-financial hedged items | 141.4 | 141.4 |
| Derivatives | 1,099.1 | 1,099.1 |
| Deposits (*) | 466.0 | 466.0 |
| Cash and cash equivalents (*) | 5,757.0 | 5,757.0 |
| **Total financial assets and inventories** | **44,097.7** | **44,139.4** |
| **Liabilities** | | |
| *Loans and borrowings* | | |
| Floating rate borrowings (*) | 30,330.0 | 30,330.0 |
| Fixed rate borrowings | 2,523.6 | 2,585.1 |
| Trade and other payables (*) | 11,081.0 | 11,081.0 |
| Non-financial hedged items | 785.2 | 785.2 |
| Derivatives | 830.9 | 830.9 |
| **Total financial liabilities** | **45,550.7** | **45,612.2** |

(*) Management has determined that these carrying amounts reasonably approximate their fair values because these are mostly short-term in nature and are re-priced regularly.

Increases in fair value of derivatives are predominantly caused by physical forward contracts. The gains booked on these contracts are offset by similar losses on associated cash-settled hedge derivatives, meaning no net profit has been taken on these forward physical contracts.

### *Offsetting of financial assets and liabilities*

In accordance with IAS 32, the Group reports financial assets and liabilities on a net basis in the consolidated statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements as at 31 March 2021 and 30 September 2020 were as follows:

| | Amounts eligible for set off under netting agreements | | | | |
|---|---|---|---|---|---|
| 2021 | Gross amount USD'M | Amounts offset USD'M | Net amount USD'M | Amounts not subject to netting agreements USD'M | Net amounts presented in the statement of financial position USD'M |
| Related parties | 2,461.7 | (86.4) | 2,375.3 | – | 2,375.3 |
| Derivative assets | 5,351.5 | (4,797.7) | 553.8 | 950.7 | 1,504.4 |
| Related parties | (103.2) | 86.4 | (16.8) | – | (16.8) |
| Derivative liabilities | (5,466.3) | 4,797.7 | (668.6) | (913.8) | (1,582.3) |

| | Amounts eligible for set off under netting agreements | | | | |
|---|---|---|---|---|---|
| 2020 | Gross amount USD'M | Amounts offset USD'M | Net amount USD'M | Amounts not subject to netting agreements USD'M | Net amounts presented in the statement of financial position USD'M |
| Related parties | 921.9 | (76.7) | 845.2 | – | 845.2 |
| Derivative assets | 2,590.4 | (2,111.6) | 478.8 | 620.3 | 1,099.1 |
| Related parties | (197.3) | 76.7 | (120.6) | – | (120.6) |
| Derivative liabilities | (2,382.7) | 2,111.6 | (271.1) | (559.8) | (830.9) |

For the financial assets and liabilities subject to enforceable master netting or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities may be settled on a gross basis, however, each party to the master netting or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

### *28.10.2 Fair value hierarchy*

The table below details financial instruments and other assets and liabilities carried at fair value by valuation method. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 1 classifications primarily include futures with a maturity of less than one year. Level 2 classifications primarily include swaps and physical forward transactions which derive their fair value primarily from exchange quotes and readily observable broker quotes. Level 3 classifications primarily include physical forward transactions which derive their fair value predominately from calculations that use broker quotes and applicable market based estimates surrounding location, quality and credit differentials. In circumstances where Trafigura cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

It is Trafigura's policy to hedge significant market risk, therefore sensitivity to fair value movements is limited. Trafigura manages its market risk using the Value at Risk as disclosed in Note 28.2.

| Other financial assets and inventories | Level 1 USD'M | Level 2 USD'M | Level 3 USD'M | Total USD'M |
|---|---|---|---|---|
| **31 March 2021** | | | | |
| Listed equity securities – Fair value through OCI | 2.1 | – | – | **2.1** |
| Listed equity securities – Fair value through profit or loss | 82.5 | – | – | **82.5** |
| Listed debt securities – Fair value through profit or loss | – | – | 243.1 | **243.1** |
| Unlisted equity investments – Fair value through profit or loss | – | – | 82.7 | **82.7** |
| Unlisted equity investments – Fair value through OCI | – | – | 235.2 | **235.2** |
| Other investments – Fair value through profit or loss | – | – | 1,318.4 | **1,318.4** |
| Futures | 79.8 | – | – | **79.8** |
| OTC derivatives | – | 315.0 | – | **315.0** |
| Physical forwards | – | 1.5 | 680.1 | **681.6** |
| Cross-currency swaps | – | 40.5 | – | **40.5** |
| Interest rate swaps | – | 28.7 | – | **28.7** |
| Non-financial hedged items | – | 111.5 | 97.5 | **209.0** |
| Other financial derivatives | – | 358.7 | – | **358.7** |
| Inventories | – | 27,817.6 | – | **27,817.6** |
| **Total** | 164.4 | 28,673.6 | 2,657.0 | **31,495.0** |

| Other financial liabilities | Level 1 USD'M | Level 2 USD'M | Level 3 USD'M | Total USD'M |
|---|---|---|---|---|
| **31 March 2021** | | | | |
| Futures | 32.3 | – | – | **32.3** |
| OTC derivatives | – | 628.7 | 170.6 | **799.3** |
| Physical forwards | – | – | 510.6 | **510.6** |
| Cross-currency swaps | – | 59.3 | – | **59.3** |
| Interest rate swaps | – | 10.6 | – | **10.6** |
| Non-financial hedged items | – | 388.6 | 10.3 | **398.9** |
| Other financial derivatives | – | 170.2 | – | **170.2** |
| Fixed rate borrowings | – | 3,318.7 | – | **3,318.7** |
| **Total** | 32.3 | 4,576.2 | 691.5 | **5,299.9** |

| | | | | |
|---|---|---|---|---|
| **Net other financial assets/ (liabilities)** | 132.2 | 24,097.4 | 1,965.5 | **26,195.1** |

| Other financial assets and inventories | Level 1 USD'M | Level 2 USD'M | Level 3 USD'M | Total USD'M |
|---|---|---|---|---|
| **30 September 2020** | | | | |
| Listed equity securities – Fair value through OCI | 3.9 | – | – | **3.9** |
| Listed equity securities – Fair value through profit or loss | 25.3 | – | – | **25.3** |
| Listed debt securities – Fair value through profit or loss | – | – | 220.9 | **220.9** |
| Unlisted equity investments – Fair value through profit or loss | – | – | 34.3 | **34.3** |
| Unlisted equity investments – Fair value through OCI | – | – | 232.7 | **232.7** |
| OTC derivatives | – | 202.3 | 1.0 | **203.3** |
| Physical forwards | – | 6.5 | 414.7 | **421.2** |
| Cross-currency swaps | – | 7.3 | – | **7.3** |
| Interest rate swaps | – | 21.2 | – | **21.2** |
| Non-financial hedged items | – | 140.7 | 0.7 | **141.4** |
| Other financial derivatives | – | 446.0 | – | **446.0** |
| Inventories | – | 20,177.6 | – | **20,177.6** |
| **Total** | 29.2 | 21,001.6 | 904.3 | **21,935.1** |

| Other financial liabilities | Level 1 USD'M | Level 2 USD'M | Level 3 USD'M | Total USD'M |
|---|---|---|---|---|
| **30 September 2020** | | | | |
| Futures | 61.3 | – | – | **61.3** |
| OTC derivatives | – | 144.4 | 99.3 | **243.7** |
| Physical forwards | – | 4.6 | 309.6 | **314.2** |
| Cross-currency swaps | – | 8.6 | – | **8.6** |
| Interest rate swaps | – | 36.3 | – | **36.3** |
| Non-financial hedged items | – | 474.7 | 310.4 | **785.1** |
| Other financial derivatives | – | 166.8 | – | **166.8** |
| Fixed rate borrowings | – | 2,523.6 | – | **2,523.6** |
| **Total** | 61.3 | 3,359.0 | 719.3 | **4,139.6** |

| | | | | |
|---|---|---|---|---|
| **Net other financial assets/ (liabilities)** | (32.1) | 17,642.6 | 185.0 | **17,795.5** |

# F. Notes to the interim condensed consolidated financial statements

The overview of the fair value hierarchy and applied valuation methods can be specified as follows:

| Listed equity securities – Fair value through OCI | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 1 | Assets | 2.1 | 3.9 |
| | | Liabilities | – | – |
| Valuation techniques and key inputs: | Quoted prices in an active market. | | | |
| Significant unobservable inputs: | None. | | | |

| Listed equity securities – Fair value through profit and loss | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 1 | Assets | 82.5 | 25.3 |
| | | Liabilities | – | – |
| Valuation techniques and key inputs: | Quoted prices in an active market. | | | |
| Significant unobservable inputs: | None. | | | |

| Futures | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 1 | Assets | 79.8 | – |
| | | Liabilities | 32.3 | 61.3 |
| Valuation techniques and key inputs: | Quoted prices in an active market. | | | |
| Significant unobservable inputs: | None. | | | |

| OTC derivatives | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 2 | Assets | 315.0 | 202.3 |
| | | Liabilities | 628.7 | 144.4 |
| Valuation techniques and key inputs: | Reference prices. Inputs include observable quoted prices sourced from traded reference prices or recent traded price indices in an active market for identical assets or liabilities. | | | |
| Significant unobservable inputs: | None. | | | |

| Physical forwards | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 2 | Assets | 1.5 | 6.5 |
| | | Liabilities | – | 4.6 |
| Valuation techniques and key inputs: | Reference prices. Inputs include observable quoted prices sourced from traded reference prices or recent traded price indices in an active market for identical assets or liabilities. | | | |
| Significant unobservable inputs: | None. | | | |

| Cross-currency swaps | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 2 | Assets | 40.5 | 7.3 |
| | | Liabilities | 59.3 | 8.6 |
| Valuation techniques and key inputs: | Discounted cash flow model. Inputs include observable quoted prices sourced from exchanges or recent traded price indices in an active market for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations. | | | |
| Significant unobservable inputs: | None. | | | |

| Interest rate swaps | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 2 | Assets | 28.7 | 21.2 |
| | | Liabilities | 10.6 | 36.3 |
| Valuation techniques and key inputs: | Discounted cash flow model. Inputs include observable quoted prices sourced from exchanges or recent traded price indices in an active market for identical assets or liabilities. Price are adjusted by a discount rate which captures the time value of money and counterparty credit considerations. | | | |
| Significant unobservable inputs: | None. | | | |

| Non-financial hedged items | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 2 | Assets | 111.5 | 140.7 |
| | | Liabilities | 388.6 | 474.7 |
| Valuation techniques and key inputs: | Reference prices. Inputs include observable quoted prices sourced from traded reference prices or recent traded price indices in an active market for identical assets or liabilities. | | | |
| Significant unobservable inputs: | None. | | | |

| Other financial derivatives | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 2 | Assets | 358.7 | 446.0 |
| | | Liabilities | 170.2 | 166.8 |
| Valuation techniques and key inputs: | Discounted cash flow model. Inputs include observable quoted prices sourced from exchanges or traded reference indices in an active market for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations. | | | |
| Significant unobservable inputs: | None. | | | |

| Inventories | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 2 | Assets | 27,817.6 | 20,177.6 |
| | | Liabilities | – | – |
| Valuation techniques and key inputs: | Reference prices. Quoted prices in an active market, adjusted with a premium/discount for quality and/or location. | | | |
| Significant unobservable inputs: | None. | | | |

| Fixed-rate borrowings | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 2 | Assets | – | – |
| | | Liabilities | 3,318.7 | 2,523.6 |
| Valuation techniques and key inputs: | Discounted cash flow model. Cash flows discounted at current borrowing rates for similar instruments. | | | |
| Significant unobservable inputs: | None. | | | |

| Listed debt securities – Fair value through profit or loss | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 3 | Assets | 243.1 | 220.9 |
| | | Liabilities | – | – |
| Valuation techniques and key inputs: | Discounted cash flow model. The resultant asset is a discounted cash flow of the underlying throughput. | | | |
| Significant unobservable inputs: | – Forecast throughput<br>– Discount rates using weighted average cost of capital<br>– Market illiquidity<br>– Operating cost and capital expenditures | | | |

| Unlisted equity investments – Fair value through profit or loss | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 3 | Assets | **82.7** | 34.3 |
| | | Liabilities | **–** | – |
| Valuation techniques and key inputs: | Valuations obtained from the asset managers of the funds. | | | |
| Significant unobservable inputs: | – Market illiquidity | | | |

| OTC derivatives | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 3 | Assets | **–** | 1.0 |
| | | Liabilities | **170.6** | 99.3 |
| Valuation techniques and key inputs: | Discounted valuation of cashflows generated based on unobservable inputs. | | | |
| Significant unobservable inputs: | Total load consumption forecast, scaling factor. | | | |

| Unlisted equity investments – Fair value through OCI | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 3 | Assets | **235.2** | 232.7 |
| | | Liabilities | **–** | – |
| Valuation techniques and key inputs: | Valuations obtained from the asset managers of the funds. | | | |
| Significant unobservable inputs: | – Market illiquidity | | | |

| Physical forwards | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 3 | Assets | **680.1** | 414.7 |
| | | Liabilities | **510.6** | 309.6 |
| Valuation techniques and key inputs: | Internal valuation model.<br>Key input is the definition of the observable risk position which forms the basis for the valuation of these physical forwards. | | | |
| Significant unobservable inputs: | The definition of the observable risk position. | | | |

| Other investments – Fair value through profit or loss | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 3 | Assets | **1,318.4** | – |
| | | Liabilities | **–** | – |
| Valuation techniques and key inputs: | Discounted cash flow model, based on expected cash flows from all contractually linked agreements related to the SE. | | | |
| Significant unobservable inputs: | – Expected cash flows relate to anticipated quantity and timing of oil deliveries, based on specific contractual arrangements with SE.<br>– Discount rates using: weighted average use of capital, risk adjusted to factor in market volatility in the oil price market as well as risks specific to the counterparty and contracts. | | | |

| Non-financial hedged items | | | 2021 USD'M | 2020 USD'M |
|---|---|---|---|---|
| | – Level 3 | Assets | **97.5** | 0.7 |
| | | Liabilities | **10.3** | 310.4 |
| Valuation techniques and key inputs: | Internal valuation model.<br>Key input is the market liquefaction fee curve that is defined using observable quoted prices sourced from traded reference prices or recent traded price indices in an active market for identical assets or liabilities. | | | |
| Significant unobservable inputs: | Market liquefaction fee curve<br>Liquefaction ratio | | | |

The movements in the Level 3 hierarchy can be summarised as follows:

| USD'M | Physical forwards/ Derivatives | Equity/Debt securities | Firm commitments | Other investments | Total |
|---|---|---|---|---|---|
| **1 October 2020** | 6.9 | 487.9 | (309.8) | – | **185.0** |
| Invested | – | – | – | 1,841.3 | 1,841.3 |
| Total gain/(loss) recognised in statement of income | 107.3 | – | (45.3) | 112.6 | 174.6 |
| Total gain/(loss) recognised in OCI | (75.2) | – | – | – | (75.2) |
| Total realised | (40.0) | – | 442.2 | (635.5) | (233.3) |
| **31 March 2021** | (1.0) | 487.9 | 87.1 | 1,318.4 | **1,892.4** |

| USD'M | Physical forwards/ Derivatives | Equity/Debt securities | Firm commitments | Other investments | Total |
|---|---|---|---|---|---|
| **1 October 2019** | 49.7 | 632.8 | 19.2 | – | **701.7** |
| Total gain/(loss) recognised in statement of income | (3.5) | (133.3) | (469.9) | – | (606.7) |
| Total gain/(loss) recognised in OCI | (63.8) | (31.9) | – | – | (95.8) |
| Invested | – | 31.2 | – | – | 31.2 |
| Disposals | – | (10.9) | – | – | (10.9) |
| Total realised | 24.5 | – | 140.9 | – | 165.4 |
| **30 September 2020** | 6.9 | 487.9 | (309.8) | – | **185.0** |

There have been no transfers between fair value hierarchy Levels in the reporting period ended 31 March 2021. Materially all Level 3 physical forwards are settled in the next year. See Note 17 for equity/debt securities and other investments. The gain of USD112.6 million related to Other Investments is reported under Cost of Goods Sold.

# F. Notes to the interim condensed consolidated financial statements

## 29. Equity participation plan

The immediate parent of the Company, Trafigura Beheer B.V., has an equity participation plan (EPP) which is open to employees of the Group. Shares issued to employees are preference shares of Trafigura Beheer B.V., which give rights to economic benefits with limited voting rights. The founders and controlling shareholders of the Group, represented by the Board of Directors of Trafigura Control Holdings Pte. Ltd., a parent company of Trafigura Beheer B.V., in consultation with the Board of Directors of the Company, decide on the share awards to be issued to employees. Annual remuneration (which includes the equity participation awards) is subject to review by the remuneration committee of the Group.

The value of the shares is based on the net asset value of an ordinary share as set out in the Articles of Association of Trafigura Beheer B.V., which management believe is a fair approximation of the fair value. Shares awarded under the EPP may vest immediately or over a period of several years.

Employees do not have the right to freely sell shares that have vested unless Trafigura Control Holdings Pte. Ltd. has granted approval and has refrained from its right to nominate a prospective purchaser and make a purchase offer. Upon termination of employment, employees must transfer all of their shares at the direction of Trafigura Control Holdings Pte. Ltd. or hold the shares subject to further directions of Trafigura Control Holdings Pte. Ltd.

Neither Trafigura Beheer B.V. nor the Group have a legal or constructive obligation to settle the shares held by employees in cash. If employment is ceased prior to the end of the vesting period the shares will be forfeited unless otherwise determined by Trafigura Control Holdings Pte. Ltd.

The Group's EPP is classified as an equity-settled plan in the Group's financial statements. The fair value of the shares granted, determined at the grant date, is recorded in the statement of income rateably over the vesting period of the shares.

Compensation in respect of share based payments recognised in staff costs for the six-month period ended 31 March 2021 amounted to USD69.9 million (HY 2020: USD91.7 million).

Unrecognised staff costs in respect of rateably vesting shares expected to be recognised from 2021 to 2025 amount to USD230.0 million at 31 March 2021 (31 March 2020: USD199.5 million for the period from 2020 to 2025).

## 30. Related parties

In the normal course of business, the Group enters into various transactions with related parties including fixed price commitments to sell and to purchase commodities, forward sale and purchase contracts, agency agreements and management service agreements. Outstanding balances at period end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related-party receivables or payables.

All transactions between the Company and its subsidiaries are eliminated on consolidation along with any unrealised profits and losses between its subsidiaries, associates and joint ventures.

| Related-party receivables/(payables) | HY 2021<br>USD'M | 2020<br>USD'M |
|---|---|---|
| Puma Energy Holdings Pte. Ltd. | **1,530.7** | 1,451.8 |
| Trafigura Control Holdings Pte. Ltd. | **1,063.5** | 0.9 |
| Porto Sudeste do Brasil S.A. | **187.8** | (94.5) |
| JINCHUAN Group Co. Ltd. | **345.5** | 223.4 |
| Farringford N.V. | **–** | 47.6 |
| Empresa Minera del Caribe S.A. ("Emincar") | **257.9** | 253.9 |
| Trafigura Beheer B.V. | **19.1** | 11.7 |
| Nayara Energy Limited | **9.3** | 184.5 |
| Impala Terminals Group S.à r.l. (previously known as Simba Holding S.à r.l.) | **(6.0)** | (3.1) |
| Beheer Malta Ltd. | **–** | (10.5) |
| Minas de Aguas Teñidas, S.A.U ( "MATSA") | **(96.6)** | (74.3) |
| Others | **(43.6)** | (43.8) |
| **Total** | **3,267.6** | 1,947.6 |

| | HY 2021<br>USD'M | 2020<br>USD'M |
|---|---|---|
| Sales | **3,403.3** | 7,333.7 |
| Purchases | **2,258.1** | 3,035.2 |
| Interest income | **25.5** | 77.8 |
| Cost recharges | **6.7** | 12.1 |

Transactions between related parties are made on commercial terms.

Below table summarises the nature of relationship and nature of transactions entered with the related party:

| Party | Nature of relationship | Nature of transaction |
|---|---|---|
| Beheer Malta Ltd. | Parent company | Employee participation plan |
| Empresa Minera del Caribe S.A. ("Emincar") | Equity-accounted investee | Financing and trading agreement |
| Farringford N.V. | Parent company | Loans and cost recharges |
| Impala Terminals Group S.à r.l. (previously known as Simba Holding S.à r.l.) | Equity-accounted investee | Multimodal logistic services |
| JINCHUAN Group Co. Ltd. | Equity-accounted investee | Trading agreement |
| Minas de Aguas Teñidas, S.A.U ( "MATSA") | Equity-accounted investee | Financing and trading agreement |
| Nayara Energy Limited | Equity-accounted investee | Financing and trading agreement |
| Porto Sudeste do Brasil S.A. | Equity-accounted investee | Loans and cost recharges |
| Puma Energy Holdings Pte. Ltd. | Equity-accounted investee | Financing and trading agreement |
| Trafigura Beheer B.V. | Parent company | Loans and cost recharges |
| Trafigura Control Holding SARL | Parent company | Employee participation plan |
| Trafigura Control Holdings Pte. Ltd. | Parent company | Employee participation plan |

## 31. Subsequent events

In April 2021, Trafigura, Puma Energy and Sonangol EP announced the signing of a series of agreed transactions: Trafigura agreed to purchase from Sonangol its entire shareholding in Puma Energy for the amount of USD600 million. At the same time, Puma Energy agreed the sale of its Angolan business and assets to Sonangol for the sum of USD600 million. In addition, Trafigura, together with a number of minority shareholders, subscribed for a convertible debt instrument under a rights issue in Puma Energy for a total amount of USD500 million. This convertible debt instrument will convert into equity on receipt of relevant regulatory (anti-trust) approvals. Likewise, the closing of the transfers referred above is subject to receipt of relevant approvals. Puma Energy will use the proceeds from these transactions to repay outstanding debt and strengthen its balance sheet. When regulatory approvals are received, Trafigura will acquire control of Puma Energy, as it is expected to increase its shareholding in excess of 90 percent. This will result in discontinuing equity accounting of Puma Energy as equity-accounted investee and commencing of consolidating its financial statements in the financial statements of the Trafigura Group.

In April 2021, Trafigura closed its first sustainability-linked capital market transaction, raising USD204 million of financing across 5, 7 and 10 year tenors. The transaction incorporated key performance indicators designed to incentivise the Company to meet ambitious targets related to the reduction of greenhouse gas emissions, the further alignment of Trafigura's responsible sourcing programme with international standards for sustainable procurement, and the development of a renewable power portfolio.

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