

PRESS RELEASE

Luxembourg, 30 October 2024

VELCAN HOLDINGS: HALF YEARLY RESULTS (CONSOLIDATED AND UNAUDITED) GOOD FINANCIAL RESULT LEADING TO AN IMPROVEMENT OF THE NET PROFIT

	<u>30.06.2024</u>	<u>30.06.2023</u>	Var %
Turnover Half Year (Million Euros)	1.0	0.9	+14%
Net Result Half Year (Million Euros)	4.0	0.7	+492%
	<u>30.06.2024</u>	<u>31.12.2023</u>	Var %
Cash and Financial instruments (Million Euros)	128	125	+3%
Consolidated Equity (Million Euros)	131	128	+2%

Note: half yearly financial statements are not audited

Brief comments on 2024 first half

- H1 2024 has seen an intensification of geo-political tensions (ongoing war in Ukraine, Israel-Gaza war and U.S. China tensions). Moreover, there has been a global elections super-cycle. These have led to mixed economical performances across different regions of the World. In China and Europe, growth has disappointed. In the USA growth has remained higher than expected. Inflation has remained initially sticky, and this has delayed the expected interest rates cut in the U.S. In Europe, inflation figures have dropped faster.
- The portfolio performed well, by gaining EUR 9.5m excluding Forex movements. The foreign exchange variations of the currencies in which the Group's financial investments are made generated a loss of EUR 3.4m.
- The Japanese yen has been highly volatile in H1 2024 when it has seen a significant weakening during the first half of the year, which has been prompting the Bank of Japan to intervene in August 2024. A substantial portion of such forex Loss, being of 3.96mEUR, is related to the JPY long positions (stocks and cash). The balance Forex loss came from other smaller positions with depreciation of 11.9% on the BRL relative to the EUR during H1. The USD appreciated by 2.9% relative to the EUR, which reduced the Forex loss. Hence the overall performance of the portfolio as at 30.06.2024 is EUR 6.3 m.
- The overall performance of the portfolio, including Forex, as at 30.06.2024 is of EUR 6.1m vs EUR -1.7m in H1 2023



- As of June 30th, the portfolio is mainly constituted of gold mining and silver linked securities (23% of the gross financial assets), equity long positions (31% of the gross financial assets) and cash and cash equivalent (35% of the gross financial assets). The balance is made up of Treasury Bills, equity short positions, BRL bonds and INR MM funds, other bonds and private equity (see full details page 6 of the half yearly report). As of end of H1 2024, the Group held no forward Forex contracts. The net cash position of the group as of 30/06/2024 is EUR 40.3m (Excluding Treasury Bills) with no significant bank overdraft.
- The turnover, exclusively coming from Velcan Holding's participation in the Rodeio Bonito hydropower plant in Brazil, in the first half of 2024 amounted to EUR 1.0m. It was up by 14% when expressed in Euros and up by 14,5% when expressed in BRL relative to H1 2023. The increase was due to EUR 0.2m of sales related to 2023 accounted in 2024. The production of electricity has significantly improved compared to the previous year due to far better precipitations, but the technical availability was only of 65.7%, as the turbine damage at the end of the 2023 could not be re commissioned during H1 2024.
- Operating costs were steady when compared to H1 2023 (EUR -2.3m during H1 2024, versus EUR -2.2m during H1 2023). Depreciation, Amortization & Provisions were steady too (EUR -0.3 m for H1 2024 vs EUR -0.3 m for H1 2023) and was only related to the linear depreciation & amortization of Rodeio Bonito power plant.
- Other operating income was NIL during H1 2024 VS a gain of EUR 4.3 m during H1 2023. The exceptional gain in 2023 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.
- Net result, Group share, was a gain of EUR 4.0m in H1 2024 vs. a gain of EUR 0.7m in H1 2023, mostly due to the increase in the financial result as described above.
- Group other comprehensive income amounts to a loss of EUR -0.6m in H1 2024 vs a gain of EUR 0.7m in H1 2023, mostly due to the depreciation of the Brazilian currency (-11.9%) 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 2024 amounts to a gain of EUR 3.3m vs a gain of EUR 1.4m in H1 2023.
- Shareholders equity amounts to EUR 130.9m as of 30th June 2024 vs. EUR 128.1m as of 31st December 2023 (+EUR 2.8 m), mostly due to the Group financial income for H1 2024.
- Under the share buyback program launched by the Board of Directors on 15 January 2024, in order to buy back 300,000 shares, the Company bought back a total of 42,902 shares during H1 2024 for a total amount of Euros 558,900 in accordance with the descriptions of the buyback program published on 15 January and the resolutions of the General Meetings of shareholders 29 June 2021.

The complete half yearly report 2024, including the condensed and non-audited financial statements as of 30th June 2024, is available online at <http://www.velcan.lu/investors/reports-accounts/>



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Investor Relations Contact investor@velcan.lu

About Velcan Holdings

Velcan Holdings is an investment holding company founded in 2005, managing a global portfolio of participations and investments.

The company was launched more than 15 years ago by its reference shareholder LHP SA, owned by Velcan Holdings' management team.

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 Directive 2003/71/CE of the European Parliament and Council.

Disclaimer

This press release contains prospective information about the potential of the projects in progress and/or of the projects of which the development has begun. This information constitutes objectives attached to projects and shall not be construed as direct or indirect net income forecast of the concerned year. Reader's attention is also drawn on the fact that the performance of these objectives depends on future circumstances and that it could be affected and/or delayed by risks, known or unknown, uncertainties, and various factors of any nature, notably related to economic, commercial or regulatory conjuncture, which occurrence could be likely to have a negative impact on future activity and performances of the Group.

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