



**Half Yearly Report**  
**And Consolidated Financial Statements**  
**(Condensed and Unaudited)**

**30<sup>th</sup> June 2023**

**Velcan Holdings S.A.**

RCS Luxembourg B145006  
Luxembourg Stock Exchange – FR0010245803  
[www.velcan.lu](http://www.velcan.lu)

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## I - MANAGEMENT REPORT

### 1. ABOUT VELCAN HOLDINGS

Velcan Holdings is a Luxembourg based investment holding company founded in 2005 managing a global portfolio of participations. The assets of the group are deployed in listed financial investments, minority private equity participations, cash and cash equivalents (bank current accounts and deposits). The group also holds a majority participation in a 15 MW hydro power plant in Brazil.

Velcan Holdings is listed on the unregulated Euro MTF Stock Market in Luxembourg (Ticker VLCN/ISIN FR0010245803). Velcan Holdings never performed any Public Offer as understood under the Directive 2003/71/CE of the European Parliament and Council.

### 2. H1 2023 KEY FIGURES (unaudited)

	<u>30.06.2023</u>	<u>30.06.2022</u>	<u>Var %</u>
Turnover Half Year (Million Euros)	0.9	1.1	-20%
EBITDA Half Year (Million Euros)	3.0	-1.0	NA
Net Result Half Year (Million Euros)	0.7	3.6	-82%
	<u>30.06.2023</u>	<u>31.12.2022</u>	<u>Var %</u>
Cash and Financial instruments (Million Euros)	121	124	-3%
Consolidated Equity (Million Euros)	129	127	+1%

### 3. IMPORTANT EVENTS AND ACTIVITY OVER THE PERIOD

#### H1 2023 key figures and comments

##### Financial income

Inflation remained high in H1 2023, with the ongoing invasion of Ukraine by Russia and pressure on prices for goods and services on a global scale. Various growth rates have been observed in major markets. China's growth has disappointed significantly while the resilience of the US economy has surprised on the upside. In order to try and curb inflation, Western Central Banks have maintained a hawkish approach to monetary tightening. At the end of H1 2023 we are starting to see a fall in inflation.

The portfolio performed relatively steadily during H1 2023, with a gain of EUR 5.0m excluding Forex movements. However, the foreign exchange variations of the currencies in which the Group's financial investments are made generated a loss of EUR 6.7m. The overall performance of the portfolio as at 30.06.2023 is therefore of -1.7 mEUR vs +5.2 mEUR in H1 2022.

As of June 30<sup>th</sup>, the portfolio is mainly constituted of gold mining and silver linked securities (21% of the gross financial assets), equity long positions (23% of the gross financial assets) and cash and cash equivalent (45% of the gross financial assets). The balance is made up of equity short positions, BRL and INR MM funds, bonds and private equity (see full details in chart page 6) and forward Forex (negative exposure of 1% of the gross financial assets due to a loss unrealized position at the end of H1 2023). The net cash position of the group as of 30/06/2023 is EUR 53.6 m (cash and cash equivalents of EUR 54.1 m and a bank overdraft of EUR 0.5 m).

##### Other incomes

The turnover, exclusively coming from Velcan Holding's participation in the Rodeio Bonito hydropower plant in Brazil, in the first half of 2023 amounted to EUR 0.9m. It was down by 20% when expressed in Euros and down by 26% when expressed in BRL relative to H1 2022. The decrease was caused by lower precipitations and thus lower electricity generation in H1 2023 compared to H1 2022. The turnover slightly benefited from the stronger average EUR/BRL rate during H1 2022 (1 EUR=5.48 BRL) vs H1 2022 (1 EUR=5.55 BRL).

Operating costs were steady when compared to H1 2022 (EUR -2.2m during H1 2023, versus EUR -2.1m during H1 2022) as the Group has so far managed to keep its increase below inflation rates.

Depreciation, Amortization & Provisions were steady too (EUR -0.3 m for H1 2023 vs EUR -0.3 m for H1 2022) and was only related to the linear depreciation & amortization of Rodeio Bonito power plant.

Other operating income included a gain of EUR 4.3 m during H1 2023 VS NIL during H1 2022. This exceptional gain was related to the partial write-back of the impairment made on Indian hydropower projects consistently with the divestment of two of those projects in August 2023.

This led to an increase of the operating result (EUR 2.7m for H1 2023 against EUR -1.3m for H1 2022)

Net result, Group share, was a gain of EUR 0.7m in H1 2023 vs. a gain of EUR 3.6m in H1 2022.

Group other comprehensive income amounts to a gain of EUR 0.7m in H1 2023 vs a gain of EUR 1.0 m in H1 2022, mostly due to the appreciation of the Brazilian currency (+7.7%) and its impact on the Group conversion reserves

where the assets held in foreign currency in Brazil (Rodeio Bonito) are translated into Euro. The Group total comprehensive income for H1 2023 amounts to a gain of EUR 1.4m vs a gain of EUR 4.7m in H1 2022.

Shareholders equity amounts to EUR 128.7m as of 30<sup>th</sup> June 2023 vs. EUR 127.5m as of 31<sup>st</sup> December 2022 (+EUR 1.2 m), slight increase mostly due to the Group total comprehensive income for H1 2023.

Under the share buyback program launched by the Board of Directors on 1<sup>st</sup> August 2022, in order to buy back 500,000 shares, the Company bought back a total of 9,905 shares during H1 2023 for a total amount of Euros 112,168 in accordance with the descriptions of the buyback program published on 1<sup>st</sup> August 2022 and the resolutions of the General Meetings of shareholders on June 28, 2017 and July 28, 2017.

13,333 shares were distributed to employees in early 2023 (the cost of which was already booked in 2022 accounts).

As of 30<sup>th</sup> June 2023, the Company held 659,275 treasury shares, compared to 662,703 treasury shares as of 31<sup>st</sup> December 2022. The net number of outstanding shares as of 30<sup>th</sup> June 2023 is 4,991,602.

### **Listed and unlisted minority investments – performance of portfolio during H1 2023**

Global headline inflation stayed high in H1 2023 which triggered strict monetary tightening by western central banks. Recovery in China has been slow with persistent problems in the real estate sector and weaker rebound of consumer spending than expected. H1 2023 has also seen the resolution of the U.S. debt ceiling standoff along with impending actions by authorities to try containing potential turmoil in the financial sector relative to U.S. and Swiss banks.

The Group reduced exposure in BBVA and Banco Santander at profit (1.5 mEUR) in March and April 2023. The Group also invested in UBS GROUP AG in March 2023 to benefit from the price rally following the takeover of Credit Suisse by the bank. The positions in UBS GROUP AG were fully disposed of in April which resulted in a financial gain of 545 kEUR. With the prevailing risk of a recession, the Group has maintained investment in precious metals related securities.

Given the market conditions described, in H1 2023, the Portfolio showed a financial gain excluding Forex of 5 mEUR but a forex loss of 6.7 mEUR. A substantial portion of such forex Loss, being of 3.6mEUR is related to our JPY long positions (stocks and cash). The rise in U.S. long-term interest rates has been impacting the Yen over H1 2023. The Yen relative to the EUR depreciated by 12.2% YTD. As of 30.06.2023 the Group still holds a cash position of 4.9 bJPY and 10.4m EUR in JPY stocks. The Forex loss on USD assets included a significant loss on its Forex Forward contracts (for 0.9mEUR) and on its large USD positions in ETFs, TBILL and Bonds (also for 0.9mEUR). CNH fixed deposit positions also recorded a Forex loss of 0.9mEUR. The balance Forex loss came from other smaller positions. Hence the overall performance of the portfolio as at 30.06.2023 is -1.7 mEUR.

Apart from the above-mentioned trades on BBVA, Santander and UBS, during H1 2023, the Group divested its small investment (for 202 kEuros) in Chinese Tech Firm Meituan which it had received as a stock dividend paid by Tencent. The Group also reduced its position in Tencent. In H1 2023, there has been a loosening of the “dynamic zero-COVID policy” in China which has resulted in a few more COVID waves. As of end of H1 2023, COVID restrictions have been lifted but China’s economy was negatively impacted by geopolitical concerns and fall out of its real estate crisis. The Chinese government has been trying to boost momentum with pro-growth measures with limited results so far.

Overall, the investment in Chinese equities yielded a loss excluding Fx of 47 k EUR YTD (- 314 k EUR including Forex). The Chinese investments were worth 11.1 m EUR at the end of H1 2023.

The investment in Japanese equities yielded a profit excluding Fx of 1,4 m EUR YTD (0.2 m EUR including Forex). The total Japanese investments were worth 10.4 m EUR at the end of H1 2023.

The hawkish Fed has led to a slightly stronger dollar during the first part of H1 2023. But as the ECB also shifted to a hawkish stance, the rate differential between the two currencies and the expectation of its evolution led a gradual appreciation of the EUR which is up 2% vs the USD YTD. Precious metals started the semester strongly. The fact that real rates would have to increase more to tame inflation then probably limited their appeal. A significant part of the portfolio (21%) is exposed to Gold and Silver related companies mainly through the VanEck GDX ETF and the Ishares Silver Trust. Excluding forex, the performance of this investment is 662 K EUR YTD, net of Forex it is modestly positive at 168 k EUR.

In H1 2023, the Portfolio showed a financial gain excluding Forex of 5.0 mEUR and a Forex loss of 6.7 mEUR (the latter mainly due to FX losses on the JPY long positions). Hence the overall performance of the portfolio as at 30.06.2023 is -1.7 mEUR.

FINANCIAL INSTRUMENTS	Value 30.06.2023 in mEUR	Weight (% of net assets)	Value 31.12.2022 in mEUR	Weight (% of net assets)
Cash and cash equivalent	54.1	45%	50.6	41%
USA Treasury Bill	2.6	2%	5.8	5%
Money Market Funds in BRL and INR	2.7	2%	3.5	3%
Unrealized Gains on open Forward Forex	-	0%	0.1	0%
Bonds	6.4	5%	6.4	5%
Gold and silver related stocks	25.4	21%	25.2	20%
Oil related stocks	-	0%	-	0%
Equity Long positions (EM, EU, USA, Japan)	27.2	23%	35.4	28%
Equity Short	3.3	3%	3.9	3%
Private Equity & Lending	0.4	0%	0.2	0%
<b>Total assets (A)</b>	<b>122.0</b>	<b>101%</b>	<b>131.0</b>	<b>105%</b>
Bank Overdraft and short- term loans	- 0.5	0%	- 1.3	-1%

<b>Unrealized losses on open forward forex</b>	-	0.9	-1%	-	5.4	-4%
<b>Total in Financial liabilities (L)</b>	-	<b>1.3</b>	-1%	-	<b>6.6</b>	-5%
<b>Net Total (A+L)</b>		<b>120.7</b>	100%		<b>124.4</b>	100%

The equity portfolio, including gold and silver related stocks, is deployed across a diversified array of 64 different issuers and ETFs. The EUR21.9m gold position (denominated in USD), which the Group considers to be equivalent to a separate currency, is held through 4 positions: a large position of EUR 18.4m in VanEck Gold Miners ETF, which gives exposure to the Gold Miners universe, and 3 smaller holdings in other specific mining companies.

In, H1 2023, the portfolio did not have any exposure to oil related stocks and maintained its exposure to only two U.S. Banks namely Citigroup INC (2.6 mEUR) and Wells Fargo & Co (0.6 mEUR). As to non-gold equity, the positions in excess of EUR 2m were in Ping An Insurance Group Co of China, Alibaba Group Holding Ltd, Citigroup Plc, iShares Silver Trust (ETF) and Tencent Holdings

Geographically the equity investments are mostly exposed to Chinese, U.S, Europeans and Japanese issuers as of June 30<sup>th</sup> 2023.

The Gold and Silver investment is viewed as insurance against inflation or monetary debasement. This investment is viewed as if the portfolio was invested in an additional currency.

There was no further addition or reduction in any corporate bond position in Q1 2023. The remaining bonds portfolio is exposed to issuers in the BB and CCC (as defined by Standard & Poor's). The Argentine bonds have a long maturity, whereas the other has a maturity of less than 1 year. At period closing date the lines of the portfolio are with the following issuers:

- a) EUR 1.9m exposure to the republic of Argentina.
- b) above EUR 4.5 m of exposure to NORDDEUTSCHE LANDESBANK

The cash part of the portfolio that is in positive yielding currencies (predominantly CNH, EUR and SGD) is held in short term Fixed Deposits with a maturity ranging from weekly to 6 months at market prevailing rates and on interests earning cash accounts. Significant cash positions include 5.4 mCHF. Our 4,9 bJPY cash position on the other hand currently costs 0.43% p.a.

As of the end of H1 2023, the private investments sitting at EUR 0.4m are mostly venture capital investments. The Company has increased investment in one foodtech company in June 2023 by EUR 0.2m. The group has been looking at diversifying its portfolio to private equity but has not increased such investments due to still excessive valuations.

In H1 2023, all the USD JPY Forward contracts have settled. These settled Forward Forex contracts have generated a loss of 1.17 m EUR in H1 2023. As of end of June 2023, the portfolio was mainly exposed to the Japanese Yen (34.3%), the Euro (21.7%) and the U.S. Dollar (16.7%). The gold and silver positions are priced in USD and are included in the USD exposure.

There is currently a small bank overdraft position of 0.5 mEUR. The net cash position of the group as of 30/06/2023 is EUR 53.6 m (cash and cash equivalents of EUR 54.1 m and a bank overdraft of EUR 0.5 m secured on the listed financial assets of the portfolio).

### **Majority participation in the Brazilian hydro plant - performance during H1 2023**

The production of 17,253 MWh during H1 2023 (against 28,148 MWh in H1 2022) was down compared to the previous year but decent relative to other years. It remained below Rodeio Bonito's ensured energy<sup>1</sup>. This reflects poor precipitation levels in Brazil in H1 2023 compared to H1 2022.

MRE system (Energy Reallocation System) was in deficit in H1 2023, but the plant experienced a new system of sales (matching the production with the sales) which neutralized this MRE impact while H1 2022 MRE impact was NIL due to good precipitation level. The MRE impact during H2 2023 will still depend on national precipitation levels until the end of the year. The operation and maintenance of Rodeio Bonito are satisfactory with a technical availability of 91.97% during H1 2023, against 99.97% during H1 2022.

The average sale price of electricity during H1 2023 was much lower than in H1 2022 (-17%) mostly due to the new sale system experimented by the plant to mitigate the effect of the MRE in case the production is lower than the guaranteed energy and also due to the renewal of electricity sales mid-term and short-term contracts at lower price.

The turnover from sales of electricity by the Rodeio Bonito Hydro Power Plant (HPP) in Brazil amounted to EUR 0.9m. It was down by 20% when expressed in Euros and down by 26% when expressed in BRL relative to H1 2022. This turnover slightly benefited from the stronger average EUR/BRL rate during H1 2022 (1 EUR=5.48 BRL) vs H1 2022 (1 EUR=5.55 BRL).

As a result of lower sales, the EBITDA (earnings before interests, taxes and amortization) of the plant amounted to BRL 3.0m in H1 2023 against BRL 4.3m in H1 2022. When converted in EUR, the EBITDA was down to EUR 0.6m vs 0.8m in H1 2022.

### **Indian hydropower projects during H1 2023**

Following the suspension of the hydropower projects development operations decided in 2021 due to the complete deadlock encountered by both the hydropower sector and the specific projects activities (concession agreements, land acquisition, etc...), the Group has been looking for a possible majority partner to take over the projects and the development operations.

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<sup>1</sup> In Brazil, « guaranteed energy » or « ensured energy » means the annually marketable energy as approved by MME – Ministério de Minas e Energia (Department of Mines and Energy) and guaranteed through the Brazilian power system for power plants opting for the MRE (Energy reallocation Mechanism), mechanism functioning at national scale, even if the production is impacted by a bad hydrology some years. This mechanism covers the hydrological risk in case some Brazilian areas are experiencing drought, whereas other areas are experiencing heavy rains. The guaranteed energy is usually sold through mid-term fixed inflation-linked contracts. However this mechanism does not cover the risk of a national drought across Brazil which results in an overall MRE system in deficit. In this case, the Rodeio Bonito plant EBITDA could collapse drastically as all participants of the MRE system will have their guaranteed energy reduced proportionally to the overall deficit. In this case the plant has to purchase electricity in the spot market to compensate for its generation deficit, called MRE payments as consumed purchases.



The Group has fully divested its Heo – Tato-1 tandem of hydropower projects (2 hydropower totaling 426 MW located in the state of Arunachal Pradesh, India, hereafter the “Projects”), taken over by a major utility owned by the Government of India in early August 2023.

The Projects were the 2 largest projects of the Group’s cascade of 3 hydropower projects. Following this sale, the Group is left with the third project of the said cascade, the Pauk HEP (145 MW), its last greenfield hydropower project.

The buyer of the projects refunded a significant part of the project development expenses incurred by the Group in India, although costs incurred out of India could not be recovered. The projects were fully impaired since the first half 2021 and this transaction generated an exceptional operating profit of EUR 4.3m in the 2023 semestrial accounts.

The Group will keep looking for a solution for the Pauk HEP.

#### **4. IMPORTANT EVENTS SINCE 30<sup>th</sup> JUNE 2023**

No important events are reported since 30<sup>th</sup> June 2023, except the takeover of two Indian hydropower projects, as detailed under section 3 above.

## II – UNAUDITED CONSOLIDATED BALANCE SHEET (ASSETS)

*In thousands of Euros*

Assets	30.06.2023	31.12.2022
<b>Non current assets</b>		
Intangible assets	5 364	1 071
Tangible assets	5 281	5 073
Non current financial assets	409	209
<b>Total non-current assets</b>	<b>11 058</b>	<b>6 356</b>
<b>Current assets</b>		
Current financial assets	67 514	80 273
Trade and other receivables	160	325
Income tax receivables	8	6
Other current assets	112	130
Cash and cash equivalents	54 105	50 574
<b>Total current assets</b>	<b>121 899</b>	<b>131 308</b>
<b>Total assets</b>	<b>132 957</b>	<b>137 664</b>

### III – UNAUDITED CONSOLIDATED BALANCE SHEET (LIABILITIES)

Thousands of Euros

Liabilities	30.06.2023	31.12.2022
<b>Equity</b>		
Issued capital	5 552	5 552
Additional paid in capital	120 607	120 607
Other reserves and conversion reserves	1 832	(6 925)
Net income for the year	670	8 226
<b>Total Equity</b>	<b>128 662</b>	<b>127 460</b>
<b>Non current liabilities</b>		
Non current provisions	714	723
Other non current liabilities	930	941
<b>Total non-current liabilities</b>	<b>1 683</b>	<b>1 663</b>
<b>Current liabilities</b>		
Current financial liabilities	1 345	6 622
Trade and other payables	1 185	1 808
Income tax payables	79	108
Other current liabilities	3	3
<b>Total Current Liabilities</b>	<b>2 612</b>	<b>8 541</b>
<b>Total Liabilities</b>	<b>132 957</b>	<b>137 664</b>

## IV – UNAUDITED INCOME STATEMENT

Thousands of Euros

Statement of Profit & Loss	30.06.2023	30.06.2022
Operating revenues	876	1 090
<b>Total operating revenues</b>	<b>876</b>	<b>1 090</b>
Purchases	(0)	(30)
External expenses	(1 589)	(1 558)
Payroll expenses	(602)	(498)
Operating tax expenses	(0)	(0)
Depreciation, Amortization & Provisions	(290)	(275)
<b>Current operating result</b>	<b>(1 607)</b>	<b>(1 271)</b>
Other operating income	4 299	3
Other operating expenses	-	-
<b>Operating result</b>	<b>2 692</b>	<b>(1 268)</b>
Financial Income	6 176	15 758
Financial expenses	(7 913)	(10 571)
<b>Financial Result</b>	<b>(1 737)</b>	<b>5 187</b>
Income tax expense (-) / benefit (+)	(285)	(290)
<b>Net result from continuing operations</b>	<b>670</b>	<b>3 629</b>
Earnings per share (in Euros)	0,14	0,70
Diluted earnings per share (in Euros)	0,14	0,70
<b>EBITDA</b>	<b>2 982</b>	<b>(993)</b>

Statement of total comprehensive Income	30.06.2023	30.06.2022
Net income	670	3 629
Other comprehensive income, that will not be reclassified subsequently to profit or loss	733	1 035
<b>Total Comprehensive Income</b>	<b>1 403</b>	<b>4 664</b>
thereof attributable to non-controlling interests	(0)	(0)
<b>Group Total Comprehensive income</b>	<b>1 403</b>	<b>4 664</b>

## V - COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. EFFECTIVE FOREIGN EXCHANGE RATES

1 € =	30.06.2023		31.12.2022		30.06.2022	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
RL (Brazilian Real)	5,23	5,48	5,66	5,44	5,51	5,55
INR (Indian Rupee)	89,66	88,87	88,63	82,79	82,87	83,36
USD (US Dollar)	1,09	1,08	1,07	1,05	1,05	1,09
S\$ (Singapore Dollar)	1,48	1,44	1,44	1,45	1,46	1,49
¥ (Japanese Yen)	157,48	145,80	140,34	138,03	142,31	134,31

### 2. COMMENTS ON THE BALANCE SHEET

#### ASSETS

##### Intangible Assets

Upon discontinuing its operations in India in late 2021, the Group had fully provisioned its hydropower projects development costs. However, due to the sale of two of its three Indian Hydropower projects realized after the 30th June, the Group has re-assessed the value of the Indian projects with a EUR 4.3 m of positive impact on the value of intangible assets related to Indian Hydropower projects.

The positive effect of the Brazilian currency less the amortization and provisions allowance cost on Rodeio Bonito had a neutral effect on the value of intangible assets related to Rodeio Bonito asset (EUR 1.1 m in H1 2023 VS EUR 1.1m at 31<sup>st</sup> December 2022).

##### Tangible Assets:

Tangible assets were up to EUR 5.3m at of 30<sup>th</sup> June 2023 versus EUR 5.1m at 31<sup>st</sup> December 2022, an increase of EUR 0.2m. This variation is the net result of, the combined effects, on one hand of the increase of the Brazilian Real on the book value of Rodeio Bonito expressed in Euros because of the appreciation of the Brazilian currency (EUR 0.4m) and, on the other hand, of the depreciation expense of that same asset (EUR -0.2m).

##### Cash, Cash Equivalents & financial assets:

These assets were down from EUR 130.8m as of 31/12/2022 to EUR 121.6m as of 30/06/2023 (EUR -9.2m). Net from the variation of financial liabilities (see below), Cash & Cash equivalents and financial instruments were globally down from EUR 124.4m as of 31/12/2022 to EUR 120.7m as of 30/06/2023 (EUR -3.75m). This negative variation is mostly due to the negative financial result and the Group external and payroll related operational expenses, despite the turnover of the Brazilian hydropower plant. Please report to part I-3 for detailed comments on the financial assets and to part II-3 for detailed comments on the financial and operational expenses.

#### LIABILITIES

##### Capital:

The issued capital still stands at 5 552 320 €.

Non-current provisions:

Non-current liabilities (EUR 0.7m) are broadly stable at constant exchange rates and stem from unresolved disputes relating to the Group's past ownership of industrial facilities.

Other non-current liabilities:

Other non-current liabilities (EUR 0.9m) are broadly stable at constant exchange rates and stem from advances made to the group, the reimbursements of which are contingent to conditions that are not met at this date.

Current financial liabilities:

Current liabilities were down at EUR 1.3m VS EUR 6.6m in December 2022 (EUR -5.3m) and include bank overdrafts for EUR 0.4m and unrealized losses on forward forex contracts for EUR 0.9m, while December 2022 figure included bank overdrafts for EUR 1.3m and unrealized losses on forward forex contracts for EUR 4.5m.

Trade and other payables:

The negative variation of EUR 0.6m is due to payment of the amount due to suppliers as of 31/12/2022 and paid during H1 2023.

### **3. COMMENTS ON THE INCOME STATEMENT**

EBITDA was positive during H1 2023 (EUR 3.0 vs. EUR -1.0m in H1 2022). Net result, Group Share, was a gain of EUR 0.7m vs. a gain of EUR 3.6m for H1 2022.

#### **CURRENT OPERATING PROFIT:**

Turnover:

Velcan's turnover amounted to EUR 0.9m in H1 2023 arising exclusively from sales of electricity by the Rodeio Bonito Hydro Power Plant in Brazil, against EUR 1.1m in H1 2022 (see above for more explanations).

Purchases:

Purchases costs were NIL like in H1 2022 (see above explanations on MRE in relation to the Rodeio Bonito plant).

Operating costs (excluding purchases):

External & payroll expenses & operating costs were slightly higher at EUR 2.2 m during H1 2023 VS EUR 2.1 during H1 2022.

Depreciation, Amortization and Provisions, Provision write-backs:

Depreciation and amortization of tangible and intangible assets amounted to an expense of EUR -0.3m vs. an expense of EUR -0.3m in 2022. Tangible and intangible asset depreciation expense was mainly attributable to Rodeio Bonito HPP in H1 2023 (EUR -0.3m).

Other operating Income:

Non-current other operating income amounted to EUR 4.3m in H1 2023 vs NIL in H1 2022. This was related to the post-closing sale of Indian projects as described above.

As a consequence, operating result was a gain of EUR 2.7m compared to a loss of -1.3m in H1 2022.

#### **FINANCIAL INCOME**

Net financial income for H1 2023 was a loss of EUR 1.7m vs a gain of EUR 5.2m in H1 2022. The financial income of the Group is mostly dependent on two items:

- a) The capital gain/losses on its financial assets portfolio and the dividends received. This item performed relatively steadily during H1 2023, especially given the market conditions, with a gain excluding Forex movements of EUR 5.0m.
- b) The Foreign exchange variations of the currencies in which the Group's financial investments are made. It generated a loss of EUR 6.7m.

## **COMPREHENSIVE INCOME**

Net income for H1 2023 amounted to a gain of EUR 0.7m vs a gain of EUR 3.6m during H1 2022.

Comprehensive Income for H1 2023 amounted to a gain of EUR 1.4m vs. a gain of EUR 4.7m in H1 2022. The impact of currency fluctuations on Group equity on items which are only recognized in the comprehensive income (mainly tangible and intangible assets) was an additional comprehensive income gain of EUR 0.7m in H1 2023 vs. a gain of EUR 1.0m in H1 2022.

This variation is mainly due to a higher Brazilian Real when compared to EUR which positively impacted the book value of tangible assets (Rodeio Bonito power plant) booked in this currency (See above).