



VIOHALCO

## **INTERIM REPORT**

for the six month period ended  
30 June 2021



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This section focuses on Viohalco’s business performance for the period ended 30 June 2021. Interim financial statements, prepared in accordance with IAS 34, are presented on pages 12 to 34.

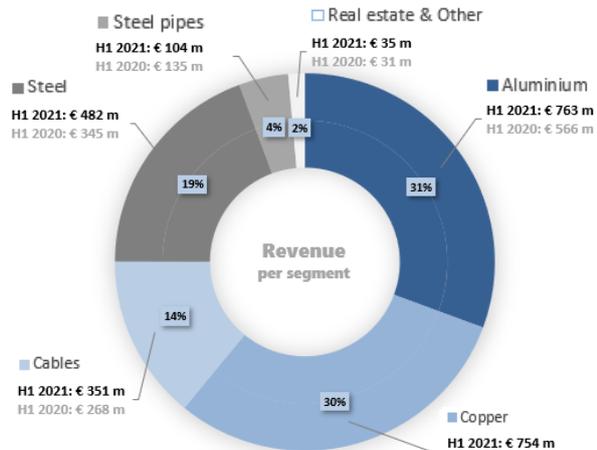
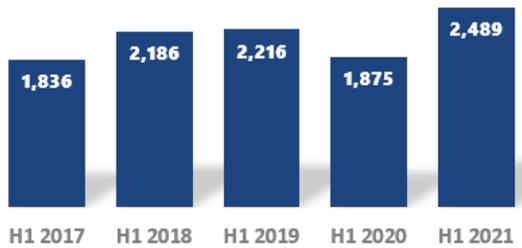
Strong performance across segments

H1 2021 highlights

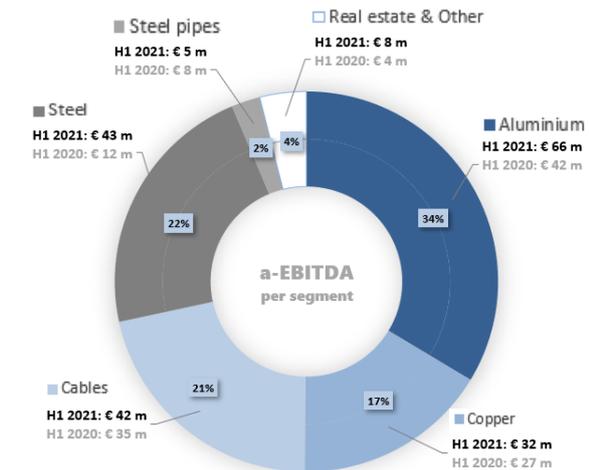
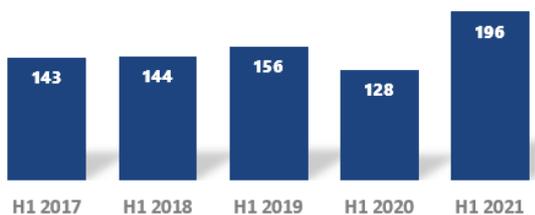
Viohalco companies demonstrated strong financial and operational performance during the first half of 2021, as global megatrends drove increased customer demand for products with sustainable characteristics.

- Consolidated revenue increased by 33%, amounting to EUR 2,489 million, versus EUR 1,875 million in H1 2020;
- Consolidated operating profitability (a-EBITDA) increased by 53% and stood at EUR 196 million, versus EUR 128 million in H1 2020;
- Consolidated EBITDA, which includes the effect of metal prices, stood at EUR 253 million, an increase of 135% (H1 2020: EUR 108 million);
- Consolidated profit before tax amounted to EUR 137 million, versus a loss of EUR 7 million in H1 2020;
- High-capacity utilisation levels and strong order backlog;
- Continued investment to optimise operating efficiency.

Revenue in EUR million



a-EBITDA in EUR million





## Overview

Financial performance improved significantly across all Viohalco segments in the first half of 2021. This reflects not only the adaptability of the companies' diversified business models, but also efforts to capitalise on emerging signs of post-pandemic recovery in their operating markets, the relevance of their product offerings to megatrends relating to a clean circular economy and the transition to climate neutrality, and the increase in the metal prices during the period.

The aluminium segment performed strongly during the period, benefitting from recovery in demand across all operating markets. Investment in new capacity continued, with additional capacity already in place being utilized to meet increased demand for products. Going forward, the segment expects to continue to benefit from favourable trends in demand for aluminium driven by its sustainable characteristics.

The copper segment continued to grow, with a robust demand for almost all copper segment products during the period, and sales volumes increasing significantly year-on-year. Investments to drive product portfolio improvements and profitability continued.

High utilisation of all production lines and the successful execution of several high-profile projects awarded to the cables segment in recent years led to continued growth and a solid performance across the segment. Strong commercial momentum was leveraged, securing a strong order backlog.

During the period, oil prices rebounded, following a significant decline in 2020. This led to the reinstatement of some postponed fossil-fuel distribution projects, positively driving demand. This was partially offset however by the significant increase in steel prices, which drove a recalculation of budget figures for a number of projects and subsequently oil and gas sector investment decisions, creating market turbulence. Despite this, the steel pipes segment performed resiliently during the period, securing uninterrupted production and successfully fulfilling all contractual obligations.

The steel segment recorded significant improvement in all financial figures. Specifically, the segment saw increased sales volumes compared to the previous year, driven by an uplift in demand in the construction sector in the region and the global recovery of the steel industry. Spreads improved across all product lines which, together with the continued execution of cost optimization efforts, resulted in considerably improved profitability during the period.

Noval Property continued its investment programme during the period, despite difficult market conditions, which were compounded by the Covid-19 related rent discounts legislated by the Greek State. Among other projects, the construction of the expansion to the River West shopping centre was substantially completed, while Noval Property was declared the preferred bidder (in joint venture with a real estate fund) to acquire one of the most attractive plots of land in Athens, where a large-scale, environmentally friendly, office complex will be developed.

## Financial overview

### Condensed consolidated statement of profit or loss

Amounts in EUR thousands	H1 2021	H1 2020
<b>Revenue</b>	<b>2,488,607</b>	<b>1,875,389</b>
Gross profit	290,922	152,414
<b>EBITDA</b>	<b>252,872</b>	<b>107,751</b>
<b>a-EBITDA*</b>	<b>196,121</b>	<b>128,469</b>
<b>EBIT</b>	<b>183,314</b>	<b>41,598</b>
a-EBIT*	126,563	62,316
Net finance cost	-45,738	-46,717
<b>Profit before tax</b>	<b>136,725</b>	<b>-7,474</b>
Profit for the period	106,519	-15,257
Profit attributable to owners of the Company	93,320	-17,474

\* APM definitions have been slightly changed compared to 30/06/2020. For further details refer to Appendix.



**Viohalco's consolidated revenue** for H1 2021 was EUR 2,489 million, up 33% compared to H1 2020 (EUR 1,875 million), illustrating the upturn in demand in almost all segments and the rise in metal prices.

**Consolidated a-EBITDA** increased by 53% to EUR 196 million for H1 2021 (H1 2020: EUR 128 million).

**Net finance cost** stood at EUR 45.7 million (H1 2020: EUR 46.7 million).

Viohalco's **consolidated profit before income tax** for the period amounted to EUR 137 million, compared to a loss of EUR 7 million in H1 2020, mainly attributable to the improved performance of the steel segment, the balanced product mix of the cables segment and the steady growth of the aluminium and copper segments.

#### Condensed consolidated statement of financial position

Amounts in EUR thousands	30 June 2021	31 December 2020
Fixed & intangible assets	2,340,907	2,302,552
Other non-current assets	71,056	76,376
<b>Non-current assets</b>	<b>2,411,963</b>	<b>2,378,928</b>
Inventory	1,240,216	1,074,589
Trade and other receivables (incl. contract assets)	730,032	515,976
Cash and cash equivalents	267,900	219,161
Other current assets	24,975	10,109
<b>Current assets</b>	<b>2,263,123</b>	<b>1,819,835</b>
<b>Total assets</b>	<b>4,675,086</b>	<b>4,198,763</b>
<b>Equity</b>	<b>1,536,944</b>	<b>1,381,126</b>
Loans and borrowings	978,160	1,001,986
Other non-current liabilities	217,771	230,964
<b>Non-current liabilities</b>	<b>1,195,930</b>	<b>1,232,950</b>
Loans and borrowings	923,778	746,010
Trade and other payables (inc. contract liabilities)	955,183	807,130
Other current liabilities	63,251	31,548
<b>Current liabilities</b>	<b>1,942,212</b>	<b>1,584,687</b>
<b>Total equity and liabilities</b>	<b>4,675,086</b>	<b>4,198,763</b>

**Capital expenditure** for the period amounted to EUR 108 million (H1 2020: EUR 124 million), mainly attributed to the aluminium segment investment programme that includes the advanced six-high cold rolling mill and the automated lacquering line, the submarine cables production plant of Fulgor in Corinth and the investments of infrastructure improvement in steel segment.

**Working capital** increased by 28%, or EUR 215 million, compared to the 31 December 2020, as a result of the increase in metal prices.

Viohalco companies' **net debt** increased to EUR 1,684 million (31 December 2020: EUR 1,581 million) before IFRS 16 adjustment, mainly due to the increase of the working capital. After adjusting for IFRS 16, net debt amounted to EUR 1,664 million (31 December 2020: EUR 1,560 million).



## Performance by business segment

Amounts in EUR thousands										
Segments	Revenue		EBITDA		a-EBITDA		EBIT		EBT	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Aluminium	762,571	565,857	75,293	39,396	65,965	42,302	45,370	12,351	36,976	4,922
Copper	753,742	530,673	59,562	17,746	32,362	27,364	51,455	10,478	42,771	1,080
Cables	351,036	268,160	34,231	32,868	42,102	35,466	26,164	25,585	16,079	14,268
Steel pipes	104,419	134,923	3,827	7,674	4,782	7,928	-612	3,338	-5,215	-2,074
Steel	481,711	345,082	71,787	5,516	43,237	11,507	58,727	-10,348	45,969	-23,597
Real estate	8,878	6,270	3,717	3,754	3,229	3,702	-301	1,264	-1,697	-196
Other activities	26,250	24,424	4,455	798	4,443	201	2,510	-1,069	1,841	-1,878
<b>Total</b>	<b>2,488,607</b>	<b>1,875,389</b>	<b>252,872</b>	<b>107,751</b>	<b>196,121</b>	<b>128,469</b>	<b>183,314</b>	<b>41,598</b>	<b>136,725</b>	<b>-7,474</b>

## Aluminium

**Revenue** increased by 35% to EUR 763 million (H1 2020: EUR 566 million) for the first half of 2021, and **profit before income tax** amounted to EUR 37 million (H1 2020: EUR 5 million).

Following a robust performance in the final quarter of 2020, the aluminium rolling division of ElvalHalcor recorded a strong start to 2021, with demand in most sectors recovering and in some cases surpassing pre-pandemic levels. Recovery in the building and construction, and automotive and transportation industries, which had lagged during the previous year and adversely affected the segment, was particularly strong. This also reflected the rise in metal prices during the period, with the average LME aluminium price at 1,864 EUR/ton, against 1,447EUR/ton in the first semester of 2020.

On March 2, 2021, the Department of Commerce (DoC) calculated a final dumping margin of 0% for imports from ElvalHalcor in its antidumping duty (AD) investigation, enabling ElvalHalcor to continue to conduct its business activities in accordance with fair trade principles in US markets.

The recent investment in hot rolling capacity allows aluminium rolling division of ElvalHalcor to further align its diverse and innovative flat rolled aluminium product portfolio with rising market demand and respond to global megatrends across multinational, high-end markets. The aluminium rolling division of ElvalHalcor responded well to the increased level of market demand by gradually integrating the additional production capacity of the new modern four-stand tandem hot rolling mill, elevating production and sales volumes at historic highs.

Looking ahead, we expect aluminium market demand to remain robust across all sectors and geographies, given the infinitely recyclable nature of aluminium and its role in the ongoing transition towards a climate neutral future. More specifically, in the beverages sector we expect aluminium to outperform competing metals and secure steady growth, driven largely by consumer preferences for convenient and lightweight packaging solutions. The building and construction sector is also expected to remain strong, with coated aluminium products in high demand among manufacturers and architects for use in eco-friendly building envelope solutions. Healthy demand is also anticipated in the transportation market, largely supported by growth in electric vehicles.

Despite the ongoing effects of the Covid-19 pandemic on the global economy, Symetal was able to capitalize on the steady growth and positive prospects of the aluminium foil market, increasing sales by focusing on the lidding, pharmaceutical and foil for flexible packaging markets. The imposition of anti-dumping measures on Chinese producers has further contributed to growth in demand for European foil in both the European and US markets. During the first half of 2021, the new lacquering plant in Mandra commenced operations, with the aim of reducing production costs of lacquered products. Symetal also invested in the expansion of its premises in Mandra by acquiring an adjacent industrial building. In the second half of 2021,



Symetal will remain focused on capitalizing on rising demand for flexible packaging foil and completing its investment in a new lacquering machine at its Mandra plant.

At Bridgnorth Aluminium, demand recovered strongly in most end use sectors and geographic markets, and invoiced sales volumes were up 54% compared to the previous year. The UK-EU Trade and Cooperation Agreement reached at the end of 2020 allows tariff free sales to EU customers, thus removing a previously mentioned key element of uncertainty. The company is continuing its efforts to broaden its product and customer base and will commission a new sheeting line in the second half of 2021.

At Etem-Gestamp, the first half of 2021 has seen strong demand for extruded aluminium products, in both the industrial and automotive profiles businesses. Sales reached 10,000 tons as per budget, more than 30% higher than the first half of 2020. Despite the rapid increase in LME prices and billet premiums, the company's financial results have exceeded both forecasts for the period and last year's performance, generating strong cash flows to support the continuation of its investment plan to support forthcoming automotive projects. Nominated automotive projects are running according to estimated time frames and will add new volumes from H2 2021 onwards. Extrusion capacity for the second half of the year is fully booked and further improvement in financial performance is expected as a result of increased market prices and the optimum utilization of production facilities.

### Copper

The copper segment continued to grow in the first half of 2021, boosted by recovery in markets that were closed during the same period the previous year and the associated recovery in demand. **Revenue** stood at EUR 754 million versus EUR 531 million in the respective prior-year period, driven by the increase in sales volumes and the uptrend in the price of copper. **Profit before income tax** amounted to EUR 43 million (H1 2020: EUR 1 million).

The segment recorded a strong start to the year, with demand recovering in almost all end markets, with the exception of coinage, in comparison to the significantly weaker first half of 2020 which was characterized by the impact of the pandemic. Most of the segment's companies performed well, with volume growth driven by double-digit growth in flat-rolled products and extruded copper alloys, which recovered strongly after a particularly bad year, significantly surpassing pre-pandemic levels. Copper tubes sales volumes remained stable, while improved availability of scrap positively contributed to overall profitability. In addition, good demand supported an increase in sales volumes at the enamelled wires subsidiary, Cable Wires, versus the respective prior-year period.

Market conditions in the second half of 2021 are expected to continue to improve, with the only concern being the evolution of costs in response to inflationary pressures, particularly in terms of energy and transportation costs. However, in most cases, market conditions allow for these increases to be reflected in pricing. The tubes mill is operating at near full capacity and as such, current efforts are focused on improving efficiency and increasing output. Production of copper and copper alloy rolled products is expected to rise as factors driving long-term demand remain strong. Sofia Med also continues to be well positioned to continue to gain share of connectors and other markets, based on the momentum related to electrification, e-mobility and urbanization. Finally, continuous investment in higher value-added products is expected to lead to further product portfolio improvements and copper segment profitability.

### Cables

**Revenue** for the segment amounted to EUR 351 million (H1 2020: EUR 268 million) and **profit before tax** to EUR 16 million (H1 2020: EUR 14 million).

High utilisation of all production lines and the successful execution of several high-profile submarine projects awarded recently led to further growth and a solid performance during the period. The first semester of the year also saw the successful completion of the record-breaking Crete Interconnection.

The segment has also leveraged strong commercial momentum to secure a healthy order backlog and support future growth, as its commercial teams continued to source significant orders for cables projects



around the globe. The recent award of the subsea cable connection of Greece's largest wind farm, the first award in the Adriatic Sea for a submarine cable interconnection project, and the award of frame contracts signed with significant transmission system operators (TSOs) are some examples of recent successful tendering activity.

In the cables products business, demand rebounded with sales volumes for cables products increasing by 16% y-o-y. This upturn in demand together with a positive product mix, further favoured the segment's profitability.

The segment's continuous focus on value added projects and products supported higher profitability for the period. This performance was further supported by initiatives to enter new geographical markets and the ongoing investment programme to further enhance the production capacity of the offshore business unit.

Following a strong performance during the first half of the year, the cables segment is expected to continue to benefit from a robust set of secured projects, with significant new orders expected as a result of ongoing strong market momentum. The submarine cables factory unit (Fulgor) is expected to retain high-capacity utilisation throughout 2021, which will continue to drive profitability across the whole segment. In the cable products business unit, the reinforcement of demand in the main markets of Western Europe, the Middle East and the Balkans, is expected to continue as demand from construction and industrial sector increases.

### Steel pipes

In the steel pipes segment, **revenue** stood at EUR 104 million versus EUR 135 million in the prior year, **while loss before income tax** amounted to EUR 5 million (H1 2020: loss of EUR 2 million).

In the first half of 2021, many postponed fossil-fuel distribution projects were gradually reinitiated as oil prices rebounded. However, several oil and gas sector investment decisions are still pending, as the substantial increase in steel prices led to the recalculation of budget figures for many projects, creating turbulence in the wider fuel market.

During this turbulent period, Corinth Pipeworks performed resiliently, as a result of:

- Focus to strengthen its presence in new markets in Europe, the Americas, North Africa and Asia, and winning new projects (e.g. Snam in Italy, INGL in S.E. Med, Williams in USA and more offshore projects like KEG in Norway and Zendolie in Trinidad);
- Strict working capital and stock management which secured liquidity;
- Initiatives to develop solutions towards the green energy transition. One of the most prominent examples being the certification of pipes to transport up to 100% hydrogen achieved in early June by Corinth Pipeworks together with Snam, one of the world's largest energy infrastructure companies. This relates to a 440km contract for the manufacture of the first high-pressure transmission gas pipeline network in Europe, certified to transport up to 100% hydrogen;
- Uninterrupted production for all its current projects and fulfilment of its contractual obligations.

Finally, over the course of the year, the company successfully continued its rigorous programme of energy majors' qualifications and innovative programs to enhance competitiveness.

While energy demand is set to rebound from the depressed levels of last year, the emergence of the Covid-19 virus Delta variant continues to impact forecasting of the resumption of pre-Covid levels in 2022. Global electricity demand is currently growing faster than renewable energy capacity can be rolled out and therefore more power must be generated from fossil fuels (IEA, July2021).

Looking ahead, the economic environment in which Corinth Pipeworks operates is expected to remain volatile for the remainder of 2021. However, as the pandemic recedes and energy demand rebounds,



Corinth Pipeworks remains focused on penetrating new geographical markets and developing new innovative products, e.g. infrastructure for the offshore wind sector, tubes for hydrogen transportation, carbon capture and storage (CCS) technologies etc. Such initiatives, together with intensified efforts towards stronger competitiveness, is expected to improve Corinth Pipeworks' market position and lead to the award of new projects, which were put on hold due to the pandemic and are now awaiting finalization.

## Steel

**Revenue** for the steel segment amounted to EUR 482 million in H1 2021, versus EUR 345 million in H1 2020. **Profit before income tax** amounted to EUR 46 million (H1 2020: loss of EUR 24 million).

During the period, the segment recorded increased sales volumes across almost all products compared to H1 2020, despite the continued adverse effects of the pandemic. In addition, spreads improved across all products, which, together with ongoing cost optimization, improved profitability for the first half of year.

In reinforcement steel, the segment maintained its dominant market position in the Balkan area, its strong market share in Greece and recorded increased sales in Cyprus. The construction sector in Greece started to show signs of recovery during H1 2021, resulting in improved volumes. During the period, the Sovel plant was awarded the Environmental Product Declaration (EPD) for the reinforcement of steel products. In wire rods, improvements in product quality and active interest from international markets led to higher sales volumes during H1 2021. Similarly, special bar quality steels (SBQs) continued to gradually regain sales momentum, mainly due to recovery in the European mechanical engineering and automotive industry.

The outlook for H2 2021 remains positive for almost all segment product lines. Heavy plates and merchant bars are expected to maintain 2020 sales levels, despite low demand during the first three months of 2021. The upgrade of Stomana Industry plant's long products' rolling mill will be carried out in the second half of H2 2021, leading to the production of bigger SBQs up to 130mm and driving quality improvements.

From 2022, and for the next 3-5 years, the reinforcing steel market in Greece is expected to recover strongly after almost 10 years of stagnation, driven by a number of major private projects and a strong programme of public expenditure.

## Real estate

**Revenue** for the real estate segment amounted to EUR 8.9 million in H1 2021 (H1 2020: EUR 6.3 million), and **loss before income tax** amounted to a loss of EUR 1.7 million, compared with loss of 0.2 million during H1 2020. It should be noted that Viohalco applies the historical cost in investment property, while Real Estate segment subsidiaries follow the fair value model.

Noval Property recorded a 29% year-on-year increase in the fair value of its real estate portfolio from EUR 301.3 million in H1 2020, to EUR 389.7 million in H1 2021, despite the difficult market conditions about by the Covid-19 pandemic. This was achieved as a result of a recent corporate transformation which involved the absorption of real estate assets, new acquisitions, the development of existing assets and active asset management.

Covid-19 relief measures introduced by the Greek Government in 2020 were extended during H1 2021. For almost the entire period, Covid-19 related compulsory discounts on monthly rents for commercial properties in several sectors (such as retail, hospitality, food and beverage, gyms, etc.) were imposed by the Greek State. Despite these adverse conditions, effective and active asset management, combined with Noval Property's scheduled financing activities progressing as planned, enabled it to continue its development programme during the period.

Construction works to expand (GBA: c. 25,000 sq.m) the River West shopping center were substantially completed by the end of H1 2021, enabling the commencement of commercial operations in July 2021. Also, during H1 2021, Noval Property was declared the preferred bidder (in a joint venture with a real estate fund) to acquire one of the most prime plots of land in Athens, where a large scale and environmentally



friendly office complex will be developed. Preliminary design work has already started, pending the formal acquisition of the land during H2 2021. Three more assets were also acquired during H1 2021.

Looking ahead, for the remainder of 2021 Noval Property will continue to target the acquisition of additional assets, while also further developing its captive pipeline.

### Other activities

Other activities mainly encompass expenses incurred by the parent (holding) company, along with the results of companies which operate in the Technology and R&D&I segment, ceramic trade activities (Vitruvit) and resource recovery activities. **Profit before income tax** amounted to EUR 2 million (H1 2020: loss of EUR 2 million).

### Subsequent events

- On July 1<sup>st</sup> 2021, the merger by absorption of Viohalco subsidiary “Fitco Metal Works Single Member S.A” by Viohalco subsidiary ElvalHalcor was approved. The draft merger terms and the decisions of the Board of Directors of the merging companies was dated 19.05.2021 and 14.05.2021 respectively.
- On August 2<sup>nd</sup> 2021, Viohalco subsidiary ElvalHalcor participated in the share capital increase of the joint venture NedZink BV, with EUR 2.0 million, maintaining its share to 50%.

There are no other subsequent events affecting the consolidated financial information.

### Outlook

Looking ahead, continued uncertainty around the progression of the Covid-19 pandemic, its severity and duration will continue to have an impact for the remainder of the year. However, while uncertainty will undoubtedly persist and market conditions likely vary by segment, business conditions are expected to improve further in the second half. Enhanced health and safety measures implemented across the Viohalco companies remain in place to minimise risk of infection and safeguard all employees and customers.

At the same time, the development of its employees and practising business in an ethical and responsible manner, will remain among the core strategic aims of all Viohalco companies. Strategic investment in higher value-added products across Viohalco’s subsidiaries is expected to drive further product portfolio improvements. All companies remain focused on their long-term growth strategies to strengthen market positions through ongoing investment programmes, technological innovation and cost and operational efficiency improvements.

At the same time, megatrends relating to the transition to a circular economy, create a favourable business environment for Viohalco companies. Their product offerings cater directly to the needs for circular products that are easily recyclable, produced with high recycled content, while at the same time have a low carbon production footprint.



### Statement on the true and fair view of the condensed consolidated interim financial statements and the fair overview of the interim management report

In accordance with the article 12, §2, 3° of the Belgian Royal Decree of 14 November 2007, the members of the Executive Management, (i.e. Evangelos Moustakas, Ippokratis Ioannis Stassinopoulos, Efstratios Thomadakis, Panteleimon Mavrakis) declare that, on behalf and for the account of the Company, to the best of their knowledge:

- a) the condensed consolidated financial statements for the period ended 30 June 2021, which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the Equity, Financial position and Financial Performance of the Company, and the entities included in the consolidation as a whole.
- b) the interim management report on the condensed consolidated financial statements includes a fair overview of the development and performance of the business and the position of the Company, and the entities included in the consolidation, together with the description of the main risks and uncertainties with which they are confronted.



Viohalco's share capital is set at EUR 141,893,811.46 divided into 259,189,761 shares without nominal value. The shares have been issued in registered and dematerialised form. All the shares are freely transferable and fully paid up. The Company has not issued any other category of shares, such as non-voting or preferential shares. All the shares representing the share capital have the same rights. In accordance with the articles of association of the company, each share entitles its holder to one vote.

Viohalco's shares are listed under the symbol "VIO" with ISIN code BE0974271034 on the regulated market of Euronext Brussels and on the main market of the Athens Exchange with the same ISIN code and with the symbol VIO (in Latin characters) and BIO (in Greek characters).



## Condensed Consolidated Interim Financial Statements



### Condensed Consolidated Statement of Financial Position

<i>Amounts in EUR thousands</i>	Note	30 June 2021	31 December 2020
<b>ASSETS</b>			
Property, plant and equipment	12	1,989,444	1,954,096
Right of use assets		37,877	38,498
Intangible assets and goodwill	12	38,817	39,545
Investment property	13	274,768	270,413
Equity-accounted investees	10	37,167	38,089
Other investments	17	8,688	8,324
Deferred tax assets		13,919	18,456
Derivatives	17	1,211	936
Trade and other receivables	11	9,849	10,349
Contract costs		222	222
<b>Non-current assets</b>		<b>2,411,963</b>	<b>2,378,928</b>
Inventories		1,240,216	1,074,589
Trade and other receivables	11	652,188	447,459
Contract assets	11	77,844	68,517
Contract costs		302	491
Derivatives	17	22,214	7,225
Current tax assets		1,736	1,663
Cash and cash equivalents		267,900	219,161
Assets held for sale	14	722	730
<b>Current assets</b>		<b>2,263,123</b>	<b>1,819,835</b>
<b>Total assets</b>		<b>4,675,086</b>	<b>4,198,763</b>
<b>EQUITY</b>			
Share capital		141,894	141,894
Share premium		457,571	457,571
Translation reserve		-24,703	-30,341
Other reserves		447,132	436,104
Retained earnings		287,052	201,467
<b>Equity attributable to owners of the Company</b>		<b>1,308,946</b>	<b>1,206,694</b>
Non-controlling interests	15	227,998	174,431
<b>Total equity</b>		<b>1,536,944</b>	<b>1,381,126</b>
<b>LIABILITIES</b>			
Loans and borrowings	16	978,160	1,001,986
Lease liabilities	16	38,996	41,276
Derivatives	17	582	1,295
Deferred tax liabilities		81,808	88,077
Employee benefits		41,093	40,471
Grants		34,564	35,817
Provisions		1,839	1,839
Trade and other payables		9,000	12,299
Contract liabilities		9,889	9,889
<b>Non-current liabilities</b>		<b>1,195,930</b>	<b>1,232,950</b>
Loans and borrowings	16	923,778	746,010
Lease liabilities	16	11,096	10,935
Trade and other payables		905,089	762,998
Contract liabilities		50,094	44,132
Current tax liabilities		48,103	14,708
Derivatives	17	3,467	5,252
Provisions		586	652
<b>Current liabilities</b>		<b>1,942,212</b>	<b>1,584,687</b>
<b>Total liabilities</b>		<b>3,138,142</b>	<b>2,817,637</b>
<b>Total equity and liabilities</b>		<b>4,675,086</b>	<b>4,198,763</b>

The notes on pages 18 to 34 are an integral part of these Condensed Consolidated Interim Financial Statements.



## Condensed Consolidated Statement of Profit or Loss

<i>Amounts in EUR thousands</i>	Note	For the six months ended 30 June	
		2021	2020
<b>Revenue</b>	6	<b>2,488,607</b>	<b>1,875,389</b>
Cost of sales		-2,197,686	-1,722,975
<b>Gross profit</b>		<b>290,922</b>	<b>152,414</b>
Other income	7	6,865	8,850
Selling and distribution expenses		-38,180	-37,325
Administrative expenses		-69,720	-66,579
Impairment loss on trade and other receivables, including contract assets		-562	-2,581
Other expenses	7	-6,010	-13,180
<b>Operating result</b>		<b>183,314</b>	<b>41,598</b>
Finance income	8	1,308	607
Finance cost	8	-47,046	-47,324
<b>Net finance income/cost (-)</b>		<b>-45,738</b>	<b>-46,717</b>
Share of profit/loss (-) of equity-accounted investees	10	-851	-2,356
<b>Profit/Loss (-) before income tax</b>		<b>136,725</b>	<b>-7,474</b>
Income tax expense (-)	9	-30,206	-7,783
<b>Profit/Loss (-)</b>		<b>106,519</b>	<b>-15,257</b>
<b>Profit/Loss (-) attributable to:</b>			
Owners of the Company		93,320	-17,474
Non-controlling interests		13,199	2,217
		<b>106,519</b>	<b>-15,257</b>
<b>Earnings per share (in Euro per share)</b>			
Basic and diluted		0.360	-0.067

The notes on pages 18 to 34 are an integral part of these Condensed Consolidated Interim Financial Statements.

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

<i>Amounts in EUR thousands</i>	For the six months ended 30 June	
	2021	2020
<b>Profit/Loss (-)</b>	<b>106,519</b>	<b>-15,257</b>
<b>Items that will never be reclassified to profit or loss:</b>		
Equity investments in FVOCI - net change in fair value	529	-869
Remeasurements of defined benefit liability	-	-1
Related tax	-41	1
<b>Total</b>	<b>487</b>	<b>-870</b>
<b>Items that are or may be reclassified to profit or loss:</b>		
Foreign currency translation differences	5,649	-9,935
Changes in fair value of cash flow hedges –effective portion	10,464	2,379
Changes in fair value of cash flow hedges - reclassified to profit or loss	2,264	-7,715
Related tax	-3,031	1,379
<b>Total</b>	<b>15,347</b>	<b>-13,891</b>
<b>Total other comprehensive income / expense (-) after tax</b>	<b>15,834</b>	<b>-14,761</b>
<b>Total comprehensive income / expense (-) after tax</b>	<b>122,353</b>	<b>-30,018</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	106,426	-28,785
Non-controlling interests	15,927	-1,233
<b>Total comprehensive income / expense (-) after tax</b>	<b>122,353</b>	<b>-30,018</b>

The notes on pages 18 to 34 are an integral part of these Condensed Consolidated Interim Financial Statements.



Condensed Consolidated Statement of Changes in Equity

<i>Amounts in EUR thousands</i>	Note	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance as at 1 January 2021</b>		<b>141,894</b>	<b>457,571</b>	<b>436,104</b>	<b>-30,341</b>	<b>201,467</b>	<b>1,206,694</b>	<b>174,431</b>	<b>1,381,126</b>
<b>Total comprehensive income</b>									
Profit/loss (-)		-	-	-	-	93,320	93,320	13,199	106,519
Other comprehensive income		-	-	8,868	5,573	-1,335	13,106	2,728	15,834
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>8,868</b>	<b>5,573</b>	<b>91,985</b>	<b>106,426</b>	<b>15,927</b>	<b>122,353</b>
<b>Transactions with owners of the Company</b>									
Capitalization of reserves		-	-	1,930	-	-1,930	-	-	-
Dividends		-	-	-	-	-7,776	-7,776	-2,517	-10,293
<b>Total</b>		<b>-</b>	<b>-</b>	<b>1,930</b>	<b>-</b>	<b>-9,706</b>	<b>-7,776</b>	<b>-2,517</b>	<b>-10,293</b>
<b>Changes in ownership interests:</b>									
Acquisition of NCI	15	-	-	273	-	-2,906	-2,634	-2,366	-5,000
Other changes in ownership interests		-	-	-42	64	6,213	6,236	42,522	48,758
<b>Balance as at 30 June 2021</b>		<b>141,894</b>	<b>457,571</b>	<b>447,132</b>	<b>-24,703</b>	<b>287,052</b>	<b>1,308,946</b>	<b>227,998</b>	<b>1,536,944</b>

<i>Amounts in EUR thousands</i>	Note	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance as at 1 January 2020</b>		<b>141,894</b>	<b>457,571</b>	<b>426,607</b>	<b>-21,711</b>	<b>184,854</b>	<b>1,189,214</b>	<b>145,859</b>	<b>1,335,073</b>
<b>Total comprehensive income</b>									
Profit/loss (-)		-	-	-	-	-17,474	-17,474	2,217	-15,257
Other comprehensive income		-	-	-3,672	-7,618	-21	-11,311	-3,450	-14,761
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-3,672</b>	<b>-7,618</b>	<b>-17,495</b>	<b>-28,785</b>	<b>-1,233</b>	<b>-30,018</b>
<b>Transactions with owners of the Company</b>									
Share capital increase of subsidiary		-	-	-33	-	33	-	-	-
Transfer of reserves		-	-	3,224	-	-3,224	-	-	-
Dividends		-	-	-	-	-	-	-2,013	-2,013
<b>Total</b>		<b>-</b>	<b>-</b>	<b>3,191</b>	<b>-</b>	<b>-3,191</b>	<b>-</b>	<b>-2,013</b>	<b>-2,013</b>
<b>Changes in ownership interests:</b>									
Acquisition of NCI		-	-	-	-	-1,144	-1,144	-1,113	-2,257
Other changes in ownership interests		-	-	52	-	-58	-5	5	-
<b>Balance as at 30 June 2020</b>		<b>141,894</b>	<b>457,571</b>	<b>426,178</b>	<b>-29,329</b>	<b>162,966</b>	<b>1,159,279</b>	<b>141,505</b>	<b>1,300,785</b>

The notes on pages 18 to 34 are an integral part of these Condensed Consolidated Interim Financial Statements.



Condensed Consolidated Statement of Cash Flows

<i>Amounts in EUR thousands</i>	Note	For the six months ended 30 June	
		2021	2020
Profit / loss (-)		106,519	-15,257
<i>Adjustments for:</i>			
Income tax expense / credit (-)	9	30,206	7,783
Depreciation of PP&E		60,408	58,884
Depreciation of right of use assets		4,168	4,215
Depreciation of intangible assets		3,379	2,963
Depreciation of investment property		3,116	1,610
Impairment / (Reversal of Impairment) and write off of PP&E		1,205	646
Profit (-) / loss from sale of PP&E and intangible assets		489	358
Profit (-) / loss from sale of investment property		-476	-
Profit(-) / loss from derivatives valuation		-443	-
Amortization of grants		-1,513	-1,519
Finance cost	8	47,046	47,324
Finance income	8	-1,308	-607
Impairment loss on trade and other receivables, including contract assets		562	2,581
Share of profit of equity accounted investees	10	851	2,356
		<b>254,209</b>	<b>111,336</b>
<b>Changes</b>			
Decrease / increase (-) in inventories		-165,627	26,509
Decrease / increase (-) in receivables	11	-203,757	-62,794
Decrease / increase (-) in contract assets	11	-9,327	24,278
Decrease / increase (-) in contract costs		189	-18
Decrease (-) / increase in liabilities		135,811	-22,531
Decrease (-) / increase in employee benefits liability		958	441
Decrease (-) / increase in provisions		-66	-1,286
Decrease (-) / increase in contract liabilities		5,962	1,886
		<b>-235,858</b>	<b>-33,516</b>
<b>Cash generated from operating activities</b>		<b>18,350</b>	<b>77,820</b>
Interest charges and related expenses paid		-44,123	-43,934
Income tax paid		-2,351	-4,726
<b>Net cash flows from operating activities</b>		<b>-28,123</b>	<b>29,160</b>
<b>Cash flows from investing activities</b>			
Acquisition of PP&E and intangible assets	12	-95,915	-107,177
Acquisition of investment property	13	-10,109	-12,502
Proceeds from sale of PP&E and intangible assets		2,721	992
Proceeds from sales of investment property		1,229	-
Acquisition/ share capital increase of associates & joint ventures	10	-225	-8,385
Acquisition of other investments		-33	-90
Proceeds from sale of other investments		198	-
Interest received		263	163
Dividends received		81	110
Cash outflow from division spin off/loss of control of subsidiary		-	-93
<b>Net cash flows from investing activities</b>		<b>-101,790</b>	<b>-126,983</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	16	243,613	168,550
Repayment of borrowings	16	-95,105	-129,290
Principal elements of lease payments	16	-5,232	-5,899
Dividends paid to non-controlling interest		-9,138	-1,119
Proceeds from collection of grants		88	243
Proceeds from sales shares of subsidiaries	15	50,000	-
Acquisition of NCI	15	-5,000	-1,257
<b>Net cash flows from financing activities</b>		<b>179,225</b>	<b>31,227</b>
<b>Net decrease (-)/ increase in cash and cash equivalents</b>		<b>49,313</b>	<b>-66,597</b>
Cash and cash equivalents at beginning of period		219,161	214,499
Foreign exchange effect on cash and cash equivalents		-574	-586
<b>Cash and cash equivalents at the end of period</b>		<b>267,900</b>	<b>147,316</b>

The notes on pages 18 to 34 are an integral part of these Condensed Consolidated Interim Financial Statements.



## Notes to the Condensed Consolidated Interim Financial Statements

### 1. Reporting entity

Viohalco S.A. (hereafter referred to as “the Company” or “Viohalco S.A.”) is a Belgian Limited Liability Company. The Company’s registered office is located at 30 Avenue Marnix, 1000 Brussels, Belgium. The Company’s Condensed Consolidated Interim Financial Statements include those of the Company and its subsidiaries (together referred to as “Viohalco”), and Viohalco’s interest in associates accounted for using the equity method.

Viohalco S.A. is the holding company and holds participations in approximately 100 subsidiaries, two of which are listed, one on Euronext Brussels and the other on Athens Exchange. With production facilities in Greece, Bulgaria, Romania, North Macedonia and United Kingdom, Viohalco subsidiaries specialise in the manufacture of steel, copper and aluminium products. In addition, Viohalco owns substantial real estate properties in Greece and redeveloped some of its properties as real estate development projects. Its shares are traded on Euronext Brussels and has since February 2014 its secondary listing on the Athens Stock exchange (trading ticker “VIO”).

These interim financial statements were authorised for issue by the Company’s Board of Directors on 23 September 2021.

The Company’s electronic address is [www.viohalco.com](http://www.viohalco.com), where the Condensed Consolidated Interim Financial Statements have been posted.

### 2. Basis of preparation

#### Statement of compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. They do not include all information and disclosures required for the annual Consolidated Financial Statements and should be read in conjunction with the annual Consolidated Financial Statements for the year ended 31 December 2020, which can be found on Viohalco’s website. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in Viohalco’s financial position and performance since the last annual Consolidated Financial Statements as at and for the year ended 31 December 2020.

#### Functional and presentation currency

The functional and presentation currency of the parent Company is Euro. All amounts in the Condensed Consolidated Interim Financial Statements are rounded to the nearest thousand, unless otherwise indicated. As such, due to rounding, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

#### Use of estimates and judgements

Preparing Financial Statements in line with IFRS requires that Management takes decisions, makes assessments and assumptions and determines estimates which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by Management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements for the year ended 31 December 2020.

### 3. Significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in Viohalco's consolidated financial statements as at and for the year ended 31 December 2020.

#### A. Standards and interpretations effective for the current financial year

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2021 and have been applied in preparing these consolidated financial statements. None of these had a significant effect on the consolidated financial statements.

##### **IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'**

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.

##### **IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'**

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.

#### B. Standards and Interpretations effective for subsequent periods

##### **IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions' (effective for annual periods beginning on or after 1 April 2021)**

The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022. The standard has not yet been endorsed by the EU.

##### **IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use' (effective for annual periods beginning on or after 1 January 2022)**

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities.

##### **IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract' (effective for annual periods beginning on or after 1 January 2022)**

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

##### **IFRS 3 (Amendment) 'Reference to the Conceptual Framework' (effective for annual periods beginning on or after 1 January 2022)**

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.



**IAS 1 (Amendment) ‘Classification of liabilities as current or non-current’** (effective for annual periods beginning on or after 1 January 2023)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability. The amendment has not yet been endorsed by the EU.

**IAS 1 (Amendments) ‘Presentation of Financial Statements’ and IFRS Practice Statement 2 ‘Disclosure of Accounting policies’** (effective for annual periods beginning on or after 1 January 2023)

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

**IAS 8 (Amendments) ‘Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates’** (effective for annual periods beginning on or after 1 January 2023)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments have not yet been endorsed by the EU.

**IAS 12 (Amendments) ‘Deferred tax related to Assets and Liabilities arising from a Single Transaction’** (effective for annual periods beginning on or after 1 January 2023)

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. The amendments have not yet been endorsed by the EU.

**Annual Improvements to IFRS Standards 2018–2020** (effective for annual periods beginning on or after 1 January 2022)

*IFRS 9 ‘Financial instruments’*

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

*IFRS 16 ‘Leases’*

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

*IAS 41 ‘Agriculture’*

The amendment has removed the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41.

**C. International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision**

**IAS 19 “Employee Benefits” - Attributing Benefit to Periods of Service:** An agenda decision was published in May 2021 by the IFRIC in relation to IAS 19 “Employee benefits” and more specifically to how the applicable principles and requirements in IFRS Standards apply to attributing benefit to periods of service. The impact on the Group’s financial statements from the adoption of this decision cannot be reliably evaluated at this point in time.



#### 4. Business and Operational Risk Management

There were no changes in Viohalco subsidiaries business and operational risk management objectives and policies during the first half of 2021.

Viohalco companies follow continuously both international and domestic developments and timely adapt their business strategy and risk management policies in order to minimize the operational impact of macroeconomic conditions.

##### **Impact of COVID-19**

While COVID-19 pandemic continued to have a profound impact on global supply chain throughout H1 2021, Viohalco companies demonstrated strength and reacted swiftly to market developments. They maintained their market share demonstrating strong performance and steady growth. Steel segment recovered during the first semester of 2021, contributing significantly to the overall improved profitability.

As far as health and safety of the employees is concerned, Viohalco companies maintain the action plan to mitigate negative effects. The measures introduced were successfully implemented at all sites, vaccination programmes are in progress in countries where Viohalco companies operate and all production plants are in undisrupted operation.

The expenses related to COVID 19 measures for the first six months of 2021 amounted to EUR 2.4 million. Such expenses concerned mainly protective equipment supply, employee benefits, nursery staff and transportation costs (additional shuttle buses and employees personal vehicle).

Under the terms of the loan agreements, subsidiaries of steel segment must comply with certain conditions (including financial covenants) and such compliance is tested on an annual basis for majority of the loans. Management has considered the measures that need to be taken to mitigate the risk relating to these potential breaches and expects that in the event that these covenants, relating to loans amounted to EUR 224 million, are breached, waivers will be granted. However, the improved performance of steel segment during 2021 may reverse such event.

Additionally, subsidiaries of steel pipes and cables segments will make every effort to obtain a waiver from our banking partners at the next measurement date (December 31<sup>st</sup>, 2021), in view of the loan covenants which are expected to be breached, as has always been the case in the past, whenever such a waiver was necessary. In the unlikely event that no waivers will be obtained, existing credit lines will cover any obligations that may arise from such breaches.

Management has assessed that the main trends driving growth across the operating segments will outlast the expected impact from the COVID-19 pandemic. Based on this assumption, no indications for impairment of non-financial and financial assets have been identified in the first half of the year.

Despite COVID-19 pandemic is ongoing and its magnitude and duration continue to be unknown, management monitors closely the situation, applying authorities guidelines and concludes that any further impact on Viohalco subsidiaries' operations, will be absorbed and will not affect their long-term viability.

##### **Anti-dumping**

On March 2<sup>nd</sup> 2021, the US Department of Commerce issued its final determinations in the antidumping duty investigation, concerning imports of common alloy aluminium sheet from 18 countries, including Greece. The Department of Commerce calculated a final dumping margin of 0%, for imports from ElvalHalcor, subsidiary of Viohalco, enabling the company to continue to conduct its business activities in accordance with fair trade principles in US markets.



5. Operating segments

Revenue and profitability per segment for the 6 months ended 30 June 2021 were as follows:

<i>Amounts in EUR thousands</i>	Aluminum	Copper	Cables	Steel pipes	Steel	Real estate	Othe activities	Total
<b>Total revenue per segment</b>	1,173,555	1,067,942	730,476	121,667	807,083	13,770	111,415	<b>4,025,908</b>
Inter-segment revenue	-410,984	-314,200	-379,440	-17,248	-325,372	-4,892	-85,165	<b>-1,537,300</b>
<b>Revenue from external customers</b>	<b>762,571</b>	<b>753,742</b>	<b>351,036</b>	<b>104,419</b>	<b>481,711</b>	<b>8,878</b>	<b>26,250</b>	<b>2,488,607</b>
<b>Gross profit</b>	<b>78,549</b>	<b>75,824</b>	<b>38,951</b>	<b>4,980</b>	<b>81,354</b>	<b>1,253</b>	<b>10,010</b>	<b>290,922</b>
<b>Operating result</b>	<b>45,370</b>	<b>51,455</b>	<b>26,164</b>	<b>-612</b>	<b>58,727</b>	<b>-301</b>	<b>2,510</b>	<b>183,314</b>
Finance income	52	210	161	2	237	444	202	<b>1,308</b>
Finance cost	-9,266	-7,560	-10,246	-4,121	-13,141	-1,840	-872	<b>-47,046</b>
Share of profit/ loss (-) of equity-accounted investees	821	-1,334	-	-484	146	-	-	<b>-851</b>
<b>Profit/Loss (-) before income tax expense</b>	<b>36,976</b>	<b>42,771</b>	<b>16,079</b>	<b>-5,215</b>	<b>45,969</b>	<b>-1,697</b>	<b>1,841</b>	<b>136,725</b>
Income tax expense	-8,812	-6,218	-1,644	1,410	-8,833	-311	-5,797	<b>-30,206</b>
<b>Profit/Loss (-)</b>	<b>28,164</b>	<b>36,553</b>	<b>14,435</b>	<b>-3,805</b>	<b>37,136</b>	<b>-2,008</b>	<b>-3,956</b>	<b>106,519</b>

Other information per segment for the 6 months ended 30 June 2021 were as follows:

<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel pipes	Steel	Real estate	Other activities	Total
Equity-accounted investees	8,500	11,893	-	11,849	4,700	225	-	<b>37,167</b>
Other assets	1,396,886	751,594	702,517	276,625	916,209	418,354	175,733	<b>4,637,918</b>
<b>Total assets</b>	<b>1,405,385</b>	<b>763,487</b>	<b>702,517</b>	<b>288,474</b>	<b>920,910</b>	<b>418,579</b>	<b>175,733</b>	<b>4,675,086</b>
Liabilities	836,894	529,547	613,242	167,156	766,697	139,997	84,609	<b>3,138,142</b>
Capital expenditure	60,737	7,941	14,820	4,091	10,688	9,266	772	<b>108,314</b>
Depreciation and amortisation	-30,643	-8,197	-8,512	-4,479	-13,257	-4,018	-1,965	<b>-71,071</b>

Revenue and profitability per segment for the 6 months ended 30 June 2020 were as follows:

<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel pipes	Steel	Real estate	Other activities	Total
<b>Total revenue per segment</b>	675,705	569,210	405,400	164,299	491,978	6,270	60,002	<b>2,372,864</b>
Inter-segment revenue	-109,848	-38,537	-137,240	-29,376	-146,895	-	-35,578	<b>-497,475</b>
<b>Revenue from external customers</b>	<b>565,857</b>	<b>530,673</b>	<b>268,160</b>	<b>134,923</b>	<b>345,082</b>	<b>6,270</b>	<b>24,424</b>	<b>1,875,389</b>
<b>Gross profit</b>	<b>45,096</b>	<b>31,783</b>	<b>37,647</b>	<b>10,264</b>	<b>15,283</b>	<b>4,520</b>	<b>7,820</b>	<b>152,414</b>
<b>Operating result</b>	<b>12,351</b>	<b>10,478</b>	<b>25,585</b>	<b>3,338</b>	<b>-10,348</b>	<b>1,264</b>	<b>-1,069</b>	<b>41,598</b>
Finance income	161	22	11	75	105	3	230	<b>607</b>
Finance cost	-7,595	-7,259	-11,328	-5,611	-13,030	-1,463	-1,039	<b>-47,324</b>
Share of profit/loss (-) of equity-accounted investees	5	-2,160	-	124	-324	-	-	<b>-2,356</b>
<b>Profit/Loss (-) before tax</b>	<b>4,922</b>	<b>1,080</b>	<b>14,268</b>	<b>-2,074</b>	<b>-23,597</b>	<b>-196</b>	<b>-1,878</b>	<b>-7,474</b>
Income tax expense	-1,218	140	-3,465	-324	-557	-1,563	-795	<b>-7,783</b>
<b>Profit/Loss (-)</b>	<b>3,704</b>	<b>1,220</b>	<b>10,803</b>	<b>-2,398</b>	<b>-24,154</b>	<b>-1,759</b>	<b>-2,673</b>	<b>-15,257</b>



Other information per segment for the comparative period were as follows:

<i>Amounts in EUR thousands</i>	Aluminum	Copper	Cables	Steel pipes	Steel	Real estate	Other activities	Total
<i>for the year ended 31 December 2020</i>								
Equity-accounted investees	8,151	13,258	2,162	4,554	9,965	-	-	38,089
Other assets	1,243,369	631,856	644,588	809,810	304,905	406,090	120,056	4,160,673
<b>Total assets</b>	<b>1,251,521</b>	<b>645,114</b>	<b>646,750</b>	<b>814,364</b>	<b>314,870</b>	<b>406,090</b>	<b>120,056</b>	<b>4,198,763</b>
Liabilities	692,965	483,369	564,418	695,848	189,386	115,914	75,738	2,817,637
<i>for the 6 months ended 30 June 2020</i>								
Capital expenditure	60,845	8,279	21,616	7,301	6,327	18,351	1,166	123,884
Depreciation and amortization	-27,891	-7,376	-7,669	-4,337	-16,024	-2,489	-1,887	-67,672

## 6. Revenue

Viohalco's subsidiaries' operations and main revenue streams are those described in the last annual financial statements. Revenue is derived from contracts with customers and from investment property rental income.

<i>Amounts in EUR thousands</i>	<i>For the six months ended 30 June</i>	
	2021	2020
Rental income from investment property	5,485	6,270
Revenue from contracts with customers	2,483,122	1,869,119
<b>Total</b>	<b>2,488,607</b>	<b>1,875,389</b>



### Disaggregation of revenue from contracts with customers

In the following table revenue from contract with customers is disaggregated by primary geographical market and timing of revenue recognition. The table includes a reconciliation with the Viohalco's reportable segments (see Note 5).

<i>for the 6 months ended 30 June 2021</i>								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel pipes	Steel	Real estate	Other activities	Total
<b>Primary geographical markets</b>								
Greece	60,497	29,120	115,032	7,931	124,210	3,393	8,010	<b>348,193</b>
Other EU countries	489,071	473,229	138,911	74,747	259,026	-	6,321	<b>1,441,305</b>
Other European countries	68,679	144,475	42,601	8,243	94,475	-	3,298	<b>361,771</b>
Asia	38,244	47,276	45,360	-	2,056	-	8,123	<b>141,059</b>
America	98,466	37,433	7,294	13,498	367	-	178	<b>157,235</b>
Africa	7,480	20,643	1,839	-	1,576	-	13	<b>31,552</b>
Oceania	133	1,565	-	-	-	-	307	<b>2,006</b>
<b>Total</b>	<b>762,571</b>	<b>753,742</b>	<b>351,036</b>	<b>104,419</b>	<b>481,711</b>	<b>3,393</b>	<b>26,250</b>	<b>2,483,122</b>
<b>Timing of revenue recognition</b>								
Revenue recognised at a point in time	762,261	751,604	227,174	34,437	478,147	1,058	18,329	<b>2,273,011</b>
Products transferred over time	-	-	122,238	69,740	-	-	-	<b>191,978</b>
Services transferred over time	310	2,138	1,624	242	3,563	2,335	7,921	<b>18,132</b>
<b>Total</b>	<b>762,571</b>	<b>753,742</b>	<b>351,036</b>	<b>104,419</b>	<b>481,711</b>	<b>3,393</b>	<b>26,250</b>	<b>2,483,122</b>
<i>for the 6 months ended 30 June 2020</i>								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel pipes	Steel	Real estate	Other activities	Total
<b>Primary geographical markets</b>								
Greece	46,299	24,733	121,701	9,371	81,694	-	10,027	<b>293,825</b>
Other EU countries	377,026	370,024	126,268	89,105	193,510	-	5,708	<b>1,161,641</b>
Other European countries	39,298	54,789	2,246	4,779	67,499	-	579	<b>169,191</b>
Asia	30,128	35,746	17,330	-	393	-	7,806	<b>91,404</b>
America	67,500	28,043	242	31,086	-	-	92	<b>126,962</b>
Africa	5,008	16,744	374	581	1,987	-	23	<b>24,717</b>
Oceania	597	593	-	-	-	-	189	<b>1,379</b>
<b>Total</b>	<b>565,857</b>	<b>530,673</b>	<b>268,160</b>	<b>134,923</b>	<b>345,082</b>	-	<b>24,424</b>	<b>1,869,119</b>
<b>Timing of revenue recognition</b>								
Revenue recognised at a point in time	563,315	529,322	156,129	13,309	342,468	-	15,258	<b>1,619,802</b>
Products transferred over time	2,012	-	109,875	121,553	-	-	736	<b>234,176</b>
Services transferred over time	530	1,351	2,156	60	2,615	-	8,429	<b>15,141</b>
<b>Total</b>	<b>565,857</b>	<b>530,673</b>	<b>268,160</b>	<b>134,923</b>	<b>345,082</b>	-	<b>24,424</b>	<b>1,869,119</b>



### 7. Other income/expense

Net Other income/expenses amounted to gain of EUR 0.9 million, compared to loss EUR 4.3 million in the previous period. This variation is mainly attributed to the restructuring plan of Stomana Industry S.A., a Bulgarian subsidiary of Viohalco operating in steel segment, implemented during the first half of 2020.

### 8. Net finance cost

The credit spread reductions that had been implemented in all short- and long-term facilities to Viohalco companies during the last years, retained overall the interest expense of H1 2021 at the same level compared to H1 2020.

### 9. Income Tax

Income tax expense was calculated based on management's estimate of the average annual tax rate that is expected to apply for the full financial year.

<i>Amounts in EUR thousands</i>	<i>For the 6 months ended 30 June</i>	
	<b>2021</b>	<b>2020</b>
Current tax	-35,972	-12,010
Deferred tax	5,766	4,227
<b>Total</b>	<b>-30,206</b>	<b>-7,783</b>

The consolidated effective tax rate for the six month period ended 30 June 2021 was 22% (six months ended 30 June 2020: 104%).

According to Greek tax law 4799/2021, the corporate income tax rate is reduced to 22% (from 24%) for the income of tax years 2021 onwards. This development had significant effect on deferred taxes, equal to EUR 6 million gain, as at 30 June 2021.

### 10. Equity accounted investees

Reconciliation of carrying amount of associates and joint ventures:

<i>Amounts in EUR thousands</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Opening balance</b>	<b>38,089</b>	<b>37,742</b>
Share of profit / loss (-) net of tax	-851	-1,740
Dividends received	-829	-1,139
Effects on movement in exchange rates	533	-3,319
Additions	225	3,285
Share capital increase	-	4,000
Reclassifications	-	-739
<b>Closing balance</b>	<b>37,167</b>	<b>38,089</b>

On January 28<sup>th</sup> 2021, Viohalco subsidiary, Noval Property REIC, participated by 50% in the establishment of a joint venture named "The Grid S.A.", which operates in the real estate development sector.



## 11. Trade receivables & Contract Assets

The increase in Trade and other receivables by EUR 204 million compared to 31 December 2020 is attributed mainly to the increase of raw material prices during the current period. In addition, the increase of contract assets by EUR 9.3 million is mainly attributed to the invoicing of milestones for ongoing projects.

Regarding the case against a former customer in the Middle-East of the subsidiary Corinth Pipeworks Industry S.A., there were no developments during the first semester of 2021. As described in 2020 Annual Report, management has booked an impairment for the entire amount due (USD 24.8 million or EUR 20.9 million at 30 June 2021). However, the subsidiary will continue any and all actions required to collect the full amount of that receivable.

## 12. Property, plant and equipment & intangible assets

### **Property, Plant and Equipment**

During the first half of 2021, Viohalco investments in capex projects amounted to EUR 98 million (H1 2020: EUR 104 million).

Aluminium segment investments amounted to EUR 61 million and they are mainly related to the new cold rolling mill installation and the new lacquering machine in Oinofyta aluminium rolling plant of ElvalHalcor. In addition, a new lacquer production plant is in the phase of construction by Symetal, which also acquired a new industrial building in Mandra, Greece.

Capital expenditure in copper segment totalled EUR 8 million for the installation of a new production line for Ecutherm products in ElvalHalcor's copper tube plant at Oinofyta, the installation of two new bell-shaped annealing furnaces at Sofia Med's plant in Bulgaria and the installation of a new press by Epirus Metallworks.

Regarding cables segment, capital expenditure in the first half of 2021 amounted to EUR 14 million, which is largely attributable to the ongoing investment plan in Fulgor's plant at Corinth, Greece, aiming to expand the submarine cables production capacity, in order to supply effectively a wide range of cables to the growing offshore cables market worldwide. Additionally, selective investments for productivity and operational improvements took place in Greece (Hellenic Cables) and in Romania (Icme Ecab).

In steel pipes segment, assets acquired amounted to EUR 4 million and mainly relate to existing production lines improvements at Thisvi plant in Greece (Corinth Pipeworks).

Steel segment investments, amounted to EUR 10 million, mainly concern the second phase of meltshop filters installation, aiming to decrease the emissions and optimize the operation of the filters system. They also include the revamping of the New Rolling Mill facility for the production of the whole range of Special Bar Quality products. This investment will allow the transfer of the production from the Old Rolling Mill and will result in significant cost and quality benefits.

Depreciation of property, plant and equipment for the six-month period amounted to EUR 60 million (H1 2020: EUR 59 million).

### **Intangible Assets**

Intangible assets of EUR 2.6 million acquired during the first half of 2021 (H1 2020: EUR 2.3 million), mainly related to operational excellence software programmes in steel subsidiaries.



### 13. Investment property

During the first half of 2021, Viohalco invested an amount of EUR 8 million (H1 2020: EUR 17.7 million) for the acquisition and improvement of investment property that mainly refers to the completion of a retail development in Athens.

### 14. Assets held for sale

The amount of EUR 0.7 million Assets held for sale relate to the book value of machinery in the aluminium segment. Management has set a plan for the sale of the equipment that is expected to be materialized within 2021.

### 15. Non-controlling interests

On February 2<sup>nd</sup> 2021, Viohalco acquired further 25% of its subsidiary Teka Systems share capital, in consideration of EUR 5 million. After the transaction and the cancellation of Teka System own shares, the percentage of participation was formed at 71.44% (31 December 2021: 50.01%).

On April 29<sup>th</sup> 2021, Viohalco has completed the placement of 25 million shares of its subsidiary ElvalHalcor, representing the 6.66% of the company's share capital, in consideration of EUR 50 million. Following the aforementioned placement, Viohalco's participation in ElvalHalcor paid up share capital amounts to 84.78%, decreased from 91.44%.

### 16. Loans and borrowings

<i>Amounts in EUR thousands</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Non-current liabilities</b>		
Secured bank loans	161,925	161,357
Unsecured bank loans	76,299	82,530
Secured bond issues	508,678	558,078
Unsecured bond issues	231,257	200,021
<b>Loans and borrowings – Long term</b>	<b>978,160</b>	<b>1,001,986</b>
<b>Lease Liabilities – Long term</b>	<b>38,996</b>	<b>41,276</b>
<b>Total Long-term debt</b>	<b>1,017,155</b>	<b>1,043,262</b>
<b>Current liabilities</b>		
Secured bank loans	153,608	147,210
Unsecured bank loans	593,618	432,697
Current portion of secured bank loans	34,695	51,153
Current portion of unsecured bank loans	14,955	14,657
Current portion of secured bond issues	87,165	69,676
Current portion of unsecured bond issues	39,737	30,617
<b>Loans and borrowings – Short-term</b>	<b>923,778</b>	<b>746,010</b>
<b>Lease Liabilities – Short-term</b>	<b>11,096</b>	<b>10,935</b>
<b>Total Short-term debt</b>	<b>934,874</b>	<b>756,945</b>
<b>Total loans and borrowings</b>	<b>1,952,029</b>	<b>1,800,207</b>

**The maturities of non-current loans are as follows:**

<i>Amounts in EUR thousands</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
Between 1 and 2 years	343,330	367,571
Between 2 and 5 years	566,956	556,840
Over 5 years	106,869	118,850
<b>Total</b>	<b>1,017,155</b>	<b>1,043,262</b>

**The effective weighted average interest rates at the reporting date (as per contract) are as follows:**

	<b>30 June 2021</b>	
	<b>Carrying amount</b>	<b>Interest rate</b>
Bank loans (non-current*) - EUR	286,763	2.78%
Bank loans (non-current*) - USD	243	1.00%
Bank loans (current) - EUR	714,183	3.52%
Bank loans (current) - USD	17,283	2.33%
Bank loans (current) - GBP	8,486	2.90%
Bond issues - EUR	866,836	3.54%
	<b>31 December 2020</b>	
	<b>Carrying amount</b>	<b>Interest rate</b>
Bank loans (non-current*) -EUR	229,293	2.90%
Bank loans (non-current*) - USD	235	1.00%
Bank loans (current)-EUR	543,727	3.66%
Bank loans (current)-USD	5,042	2.26%
Bank loans (current)-GBP	7,735	2.75%
Bond issues-EUR	858,391	3.45%

*\*Including current portion*

The majority of Viohalco companies' loans are Euro denominated.

During the first half of 2021, Viohalco subsidiaries received new bank loans amounting to EUR 243 million and repaid bank loans of EUR 95 million maturing within H1 2021. The new loans were mainly new drawdowns from existing revolving credit facilities for project financing purposes, or new ones with similar terms and conditions.

The most significant events related to the companies financing were the following:

- ElvalHalcor issued a common bond loan amounting to EUR 40 million in order to finance current and general business needs. The loan has a five-year tenure.
- Stomana, subsidiary in the steel segment, finalized the reprofiling of the EUR 67 million long term syndication loan, by extending the term from 2023 to 2026.
- Corinth Pipeworks, subsidiary in the steel pipes segment, received a new 5-year bond loan of EUR 7 million from a Greek bank.

No other significant events, related with the financing of subsidiaries occurred during the period.

**Reconciliation of movements of liabilities to cash flows arising from financing activities:**

<i>Amounts in EUR thousands</i>	<b>Loans and Borrowings</b>	<b>Lease Liabilities</b>	<b>Total</b>
<b>Balance at 1 January 2021</b>	<b>1,747,996</b>	<b>52,211</b>	<b>1,800,207</b>
<b>Changes from financing cash flows</b>			
Proceeds from loans and borrowings	243,613	-	243,613
Repayment of borrowings & lease liabilities	-95,105	-5,369	-100,474
<b>Total change from financing cash flows</b>	<b>148,509</b>	<b>-5,369</b>	<b>143,139</b>
<b>Other changes</b>			
New leases	-	3,491	3,491
Interest expense	33,810	1,034	34,844
Interest paid*	-29,078	-930	-30,007
Capitalised borrowing costs	717	-	717
Terminations/modifications of lease contracts	-	-331	-331
Effect of changes in foreign exchange rates	-16	-15	-30
<b>Total other changes</b>	<b>5,433</b>	<b>3,249</b>	<b>8,683</b>
<b>Balance at 30 June 2021</b>	<b>1,901,938</b>	<b>50,091</b>	<b>1,952,029</b>

\*Interest paid reported in Cash Flow Statement, includes bank charges and other finance costs.

<i>Amounts in EUR thousands</i>	<b>Loans and Borrowings</b>	<b>Lease Liabilities</b>	<b>Total</b>
<b>Balance at 1 January 2020</b>	<b>1,773,978</b>	<b>53,420</b>	<b>1,827,398</b>
<b>Changes from financing cash flows</b>			
Proceeds from loans and borrowings	258,187	-	258,187
Repayment of borrowings & lease liabilities	-286,282	-10,688	-296,970
<b>Total change from financing cash flows</b>	<b>-28,094</b>	<b>-10,688</b>	<b>-38,783</b>
<b>Other changes</b>			
New leases	-	12,657	12,657
Interest expense	68,201	2,374	70,575
Interest paid*	-67,123	-2,252	-69,375
Capitalised borrowing costs	4,163	-	4,163
Terminations/Modifications of lease contracts	-	-2,408	-2,408
Loss of Control/Disposal of subsidiary	-1,482	-797	-2,279
Effect of changes in foreign exchange rate	-1,647	-94	-1,741
<b>Total other changes</b>	<b>2,112</b>	<b>9,479</b>	<b>11,592</b>
<b>Balance at 31 December 2020</b>	<b>1,747,996</b>	<b>52,211</b>	<b>1,800,207</b>

\*Interest paid reported in Cash Flow Statement, includes bank charges and other finance costs,

The average interest rate of the outstanding bank loans as at 30 June 2021 was 3.4% (31 December 2020: 3.4%).

Property, plant and equipment and inventories of some subsidiaries carry mortgages for a total amount of EUR 1,227 million, as collaterals for long term loans and syndicated loans. For the bank loans of Viohalco companies, there are clauses of change of control that provide the lenders with an early redemption clause.



## 17. Financial instruments

**A. Carrying amounts and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy.

<b>30 June 2021</b>					
<i>Amounts in EUR thousands</i>	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Other investments	8,688	4,810	-	3,878	<b>8,688</b>
Derivative financial assets	23,425	19,408	3,117	900	<b>23,425</b>
	<b>32,114</b>	<b>24,218</b>	<b>3,117</b>	<b>4,778</b>	<b>32,114</b>
Derivative financial liabilities	-4,049	-1,628	-2,422	-	<b>-4,049</b>
	<b>28,064</b>	<b>22,591</b>	<b>695</b>	<b>4,778</b>	<b>28,064</b>
<b>31 December 2020</b>					
<i>Amounts in EUR thousands</i>	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Other investments	8,324	4,478	-	3,846	<b>8,324</b>
Derivative financial assets	8,161	5,188	1,889	1,084	<b>8,161</b>
	<b>16,485</b>	<b>9,666</b>	<b>1,889</b>	<b>4,930</b>	<b>16,485</b>
Derivative financial liabilities	-6,547	-4,824	-1,443	-280	<b>-6,547</b>
	<b>9,937</b>	<b>4,841</b>	<b>446</b>	<b>4,650</b>	<b>9,937</b>

The various levels are as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.
- Level 2: Inputs that are observable either directly or indirectly.
- Level 3: Unobservable inputs for assets and liabilities.

The fair value of the following financial assets and liabilities measured at amortised cost approximates their carrying amount:

- Trade and other receivables;
- Cash and cash equivalents;
- Trade and other payables;
- Loans and borrowings;
- Lease liabilities.

Specifically, the carrying amount of loans and borrowings is considered as a good approximation of their fair value, as 90% of consolidated Loans and borrowings concern floating-rate debt, which is a very good approximation of current market rates.

The following table shows reconciliation between opening and closing balances for Level 3 financial assets:

<i>Amounts in EUR thousands</i>	<b>Derivatives</b>	<b>Other investments</b>
<b>Balance as at 1 January 2021</b>	<b>1,084</b>	<b>3,846</b>
Additions	-	33
Reclassification	-213	-
Effect of changes in foreign exchange rates	28	-
<b>Balance as at 30 June 2021</b>	<b>900</b>	<b>3,878</b>



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<b>Balance as at 1 January 2020</b>	-	<b>830</b>
Additions	1,084	3,069
Disposals	-	-24
Reclassifications	-	-29
<b>Balance as at 31 December 2020</b>	<b>1,084</b>	<b>3,846</b>

### Other Investments analysis

Other investments represent equity securities which Viohalco intends to hold for strategic purposes and therefore they have been classified as FVOCI investments.

The analysis of equity securities is presented below:

<i>Amounts in EUR thousands</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
<u>Listed securities</u>		
-Greek equity instruments	125	125
-International equity instruments	4,245	3,713
-Mutual funds	439	639
<u>Unlisted securities</u>		
-Greek equity instruments	2,947	2,946
-International equity instruments	849	849
-Other	62	20
-Mutual funds	20	30
<b>Total</b>	<b>8,688</b>	<b>8,324</b>

### Derivatives

The following table sets out the carrying amount of derivatives:

<i>Amounts in EUR thousands</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Non-current assets</b>		
Future contracts	311	64
Other	900	871
<b>Total</b>	<b>1,211</b>	<b>936</b>
<b>Current assets</b>		
Forwards	1,204	1,889
Future contracts	18,214	5,336
Other	2,796	-
<b>Total</b>	<b>22,214</b>	<b>7,225</b>
<b>Non-current liabilities</b>		
Interest rate swap contracts	582	1,026
Future contracts	-	270
<b>Total</b>	<b>582</b>	<b>1,295</b>
<b>Current liabilities</b>		
Forwards	1,851	659
Future contracts	1,616	4,593
<b>Total</b>	<b>3,467</b>	<b>5,252</b>



### Hedge accounting

Viohalco's companies hold derivative financial instruments for cash flow and fair value hedges.

The abovementioned derivative financial instruments cover risks from:

- Changes in the prices of metals; and
- Fluctuations of foreign exchange rates.

The maturity and the nominal value of derivatives held by Viohalco companies match the maturity and nominal value of the underlying assets / liabilities (hedged items).

Derivatives held by Viohalco companies concerns mainly:

- Future contracts to hedge the risk from the change of the price of metals listed in LME (London Metal Exchange) and used in production of Viohalco companies (i.e. mainly copper, aluminum and zinc), Such hedges are designated as cash flow hedges.
- F-X Forward and F-X swaps to hedge the risk from the change in exchange rate of US Dollar and British Pound (i.e. currencies to which Viohalco companies are mainly exposed). Such hedges are either designated as fair value or cash flow hedges depending on the item hedged. F-X Forwards and F-X swaps when used for hedging F-X risk on outstanding receivables and suppliers denominated in foreign currency these instruments are designated under fair value hedging. F-X forwards when used for hedging F-X risk on the forecasted sales of goods or purchase of materials executed in foreign currency F-X forward is hedging instruments designated under the cash flow method.

Derivatives are recognized when Viohalco companies enter into the transaction in order either to hedge the fair value of receivables, liabilities or commitments (fair value hedges) or highly probable transactions (cash flow hedges).

The change in fair value recognized in equity under cash flow hedging as of 30 June 2021 will be recycled to the consolidated statement of profit or loss during the next years, as some of the hedged events are expected to occur (the forecasted transactions will take place or the hedged items will affect Profit or Loss statement) within 2021 and some others at a later stage.

### B. Measurement of fair values

#### (a) Valuation techniques and significant unobservable inputs

During the period there were no changes in valuation processes compared to those described in the last annual Consolidated Financial Statements.

#### (b) Transfers between Levels 1 and 2

There were no transfers from Level 2 to Level 1 or from Level 1 to Level 2 in first half of 2021 or in 2020.



## 18. Guarantees

Viohalco companies have provided guarantees in favor of customers and suppliers, mainly in order to secure that certain conditions of contracts will be fulfilled according to agreed terms, relating to products or services.

An analysis of guarantees is provided below:

<i>Amounts in EUR thousands</i>	30 June 2021	31 December 2020
Guarantees to secure liabilities to suppliers	33,500	27,675
Guarantees for securing the good performance of contracts with customers	215,484	264,901
Guarantees for securing the good performance of contracts with suppliers	357	415

## 19. Related parties

## (a) Transactions and balances with equity-accounted investees and other related parties

<i>Amounts in EUR thousands</i>	For the six months ended 30 June	
	2021	2020
<b>Sales of goods / services</b>		
Associates	46,292	28,545
Joint ventures	15,265	10,917
	<b>61,557</b>	<b>39,462</b>
<b>Sale of fixed assets</b>		
Joint ventures	172	-
	<b>172</b>	<b>-</b>
<b>Purchases of goods / services</b>		
Associates	5,849	3,079
Joint ventures	1,350	1,813
	<b>7,199</b>	<b>4,892</b>
<b>Purchase of property, plant and equipment</b>		
Associates	15	273
	<b>15</b>	<b>273</b>

<i>Amounts in EUR thousands</i>	30 June 2021	31 December 2020
<b>Receivables from related parties</b>		
Associates	39,852	31,081
Joint ventures	13,753	13,444
	<b>53,605</b>	<b>44,525</b>
<b>Contract assets from related parties</b>		
Associates	37	40
	<b>37</b>	<b>40</b>
<b>Liabilities to related parties</b>		
Associates	3,079	5,165
Joint ventures	1,513	1,319
	<b>4,592</b>	<b>6,485</b>



<b>Contract liabilities from related parties</b>		
Joint ventures	-	37
	-	<b>37</b>

**(b) Transactions with key management**

The remuneration paid during the six months period ended 30 June 2021 to the Board members and the executive management for the execution of their mandate amounted to EUR 2,705 thousand (H1 2020: EUR 2,089 thousand).

The fees to directors and executive management are fixed compensation. No variable compensation, post-employment benefits or share-based benefits were paid during the period.

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**20. Subsequent events**

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1. On July 1<sup>st</sup> 2021, the merger by absorption of Viohalco subsidiary "Fitco Metal Works Single Member S.A" by Viohalco subsidiary ElvalHalcor was approved. The draft merger terms and the decisions of the Board of Directors of the merging companies was dated 19.05.2021 and 14.05.2021 respectively.
2. On August 2<sup>nd</sup> 2021, Viohalco subsidiary ElvalHalcor participated in the share capital increase of the joint venture Nedzink BV, with EUR 2 million, maintaining its share to 50%.

There are no other subsequent events affecting the consolidated financial information.



To the Board of Directors  
Viohalco S.A.

## **STATUTORY AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021**

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### **Introduction**

We have reviewed the accompanying condensed consolidated interim financial statements, consisting of the condensed consolidated statement of financial position of Viohalco S.A. and its subsidiaries (jointly "the Group") as of 30 June 2021, and the related condensed consolidated statement of profit or loss and condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity." A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Sint-Stevens-Woluwe, 23 September 2021

The statutory auditor  
PwC Reviseurs d'Entreprises SRL / Bedrijfsrevisoren BV  
Represented by

Marc Daelman  
Registered auditor

PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL - Financial Assurance Services  
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BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB



## APPENDIX- ALTERNATIVE PERFORMANCE MEASURES (APMS)

### Introduction

Viohalco management has adopted, monitors and reports internally and externally P&L alternative performance measures ('APMs'), namely EBITDA, EBIT, adjusted EBITDA (a-EBITDA) and adjusted EBIT (a-EBIT) on the basis that they are appropriate measures reflecting the underlying performance of the business. These APMs are also key performance metrics on which Viohalco prepares, monitors and assesses its annual budgets and long-term (5 year) plans. However, it must be noted that adjusted items should not be considered as non-operating or non-recurring items.

Relating to balance sheet items, Viohalco management monitors and reports the net debt measure.

### General Definitions

#### EBIT

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**EBIT** is defined as profit for the period before:

- income taxes ;
- Share of profit/loss of equity-accounted investees, net of tax ;
- net finance cost.

#### a-EBIT

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**a-EBIT** is defined as EBIT, excluding :

- metal price lag ;
- impairment / reversal of impairment of fixed and intangible assets ;
- impairment / reversal of impairment of investments ;
- gains/losses from sales of fixed assets, intangible assets and investments ;
- exceptional litigation fees and fines ;
- other exceptional or unusual items.

#### EBITDA

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**EBITDA** is defined as profit for the period before:

- income taxes ;
- Share of profit/loss of equity-accounted investees, net of tax ;
- net finance cost ;
- depreciation and amortization.



### a-EBITDA

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**a-EBITDA** is defined as EBITDA excluding the same line items as a-EBIT.

### Net Debt

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**Net Debt** is defined as the total of:

- Long term borrowings;
- Short term borrowings;

Less:

Cash and cash equivalents.

### Metal Price Lag

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**Metal price lag** is the P&L effect resulting from fluctuations in the market prices of the underlying commodity metals (ferrous and non-ferrous) which Viohalco subsidiaries use as raw materials in their end-product production processes.

**Metal price lag** exists due to:

1. the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to customers,
2. the effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the amount reported as cost of sales, due to the costing method used (e.g, weighted average),and
3. certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs.

Most of **Viohalco** subsidiaries use back to back matching of purchases and sales, or derivative instruments in order to minimize the effect of the Metal Price Lag on their results. However, there will be always some impact (positive or negative) in the P&L, since inventory in the non-ferrous segments (i.e. aluminum, copper and cables) is treated as being held on a permanent basis (minimum operating stock), and not hedged, in the ferrous segments (i.e. steel and steel pipes), no commodities hedging occurs.



## Reconciliation Tables

### EBIT and EBITDA

H1 2021								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel pipes	Steel	Real Estate	Other activities	Total
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>36,976</b>	<b>42,771</b>	<b>16,079</b>	<b>-5,215</b>	<b>45,969</b>	<b>-1,697</b>	<b>1,841</b>	<b>136,725</b>
<b>Adjustments for:</b>								
Share of profit/loss (-) of Associates	-821	1,334	-	484	-146	-	-	851
Net Finance Cost	9,214	7,350	10,085	4,119	12,904	1,396	670	45,738
<b>EBIT</b>	<b>45,370</b>	<b>51,455</b>	<b>26,164</b>	<b>-612</b>	<b>58,727</b>	<b>-301</b>	<b>2,510</b>	<b>183,314</b>
<b>Add back:</b>								
Depreciation & Amortization	29,923	8,106	8,067	4,439	13,060	4,018	1,945	69,558
<b>EBITDA</b>	<b>75,293</b>	<b>59,562</b>	<b>34,231</b>	<b>3,827</b>	<b>71,787</b>	<b>3,717</b>	<b>4,455</b>	<b>252,872</b>

H1 2020								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel pipes	Steel	Real Estate	Other activities	Total
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>4,922</b>	<b>1,080</b>	<b>14,268</b>	<b>-2,074</b>	<b>-23,597</b>	<b>-196</b>	<b>-1,878</b>	<b>-7,474</b>
<b>Adjustments for:</b>								
Share of profit/loss (-) of Associates	-5	2,160	-	-124	324	-	-	2,356
Net Finance Cost	7,434	7,237	11,316	5,536	12,925	1,460	809	46,717
<b>EBIT</b>	<b>12,351</b>	<b>10,478</b>	<b>25,585</b>	<b>3,338</b>	<b>-10,348</b>	<b>1,264</b>	<b>-1,069</b>	<b>41,598</b>
<b>Add back:</b>								
Depreciation & Amortization	27,046	7,268	7,283	4,337	15,864	2,489	1,867	66,153
<b>EBITDA</b>	<b>39,396</b>	<b>17,746</b>	<b>32,868</b>	<b>7,674</b>	<b>5,516</b>	<b>3,754</b>	<b>798</b>	<b>107,751</b>



**a-EBIT and a-EBITDA**

H1 2021								
Amounts in EUR thousands	Aluminium	Copper	Cables	Steel pipes	Steel	Real Estate	Other activities	Total
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>36,976</b>	<b>42,771</b>	<b>16,079</b>	<b>-5,215</b>	<b>45,969</b>	<b>-1,697</b>	<b>1,841</b>	<b>136,725</b>
<b>Adjustments for:</b>								
Net finance cost	9,214	7,350	10,085	4,119	12,904	1,396	670	45,738
Metal price lag	-10,615	-28,487	7,587	0	-29,142	-	-	-60,656
Share of profit/ (loss) of equity investees, net of tax	-821	1,334	-	484	-146	-	-	851
Impairment/ Reversal of Impairment (-) on fixed assets	672	-	-	-	-	-	-	672
Gains (-) /losses from sales of PP&E, intangibles and inv. property	49	499	-14	0	-11	-491	-19	13
Reorganization costs	-	-	-	816	-	-	-	816
Incremental coronavirus costs <sup>(1)</sup>	566	789	297	139	603	3	7	2,404
<b>a-EBIT</b>	<b>36,042</b>	<b>24,256</b>	<b>34,035</b>	<b>343</b>	<b>30,177</b>	<b>-789</b>	<b>2,498</b>	<b>126,563</b>
<b>Add back:</b>								
Depreciation & Amortization	29,923	8,106	8,067	4,439	13,060	4,018	1,945	69,558
<b>a-EBITDA</b>	<b>65,965</b>	<b>32,362</b>	<b>42,102</b>	<b>4,782</b>	<b>43,237</b>	<b>3,229</b>	<b>4,443</b>	<b>196,121</b>

H1 2020								
Amounts in EUR thousands	Aluminium	Copper	Cables	Steel pipes	Steel	Real Estate	Other activities	Total
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>4,922</b>	<b>1,080</b>	<b>14,268</b>	<b>-2,074</b>	<b>-23,597</b>	<b>-196</b>	<b>-1,878</b>	<b>-7,474</b>
<b>Adjustments for:</b>								
Net finance cost	7,434	7,237	11,316	5,536	12,925	1,460	809	46,717
Metal price lag	1,763	9,170	2,257	-	4,497	-	-	17,686
Share of profit/ (loss) of equity investees, net of tax	-5	2,160	-	-124	324	-	-	2,356
Impairment/ Reversal of Impairment (-) on fixed assets	-77	-6	-	-	-	-	-	-82
Gains (-) /losses from sales of fixed assets and intangibles	426	-11	-	-	-10	-	-597	-193
Reorganization costs	-	-	-	-	1,144	-	-	1,144
Incremental coronavirus costs <sup>(1)</sup>	793	466	342	254	360	-52	-	2,163
<b>a-EBIT</b>	<b>15,256</b>	<b>20,096</b>	<b>28,183</b>	<b>3,592</b>	<b>-4,357</b>	<b>1,212</b>	<b>-1,666</b>	<b>62,316</b>
<b>Add back:</b>								
Depreciation & Amortization	27,046	7,268	7,283	4,337	15,864	2,489	1,867	66,153
<b>a-EBITDA</b>	<b>42,302</b>	<b>27,364</b>	<b>35,466</b>	<b>7,928</b>	<b>11,507</b>	<b>3,702</b>	<b>201</b>	<b>128,469</b>

<sup>(1)</sup> Incremental coronavirus costs concern all incremental costs incurred due to the coronavirus outbreak. Such costs are directly attributable to the coronavirus outbreak and are incremental to costs incurred prior to the outbreak and not expected to recur once the crisis has subsided and operations return to normal, while they are clearly separable from normal operations. APMs H1 2020 have been restated for comparability purposes.



H1 2020 a-EBIT Restatement Reconciliation								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel pipes	Steel	Real estate	Other activities	Total
<b>As reported H1 2020</b>	<b>14,463</b>	<b>19,630</b>	<b>27,841</b>	<b>3,338</b>	<b>-4,717</b>	<b>1,264</b>	<b>-1,666</b>	<b>60,153</b>
<b>Excluding:</b>								
Incremental coronavirus costs	793	466	342	254	360	-52	-	<b>2,163</b>
<b>Restated figure H1 2020</b>	<b>15,256</b>	<b>20,096</b>	<b>28,183</b>	<b>3,592</b>	<b>-4,357</b>	<b>1,212</b>	<b>-1,666</b>	<b>62,316</b>

H1 2020 a-EBITDA Restatement Reconciliation								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel pipes	Steel	Real estate	Other activities	Total
<b>As reported H1 2020</b>	<b>41,508</b>	<b>26,898</b>	<b>35,124</b>	<b>7,674</b>	<b>11,146</b>	<b>3,754</b>	<b>201</b>	<b>126,306</b>
<b>Excluding:</b>								
Incremental coronavirus costs	793	466	342	254	360	-52	-	<b>2,163</b>
<b>Restated figure H1 2020</b>	<b>42,302</b>	<b>27,364</b>	<b>35,466</b>	<b>7,928</b>	<b>11,507</b>	<b>3,702</b>	<b>201</b>	<b>128,469</b>

**Segmental Information**

H1 2021	Aluminium	Copper	Cables	Steel pipes	Steel	Real Estate	Other activities	Total
<b>Revenue</b>	<b>762,571</b>	<b>753,742</b>	<b>351,036</b>	<b>104,419</b>	<b>481,711</b>	<b>8,878</b>	<b>26,250</b>	<b>2,488,607</b>
<b>Gross profit</b>	78,549	75,824	38,951	4,980	81,354	1,253	10,010	<b>290,922</b>
<b>Operating profit</b>	45,370	51,455	26,164	-612	58,727	-301	2,510	<b>183,314</b>
Net finance cost	-9,214	-7,350	-10,085	-4,119	-12,904	-1,396	-670	<b>-45,738</b>
Share of profit/loss (-) of Associates	821	-1,334	-	-484	146	-	-	<b>-851</b>
<b>Profit/Loss (-) before tax</b>	<b>36,976</b>	<b>42,771</b>	<b>16,079</b>	<b>-5,215</b>	<b>45,969</b>	<b>-1,697</b>	<b>1,841</b>	<b>136,725</b>
Income tax	-8,812	-6,218	-1,644	1,410	-8,833	-311	-5,797	<b>-30,206</b>
<b>Profit/Loss (-)</b>	<b>28,164</b>	<b>36,553</b>	<b>14,435</b>	<b>-3,805</b>	<b>37,136</b>	<b>-2,008</b>	<b>-3,956</b>	<b>106,519</b>

H1 2020	Aluminium	Copper	Cables	Steel pipes	Steel	Real Estate	Other activities	Total
<b>Revenue</b>	<b>565,857</b>	<b>530,673</b>	<b>268,160</b>	<b>134,923</b>	<b>345,082</b>	<b>6,270</b>	<b>24,424</b>	<b>1,875,389</b>
<b>Gross profit</b>	45,096	31,783	37,647	10,264	15,283	4,520	7,820	<b>152,414</b>
<b>Operating profit</b>	12,351	10,478	25,585	3,338	-10,348	1,264	-1,069	<b>41,598</b>
Net finance cost	-7,434	-7,237	-11,316	-5,536	-12,925	-1,460	-809	<b>-46,717</b>
Share of profit/loss (-) of Associates	5	-2,160	-	124	-324	-	-	<b>-2,356</b>
<b>Profit/Loss (-) before tax</b>	<b>4,922</b>	<b>1,080</b>	<b>14,268</b>	<b>-2,074</b>	<b>-23,597</b>	<b>-196</b>	<b>-1,878</b>	<b>-7,474</b>
Income tax	-1,218	140	-3,465	-324	-557	-1,563	-795	<b>-7,783</b>
<b>Profit/Loss (-)</b>	<b>3,704</b>	<b>1,220</b>	<b>10,803</b>	<b>-2,398</b>	<b>-24,154</b>	<b>-1,759</b>	<b>-2,673</b>	<b>-15,257</b>

**Net Debt**

<i>Amounts in EUR thousands</i>	As at	
	30 June 2021	31 December 2020
<b>Long term</b>		
Loans & borrowings	978,160	1,001,986
Lease liabilities	38,996	41,276
<b>Short term</b>		
Loans & borrowings	923,778	746,010
Lease liabilities	11,096	10,935
<b>Total Debt</b>	<b>1,952,029</b>	<b>1,800,207</b>
<b>Less:</b>		
Cash and cash equivalents	267,900	219,161
<b>Net Debt</b>	<b>1,684,129</b>	<b>1,581,046</b>