



ELVALHALCOR

HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

Athens, 08.01.2021

ANNOUNCEMENT

Special permission of the Board of Directors of the company under the trade name "ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A." to conclude a transaction with a related party (articles 99-101 of the Law 4548/2018, as in force).

The company under the trade name "ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A." (hereinafter referred to as "ELVALHALCOR S.A.") announces that its Board of Directors, in its session, dated on the 5th of January 2021, decided to grant a special permission, which is valid for six (6) months, pursuant to article 100 par. 1 of Law 4548/2018, as now in force, in order for "ELVALHALCOR S.A." to fully cover the share capital increase of the non-listed company under the trade name "ETEM COMMERCIAL AND INDUSTRIAL OF LIGHT METALS SOCIETE ANONYME" (hereinafter referred to as "ETEM S.A.") of a total amount of EUR 24,316,420.00, aiming at the raising of funds by "ETEM S.A." of EUR 22,800,000.00, in cash, and of EUR 1,516,420.00 in contribution in kind (machinery), for the uses mentioned hereinbelow, and the issue of 70,000 new common, registered, voting shares of a nominal value of EUR 4.00 each, and issue price of EUR 347.38 each, as resolved by the Extraordinary Meeting of "ETEM S.A.", dated 22.12.2020. It is noted that «ELVALHALCOR S.A." and "ETEM S.A." are related parties in the meaning of article 99 par. 2 (a) of the Law 4548/2018, as now in force, and IAS 24, because Viohalco S.A. controls 91.44% of shares issued by "ELVALHALCOR S.A." and the 100% of the share capital of "ETEM S.A."

The funds from the capital increase of "ETEM S.A." will be used for the participation in the capital increase of the Bulgarian company ETEM BG S.A. and the materialisation of the three-year business plan (2020-2022) aiming mostly at the improvement of the operational efficiency of the company. More specifically:

a. **For the participation to the capital increase of ETEM BG S.A.** The BoD of "ETEM S.A." received notice of the request by the BoD of ETEM BG S.A. for the participation of "ETEM S.A." in the Capital Increase of ETEM BG S.A. for the amount of EUR 18.8 million. The business plan of "ETEM S.A.", following the integration of ETEM BG S.A. activities, forecasts that ETEM BG S.A. and its subsidiaries ETEM SYSTEMS SRL (Romania), ETEM SCG DOO (Serbia) and ETEM SYSTEMS LLC (Ukraine) will exercise commercial activities only. The production activity will be focused on "ETEM S.A." which will make its products available to the ETEM BG S.A. group. This plan by "ETEM S.A." aims at improving operational efficiently and increasing the value of the company. ETEM BG S.A.'s transformation is the prerequisite for the materialisation of "ETEM S.A.'s" business plan.

b. **2020-2022 Business Plan.** In parallel "ETEM S.A." materialises a three-year business plan (2020-2022) aiming mostly at the strengthening of the production capacity, upgrade of the existing facilities and improvement of the efficiency of the plant in Magoula. For the completion of the investment programme a EUR 4 million funding is required and the contribution of machinery total worth of EUR 1.5 million.

The change of the sales strategy in the supply chain of the products, through strengthening of the commercial segments due to the integration of ETEM BG S.A., combined with the restructuring of the production base,

accompanied with the capacity increase and the cost reduction, will significantly improve the operational efficiency of the company.

The materialisation of the investment programme of "ETEM S.A." will be completed on 31.12.2022, while the participation in the capital increase in ETEM BG S.A., will be completed within the first two months of 2021.

Following the completion of the above transaction i.e. the completion of the share capital increase of "ETEM S.A.", the percentage of "ELVALHALCOR S.A." in the share capital of «ETEM S.A." will amount to 80% from 0% that is today.

For granting the special permission for the above transaction, the Board of Directors of "ELVALHALCOR S.A.", pursuant to article 101 par. 1 of the Law 4548/2018, as now in force, took into consideration the fairness opinion Report on the transaction, dated 05.01.2021, conducted by the Independent Chartered Accountant Konstantinos Stamelos (Reg. Nr. 26841) of the Audit Firm "RSM Greece S.A.", which assesses that the transaction is fair and reasonable for "ELVALHALCOR S.A." and its shareholders who are not related persons, including the minority shareholders of " ELVLAHALCOR S.A.", and explains the assumptions on which it is based, together with the methods used. Furthermore, the issue price, per share to be issued, in the context of the share capital increase of "ETEM S.A." is considered in the above Report as reasonable and fair for both "ELVALHALCOR S.A." and its shareholders who are not related parties, including the minority shareholders of " ELVALHALCOR S.A.". The aforementioned issue price, per share, that will be issued, in the context of the aforementioned share capital increase of "ETEM S.A." corresponds to a value of EUR 24,316,420.00 for all the shares of the share capital increase of "ETEM S.A.".

The present announcement is issued pursuant to article 100 par. 3 of the Law 4548/2018, as now in force.

The Board of Directors

RSM Greece S.A. – Fairness opinion on "ETEM S.A." share capital increase (available in Greek only)