

# 2021

Interim report 2<sup>nd</sup> quarter

Swiss  
Steel  
Group

Steel is our backbone, our DNA.  
It's what we do best to contribute in  
shaping a sustainable future. And so we  
are teaming up – with each other, with  
customers and suppliers. Together we  
are designing ever better steel solutions  
with highest quality and profound  
passion. Our expertise makes us an  
experienced ally. In consulting,  
development, production and services.

**Together.**  
**For a future that matters.**

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## Key figures

Swiss Steel Group	Unit	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Sales volume	kilotons	1,028	758	35.6	518	301	72.1
Revenue	million EUR	1,590.6	1,174.5	35.4	839.1	469.9	78.6
Average sales price	EUR/t	1,549.0	1,549.5	0.0	1,621.0	1,561.1	3.8
Adjusted EBITDA <sup>1)</sup>	million EUR	109.9	-52.0	-	65.4	-45.8	-
EBITDA	million EUR	105.4	-61.3	-	63.5	-53.7	-
Adjusted EBITDA margin	%	6.9	-4.4	-	7.8	-9.7	-
EBITDA margin	%	6.6	-5.2	-	7.6	-11.4	-
EBIT	million EUR	62.8	-191.3	-	42.5	-159.6	-
Earnings before taxes	million EUR	41.3	-214.7	-	31.7	-171.0	-
Group result	million EUR	35.2	-201.5	-	30.4	-159.1	-
Investments	million EUR	34.7	33.4	3.9	20.8	18.8	10.6
Free cash flow	million EUR	-151.3	-90.1	-67.9	-65.2	-2.8	-
	Unit	30.6.2021	31.12.2020	Δ in %			
Net debt	million EUR	605.4	639.9	-5.4			
Shareholders' equity	million EUR	460.4	166.1	-			
Gearing	%	131.5	385.2	-			
Net debt/adj. EBITDA LTM (leverage)	x	6.5	n/a	-			
Balance sheet total	million EUR	2,103.9	1,715.7	22.6			
Equity ratio	%	21.9	9.7	-			
Employees as of closing date	Positions	9,847	9,950	-1.0			
Capital employed	million EUR	1,456.2	1,218.0	19.6			
	Unit	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Earnings/share <sup>2)</sup>	EUR/CHF	0.01/0.01	-0.10/-0.11	-	0.01/0.01	-0.08/-0.09	-
Shareholders' equity/share <sup>3)</sup>	EUR/CHF	0.15/0.16	0.08/0.09	-	0.15/0.16	0.08/0.09	-
Share price high/low	CHF	0.478/0.234	0.340/0.126	-	0.478/0.268	0.203/0.138	-

<sup>1)</sup> For the reconciliation from adjusted EBITDA to EBITDA, please refer to the Interim report 2nd quarter 2021, page 14

<sup>2)</sup> Earnings per share are based on the result of the Group after deduction of the portions attributable to non-controlling interests

<sup>3)</sup> As of June 30, 2021 and as of December 31, 2020

# Five-quarter overview

	Unit	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
<b>Key operational figures</b>						
Production volume	kilotons	332	348	501	614	606
Sales volume	kilotons	301	332	445	510	518
Order backlog	kilotons	304	359	566	684	650
<b>Income statement</b>						
Revenue	million EUR	469.9	509.4	604.5	751.6	839.1
Average sales price	EUR/t	1,561.1	1,534.3	1,358.4	1,475.8	1,621.0
Gross profit	million EUR	154.5	165.1	208.5	280.1	304.2
Adjusted EBITDA <sup>1)</sup>	million EUR	-45.8	-21.1	4.1	44.5	65.4
EBITDA	million EUR	-53.7	-28.8	-8.9	41.9	63.5
EBIT	million EUR	-159.6	-52.6	-28.8	20.3	42.5
Earnings before taxes	million EUR	-171.0	-64.0	-43.0	9.6	31.7
Group result	million EUR	-159.1	-66.3	-42.4	4.8	30.4
<b>Cash flow/investments/depreciation/amortization</b>						
Cash flow before changes in net working capital	million EUR	-28.8	-47.3	-27.7	50.4	68.1
Cash flow from operating activities	million EUR	12.6	27.5	11.8	-76.2	-47.5
Cash flow from investing activities	million EUR	-15.4	-18.3	-30.7	-9.9	-17.7
Free cash flow	million EUR	-2.8	9.3	-19.0	-86.1	-65.2
Investments	million EUR	18.8	20.4	33.6	13.9	20.8
Depreciation, amortization and impairments	million EUR	105.9	23.7	19.9	21.6	21.0
<b>Net assets and financial structure</b>						
Non-current assets	million EUR	542.5	533.7	557.4	559.2	574.3
Current assets	million EUR	1,214.5	1,154.0	1,158.2	1,488.3	1,529.6
Net working capital	million EUR	820.0	739.2	698.1	827.1	943.1
Balance sheet total	million EUR	1,757.1	1,687.7	1,715.7	2,047.5	2,103.9
Shareholders' equity	million EUR	262.0	184.8	166.1	417.9	460.4
Non-current liabilities	million EUR	878.2	890.7	882.2	809.5	780.5
Current liabilities	million EUR	616.8	612.2	667.3	820.1	863.0
Net debt	million EUR	626.2	610.8	639.9	522.5	605.4
<b>Employees</b>						
Employees as of closing date	Positions	10,139	10,041	9,950	9,929	9,847
<b>Value management</b>						
Capital employed	million EUR	1,336.9	1,247.9	1,218.0	1,339.6	1,456.2
<b>Key figures on profit/net assets and financial structure</b>						
Gross profit margin	%	32.9	32.4	34.5	37.3	36.3
Adjusted EBITDA margin	%	-9.7	-4.1	0.7	5.9	7.8
EBITDA margin	%	-11.4	-5.7	-1.5	5.6	7.6
Equity ratio	%	14.9	10.9	9.7	20.4	21.9
Net debt/adj. EBITDA LTM (leverage)	x	n/a	n/a	n/a	n/a	6.5
Net working capital/revenue (L3M annualized)	%	43.6	36.3	28.9	27.5	28.1

<sup>1)</sup> For the reconciliation from adjusted EBITDA to EBITDA, please refer to the Interim report 2nd quarter 2021, page 14

Dear shareholders,

**A few weeks ago I have assumed the responsibilities as CEO of Swiss Steel Group. From my past experience in the industry I was well aware of the strong industrial core, the technological capabilities and the dedicated workforce of the group. Since joining, I was able to confirm my expectations with a number of site visits and interactions with our team members. While we are making good progress on the execution of our transformation program, the post COVID-19 market recovery has continued through the second quarter of 2021 and supported our financial performance.**

In Q2 2021, we were able to post our best quarterly result (adjusted EBITDA) for some time. Compared with the prior-year quarter, the order backlog was significantly higher at 650 kilotons (Q2 2020: 304 kilotons). At 518 kilotons, 72.1% more steel was sold in the second quarter of 2021 than in the same quarter of the previous year (Q2 2020: 301 kilotons). The increased sales volumes and positive price development led to revenue of EUR 839.1 million, an increase of 78.6% on the prior-year quarter (Q2 2020: EUR 469.9 million). Accompanied by ongoing measures to cut costs and enhance efficiency, adjusted EBITDA improved markedly year over year to EUR 65.4 million.

With regard to positioning for future success, I would like to highlight two projects which have a strategic importance for our group: In Q2 2021, we have completed the legal merger of the two Swiss business units and are now working on optimizing and harmonizing the operational and organizational structure. Also, we have launched an innovative sustainability project in one of our French operations to extract alloys from waste materials which will significantly reduce our usage of natural resources and at the same time improve our carbon footprint. This project emphasizes our ambition to address the demand for sustainable, climate-neutral production of specialty long steel products in Europe.

Our outlook for the year 2021 confirms a continuing trend of post COVID-19 recovery in our main customer industries automotive, mechanical and plant engineering as well as energy. However, the overall economic environment is still affected by significant uncertainties. In the automotive industry, the semiconductor supply shortage is persisting, thereby affecting the order volumes of our customers. Additionally, the supply situation on the raw material markets remains volatile. In particular on the scrap market we see a continuing trend of price increases combined with supply shortages. Finally, the COVID-19 infection rates are currently rising in most parts of the world potentially leading to a new wave of restrictions and shutdown measures. Under the assumption that our customer markets remain stable and taking into consideration the seasonal effects of the third and fourth quarter, we believe that an adjusted EBITDA in the range of EUR 150 million to EUR 180 million is achievable.

**Thanks to our employees, customers and shareholders**

On behalf of the Board of Directors and Executive Board, I would like to thank our team members for their continuing efforts to secure a successful future for our Group. I would also like to thank our customers and shareholders for the confidence they have shown in our Company. I would like to address a very special thank you to the team members of our Hagen plant for their commitment and tireless work to facilitate the restart of production after the catastrophic flooding event several weeks ago.



Frank Koch  
CEO

# Management report

## Business environment

**In the second quarter of 2021 the economy continued to recover from the economic impact of the COVID-19 pandemic.**

The Business climate indicators such as purchasing managers' indices (manufacturing) pushed further into the growth zone in the second quarter, albeit at slightly lower levels on average in the USA and China than in the previous quarter, while the purchasing managers' index (manufacturing) in the Eurozone signaled an increase in growth.

Compared with the first half of 2020, which was hit much harder by COVID-19, automotive production posted significant growth, especially in Europe and the USA, despite the partly limited availability of semiconductor products. Overall, however, production remained below the pre-crisis levels of 2018.

According to estimates by LMC Automotive (as of June 2021) and the VDA (as of July 2021), light vehicle production in Europe (17 European countries: Germany, France, Spain, the United Kingdom, Italy, Austria, Belgium, Finland, the Netherlands, Portugal, Sweden, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia) in the second quarter of 2021 was down on the previous quarter, but doubled compared with the second quarter of 2020, which bore the brunt of COVID-19. In the US, passenger car production in the second quarter was also lower than in the first quarter, while it recorded very strong growth compared with the very low production in the second quarter 2020. Chinese passenger car production in the second quarter of 2021 was slightly lower than in the previous quarter and 3% below the level of the prior-year period, which already included a recovery from the impact of the COVID-19 pandemic.

German mechanical and plant engineering recorded strong year-on-year growth in April-May 2021, albeit against the backdrop of a lower basis for comparison due to COVID-19. Production in April-May 2021 was up on average by 24% year on year and order intake by 53%; the latter was also 14% higher than in April-May 2019 (Source: German Federal Statistics Office).

In the global oil and gas industry, the crude oil price for West Texas Intermediate (WTI) continued its uptrend during the second quarter. The average crude oil price of USD 66 per barrel was 14% higher than the average price of USD 58 per barrel in the first quarter and very significantly higher than the very low average price in the second quarter of 2020. The number of active oil production units in North America also increased again from May. On average, the rotary rig count in North America was slightly below the level of the previous quarter and 25% above the low level of the previous year.



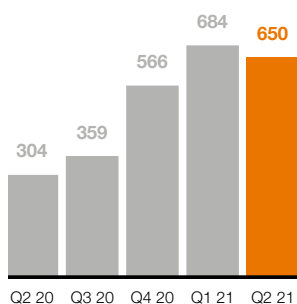
Among the raw materials important to Swiss Steel Group, the clear upward trend in average monthly prices for grade 2/8 German scrap continued. Overall, the average scrap price in the second quarter was 17 % higher than in the first quarter of 2021 (source: BDSV). European prices for high carbon ferrochrome also continued to trend upward in the first quarter. The average price in the first quarter rose by 19 % compared with the average price in the previous quarter. Following declines in March, nickel prices increased again over the course of the second quarter. However, the average nickel price in the second quarter was slightly lower overall than the average price for the first quarter of 2021.

## Business development of the Group

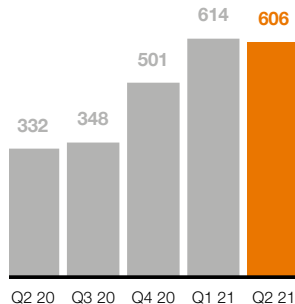
Swiss Steel Group continued the positive trend of the first quarter of 2021 in the second quarter. The ongoing positive market environment was reflected in stable high order and sales volumes. In addition, higher prices were achieved in the second quarter of 2021, which translated into a significant increase in revenue. In this environment – but also due to cost-saving effects from our transformation program – the Group posted adjusted EBITDA of EUR 65.4 million. However, free cash flow was negative at EUR –65.2 million due to additional investment in net working capital.

### Production, sales and order situation

Order backlog at quarter/year-end  
in kilotons



Production volume in the quarter  
in kilotons



Following a strong increase in the first quarter, the order backlog declined slightly again in the second quarter of 2021. This is mainly due to limited capacity, as many of our plants are at full capacity until well into the fourth quarter and have accepted only limited new orders. Added to this is the seasonally-based hesitancy on the part of customers to place new orders before the summer break.

Compared with the prior-year quarter, the order backlog was 650 kilotons and hereby significantly higher (Q2 2020: 304 kilotons). The prior-year quarter was firmly in the grip of the COVID-19 crisis, with widespread shutdowns of major European automotive manufacturers and their suppliers having a particularly negative impact on our order books. Demand in the second quarter of 2021 continued to be driven by the automotive industry, but the expected upturn also began in the mechanical and plant engineering sector. This has led to improved and more broadly based order volumes overall in our two main customer segments.

In response to the continuing positive market situation, crude steel production remained at a high levels in the second quarter of 2021. At 606 kilotons, significantly more crude steel was produced than in the prior-year quarter (Q2 2020: 332 kilotons).

Sales volume by product group in kilotons	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Quality & engineering steel	783	538	45.5	393	206	90.8
Stainless steel	172	157	9.6	88	66	33.3
Tool steel	71	61	16.4	36	28	28.6
Others	2	2	0.0	1	1	0.0
<b>Total</b>	<b>1,028</b>	<b>758</b>	<b>35.6</b>	<b>518</b>	<b>301</b>	<b>72.1</b>

At 518 kilotons, 72.1 % more steel was sold in the second quarter of 2021 than in the same quarter of the previous year (Q2 2020: 301 kilotons). This uptick was mainly attributable to the 90.8 % increase in sales volumes of quality and engineering steel. The recovery in demand from the automotive industry and mechanical and plant engineering was particularly evident in this product group. There was also a year-on-year increase in sales volumes during the quarter in the tool steel and stainless steel businesses.

## Key figures on the income statement

in million EUR	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Revenue	1,590.6	1,174.5	35.4	839.1	469.9	78.6
Gross profit	584.2	393.7	48.4	304.2	154.5	96.9
Adjusted EBITDA <sup>1)</sup>	109.9	-52.0	-	65.4	-45.8	-
EBITDA	105.4	-61.3	-	63.5	-53.7	-
Adjusted EBITDA margin (%)	6.9	-4.4	-	7.8	-9.7	-
EBITDA margin (%)	6.6	-5.2	-	7.6	-11.4	-
EBIT	62.8	-191.3	-	42.5	-159.6	-
Earnings before taxes	41.3	-214.7	-	31.7	-171.0	-
Group result	35.2	-201.5	-	30.4	-159.1	-

<sup>1)</sup> For the reconciliation from adjusted EBITDA to EBITDA, please refer to the Interim report 2nd quarter 2021, page 14

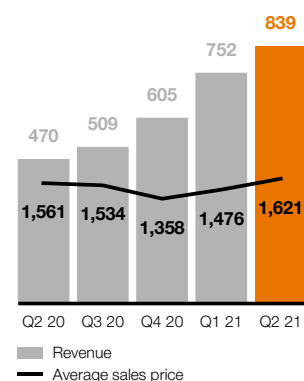
Revenue by product group in million EUR	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Quality & engineering steel	791.0	495.5	59.6	419.3	189.7	121.0
Stainless steel	569.6	476.4	19.6	300.6	191.9	56.6
Tool steel	191.9	172.1	11.5	99.3	75.9	30.8
Others	38.1	30.4	25.3	19.9	12.4	60.5
<b>Total</b>	<b>1,590.6</b>	<b>1,174.5</b>	<b>35.4</b>	<b>839.1</b>	<b>469.9</b>	<b>78.6</b>

Revenue by region in million EUR	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Germany	567.7	434.1	30.8	299.5	170.9	75.2
Italy	223.1	142.3	56.8	119.0	61.0	95.1
France	176.8	123.7	42.9	91.8	44.6	–
Switzerland	22.6	21.0	7.6	12.3	8.4	46.4
Other Europe	319.5	219.6	45.5	170.3	85.2	99.9
<b>Europe</b>	<b>1,309.7</b>	<b>940.7</b>	<b>39.2</b>	<b>692.9</b>	<b>370.1</b>	<b>87.2</b>
USA	108.9	101.4	7.4	56.7	41.5	36.6
Canada	36.3	30.1	20.6	18.9	11.9	58.8
Other Americas	18.4	14.8	24.3	9.2	4.0	–
<b>America</b>	<b>163.6</b>	<b>146.3</b>	<b>11.8</b>	<b>84.8</b>	<b>57.4</b>	<b>47.7</b>
China	54.1	40.7	32.9	27.9	21.7	28.6
India	18.1	11.3	60.2	8.9	4.6	93.5
Asia Pacific/Africa	45.1	35.5	27.0	24.6	16.0	53.8
<b>Africa/Asia/Australia</b>	<b>117.3</b>	<b>87.5</b>	<b>34.1</b>	<b>61.4</b>	<b>42.3</b>	<b>45.2</b>
<b>Total</b>	<b>1,590.6</b>	<b>1,174.5</b>	<b>35.4</b>	<b>839.1</b>	<b>469.9</b>	<b>78.6</b>

The average sales price per ton of steel continued to rise in the second quarter of 2021 and, at EUR 1,621.0, was higher than the average price achieved in the same quarter of the previous year (Q2 2020: EUR 1,561.1 per ton). This is mostly due to the increase in commodity prices, where the widespread use of surcharge mechanisms led to higher prices. In addition, the second quarter of 2021 saw more pronounced base price increases. The price increase in all product groups outweighed the negative impact from the product mix with a continuing high share of the quality & engineering steel product group and at a lower average sales price.

The increased sales volumes and positive price development led to revenue of EUR 839.1 million, an increase of 78.6% on the prior-year quarter (Q2 2020: EUR 469.9 million). The increase in revenue was spread across all product groups, with the strongest growth in the quality & engineering steel product group. By region, revenue increased in all our sales markets. In particular, revenue in Europe, our largest sales market, was up 87.2%. This region was particularly affected by the COVID-19 pandemic containment measures in the prior-year quarter.

**Revenue and average sales prices**  
in EUR million / in EUR/t



## Expenses

in million EUR	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Cost of materials (incl. change in semi-finished and finished goods)	1,006.4	780.7	28.9	534.9	315.5	69.5
Personnel expenses	348.3	329.8	5.6	175.8	153.5	14.5
Other operating expenses	156.6	147.3	6.3	76.3	65.9	15.8
Depreciation, amortization and impairments	42.6	130.0	-67.2	21.0	105.9	-80.2

### Cost of materials and gross profit

Cost of materials – adjusted for the change in semi-finished and finished goods – rose in the second quarter by 69.5% to EUR 534.9 million. This was due to increased production volumes and to high raw material prices.

Gross profit – revenue less cost of materials – was up by 96.9% in the second quarter to EUR 304.2 million (Q2 2020: EUR 154.5 million). The gross profit margin, meanwhile, rose to 36.3% (Q2 2020: 32.9%).

### Personnel expenses

Personnel expenses increased by 14.5% in the second quarter to EUR 175.8 million (Q2 2020: EUR 153.5 million). Short-time work programs in Germany, France, and Switzerland had an impact in the prior-year quarter, while short-time work was only used in isolated cases in the second quarter of 2021. Overall, Swiss Steel Group received EUR 1.1 million in compensation for short-time work in the second quarter of 2021, of which EUR 0.7 million was offset against personnel expenses (Q2 2020: EUR 9.3 million). In the prior-year quarter, a gain from the reduction in pension conversion rates in Switzerland of EUR 4.5 million was also recognized in personnel expenses.

With a headcount of 9,847, 292 less people were employed by Swiss Steel Group in the second quarter of 2021 compared with the prior-year quarter.

### Other operating income and expenses

At EUR 11.4 million, other operating income in the second quarter was on par with the same quarter of the previous year (Q2 2020: EUR 11.3 million).

The second quarter saw other operating expenses increase by 15.8% to EUR 76.3 million compared with the same quarter the year before (Q2 2020: EUR 65.9 million). The increase was mainly due to higher freight, maintenance and repair costs resulting from increased production and sales volumes. By contrast, expenses for consulting services fell compared with the prior-year quarter.

### Earnings before interest, taxes, depreciation, and amortization (EBITDA)

At EUR 65.4 million in the second quarter of 2021, adjusted EBITDA was considerably higher than in the prior-year quarter (Q2 2020: EUR -45.8 million). One-time effects amounted to EUR 1.9 million and included, among other things, costs for the efficiency improvement program and COVID-19 protective materials. Including these one-time effects, EBITDA amounted to EUR 63.5 million (Q2 2020: EUR -53.7 million).

In the second quarter, the adjusted EBITDA margin rose to 7.8% (Q2 2020: -9.7%), while the EBITDA margin increased to 7.6% (Q2 2020: -11.4%).

**One-time effects**

in million EUR	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
<b>EBITDA (IFRS)</b>	<b>105.4</b>	<b>-61.3</b>	-	<b>63.5</b>	<b>-53.7</b>	-
Performance improvement program, others	3.0	5.8	-48.3	1.7	4.4	-61.4
Reorganization and transformation processes	0.2	0.5	-60.0	0.1	0.5	-80.0
Restructuring and other personnel measures	1.3	2.8	-53.6	0.1	2.8	-96.4
M&A and integration	0.0	0.2	-	0.0	0.2	-
<b>Adjusted EBITDA</b>	<b>109.9</b>	<b>-52.0</b>	-	<b>65.4</b>	<b>-45.8</b>	-

**Depreciation, amortization and impairments**

Depreciation, amortization and impairments came to EUR 21.0 million in the second quarter, below the figure for the same quarter in the previous year (Q2 2020: EUR 105.9 million). This included impairments of the Ascometal Business Unit of EUR 3.7 million. In the prior-year quarter the item included impairments of the DEW and Ascometal Business Units of EUR 86.0 million.

**Financial result**

At EUR -10.8 million, the financial result in the second quarter was, with debt levels a little lower, less negative than in the same quarter of the previous year (Q2 2020: EUR -11.4 million).

**Tax expense/(income)**

Earnings before taxes (EBT) for the second quarter were EUR 31.7 million (Q2 2020: EUR -171.0 million). The tax expense in the second quarter was EUR -1.3 million (Q2 2020: EUR 11.9 million). In the previous year, current taxes included a positive one-time effect of EUR 14.2 million from offsetting losses in the current fiscal year against profits in previous years in the USA. This tax refund was granted as part of the COVID-19 aid package.

**Group result**

A positive Group result of EUR 30.4 million was recorded in the second quarter (Q2 2020: EUR -159.1 million).

**Key figures on the balance sheet**

	Unit	30.6.2021	31.12.2020	Δ in %
Shareholders' equity	million EUR	460.4	166.1	-
Equity ratio	%	21.9	9.7	-
Net debt	million EUR	605.4	639.9	-5.4
Gearing	%	131.5	385.2	-
Net working capital (NWC)	million EUR	943.1	698.1	35.1
Balance sheet total	million EUR	2,103.9	1,715.7	22.6

### Non-current assets

Non-current assets increased compared with December 31, 2020, rising by EUR 16.9 million to EUR 574.3 million. The rise was mainly attributable to the item "Other non-current assets", which were affected, in particular, by higher retirement assets of Swiss Steel AG pension fund. The mortality estimate was updated in the second quarter to calculate the pension obligations of the Swiss plans. This resulted in an actuarial gain of EUR 11.7 million, which led to an increase in pension assets. The share of non-current assets in the balance sheet total shrank to 27.3% (31.12.2020: 32.5%).

### Net working capital

Net working capital increased compared with December 31, 2020 from EUR 698.1 million to EUR 943.1 million. This development is the result of increased market activities leading to higher production volumes, additionally amplified by higher raw material prices. Trade accounts receivable increased of EUR 184.1 million and inventories by EUR 183.8 million. These two effects outweighed the increase in trade accounts payable by EUR 122.9 million. Due to the growth in revenue the ratio of net working capital to revenue (L3M annualized) as of June 30, 2021 improved slightly by 28.1% compared with year-end 2020 (31.12.2020: 28.9%).

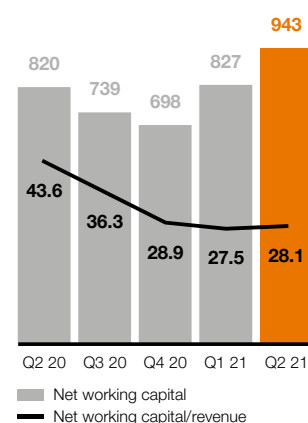
### Shareholders' equity and equity ratio

At the end of June 2021, shareholders' equity had risen by EUR 294.3 million compared with December 31, 2020. This was mainly attributable to the capital increase completed on March 22, 2021, which generated a gross inflow of EUR 223.5 million. After deducting transaction costs, Swiss Steel Group collected EUR 217.0 million. In addition, actuarial gains from pensions and similar obligations in the amount of EUR 45.2 million had a positive effect on shareholders' equity. The equity ratio of 21.9% was therefore significantly higher than it was at the end of the year (31.12.2020: 9.7%).

### Liabilities

Non-current liabilities amounted to EUR 780.5 million as of the reporting date and were thus EUR 101.7 million lower than on December 31, 2020, primarily as a result of the EUR 76.2 million decrease in non-current financial liabilities. This was down due to the partial repayment of the syndicated loan, which was executed using proceeds from the capital increase. Pension liabilities were also reduced by EUR 24.8 million, primarily on the back of actuarial gains resulting from higher discount rates. The share of non-current liabilities in the balance sheet total decreased from 51.4% to 37.1%.

**Net working capital**  
in EUR million/in relation to revenue  
(L3M annualized) in %

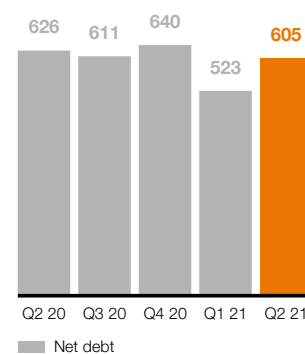


Current liabilities were EUR 863.0 million, up by EUR 195.7 million compared with the end of 2020. This was primarily attributable to the rise in trade accounts payable of EUR 122.9 million resulting from increased market activity and higher raw material prices. In addition, the ABS financing program was utilized to a greater extent, resulting in an increase in current financial liabilities. The share of current liabilities in the balance sheet total rose to 41.0% (31.12.2020: 38.9%).

### Net debt

Net debt, comprising current and non-current financial liabilities less cash and cash equivalents, came to EUR 605.4 million, a decrease on the figure as of December 31, 2020 (EUR 639.9 million). This was due to the capital increase in the first quarter.

Net debt in million EUR



### Key figures on the cash flow statement

in million EUR	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Cash flow before changes in net working capital	118.5	-10.2	-	68.1	-28.8	-
Cash flow from operating activities	-123.7	-61.2	-	-47.5	12.6	-
Cash flow from investing activities	-27.6	-28.9	4.5	-17.7	-15.4	-14.9
Free cash flow	-151.3	-90.1	-67.9	-65.2	-2.8	-
Cash flow from financing activities	146.5	85.0	72.4	-28.8	7.3	-

### Cash flow from operating activities

At EUR 68.1 million, operating cash flow before changes in net working capital in the second quarter of 2021 was significantly higher than in the same quarter of the previous year (Q2 2020: EUR -28.8 million). In spite of the good operating result, the free cash flow from operating activities was negative, coming in at -47.5 million below the prior-year quarter (Q2 2020: EUR 12.6 million). This is attributable to the increase in net working capital and especially to the build-up of inventories. However, in the prior-year quarter positive cash flow was generated from changes in net working capital.

### Cash flow from investing activities

At EUR -17.7 million, operating cash flow before changes in net working capital in the first quarter of 2021 was slightly higher than the figure of EUR -15.4 in the same quarter in the previous year.

Free cash flow (cash flow from operating activities less cash flow from investing activities) in the second quarter of 2021 was EUR -65.2 million, considerably below the same quarter in the previous year (Q2 2020: EUR -2.8 million).

### Cash flow from financing activities

The outflow from financing activities in the second quarter of 2021 was EUR -28.8 million (Q2 2020: inflow of EUR 7.3 million). This was due to the reduction in the syndicated loan using the proceeds from the capital increase carried out in the first quarter.

### Change in cash and cash equivalents

The overall change in cash and cash equivalents in the second quarter of 2021 was therefore EUR -94.0 million (Q2 2020: EUR 4.4 million).



## Business development of the divisions

Key figures divisions in million EUR	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
<b>Production</b>						
Revenue	1,468.9	1,071.9	37.0	778.1	431.5	80.3
Adjusted EBITDA <sup>1)</sup>	90.7	-50.8	-	53.9	-43.2	-
EBITDA	88.8	-54.8	-	52.7	-46.9	-
Adjusted EBITDA margin (%)	6.2	-4.7	-	6.9	-10.0	-
EBITDA margin (%)	6.0	-5.1	-	6.8	-10.9	-
Investments	31.1	30.2	3.0	19.2	16.6	15.7
Operating free cash flow	-174.6	-137.0	-27.4	-68.1	-17.4	-
Employees as of closing date	8,377	8,711	-3.8	8,377	8,711	-3.8
<b>Sales &amp; Services</b>						
Revenue	282.7	256.6	10.2	143.5	107.1	34.0
Adjusted EBITDA <sup>1)</sup>	25.0	7.8	-	13.3	1.6	-
EBITDA	25.0	7.6	-	13.3	1.4	-
Adjusted EBITDA margin (%)	8.8	3.0	-	9.3	1.5	-
EBITDA margin (%)	8.8	3.0	-	9.3	1.3	-
Investments	3.1	3.0	3.3	1.2	2.1	-42.9
Operating free cash flow	15.5	17.2	-9.9	3.8	5.1	-25.5
Employees as of closing date	1,346	1,318	2.1	1,346	1,318	2.1

<sup>1)</sup> For the reconciliation from adjusted EBITDA to EBITDA, please refer to the Interim report 2nd quarter 2021, page 14

### Production

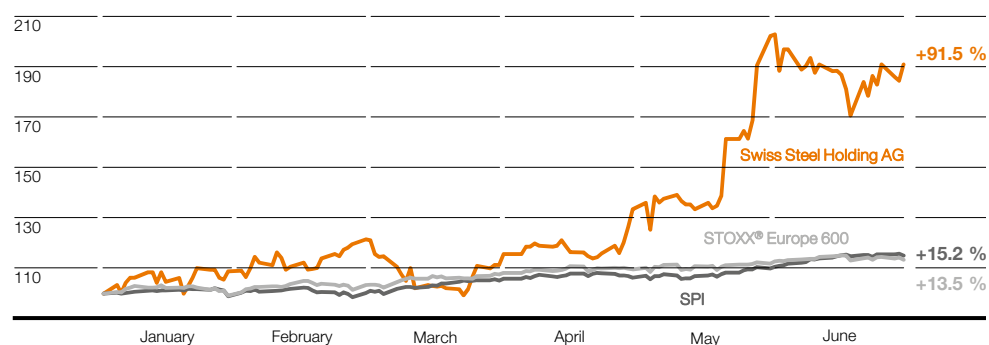
The *Production* division recorded growth in revenue of 80.3% in the second quarter. In addition to the increased market activity, part of this increase is due to the adaption of the business model between the *Sales & Services* and *Production* division (note 18). If the previous business model would have been continued in the second quarter 2021, the sales in the *Production* division would have been EUR 33.9 Mio. lower and correspondingly by the same amount higher in the *Sales & Services* division. The average sales prices were higher than in the prior-year quarter despite the higher percentage share of quality & engineering steel in sales volumes. At EUR 53.9 million, adjusted EBITDA was markedly better than in the same quarter in the previous year (Q2 2020: EUR -43.2 million), mainly on the back of the increase in revenue. There is no significant shift of adjusted EBITDA due to the adaption of the business model between the *Production* and *Sales & Services* division. One-time effects amounted to EUR 1.2 million and primarily comprised costs for programs to improve efficiency and COVID-19 protective materials.

***Sales & Services***

A significant increase in sales and profitability was also evident in the *Sales & Services* division. However, the increase was lower compared with the *Production* division due to the COVID-19 measures from the prior-year quarter had less of an impact on the *Sales & Services* division and further due to the adaptation of the business model between the *Production* and *Sales & Services* division (note 18) which led to lower sales. If the previous business model would have been continued, the sales in the *Sales & Services* division would have been EUR 33.9 Mio. higher and correspondingly by the same amount lower in the *Production* division. There is no significant shift at adjusted EBITDA level. Overall, sales increased by 34.0% to EUR 143.5 million and adjusted EBITDA was significantly higher than in the prior-year quarter (Q2 2020) at EUR 13.3 million (Q2 2020: EUR 1.6 million). Only minimal one-time effects were recorded in the *Sales & Services* division.

## Capital market

### Development share price since 01/01/2021 Indexed



Driven by the positive performance of Swiss Steel Group in the first quarter paired with the economic recovery in our customer markets, the share price had climbed to a high of CHF 0.478 by the end of May. Subsequently, the share price dipped marginally due to exogenous factors and settled at CHF 0.450.

On June 30, 2021, the share price stood at CHF 0.450, 91.5% above the price at year-end 2020. Over the same period, the Stoxx® Europe 600 Index rose by 15.2% and the Swiss Performance Index (SPI), which includes Swiss Steel Holding AG share, by 13.5%.

In the second quarter of 2021, the average daily trading volume of shares of Swiss Steel Holding AG on the Swiss stock market was 4.1 million, compared with 1.3 million in the first quarter of 2020.

### Financing

Swiss Steel Group's financing structure consists of a syndicated loan to the value of EUR 465.0 million, an ABS financing program to the value of EUR 293.3 million and a shareholder loan to the value of EUR 95.0 million. State-guaranteed bank loans amounting to EUR 98.2 million were also taken out since 2020.

Unused financing lines and liquid funds came to EUR 389.5 million as of June 30, 2021, ensuring sufficient financial resources are available.

in million EUR	Credit line	Status as of 30.6.2021	Total funds available
Syndicated loan (excl. transaction costs)	465.0	248.0	217.0
ABS financing (excl. transaction costs)	293.3	191.4	101.9
Loan from shareholder (excl. transaction costs)	95.0	95.0	0.0
State-guaranteed loans (excl. transaction costs)	98.2	98.2	0.0
Cash and cash equivalents		70.6	70.6
<b>Financial leeway</b>			<b>389.5</b>

## Outlook

The focus for the balance of 2021 will be on capturing market opportunities and responding to it with the necessary personnel and financial resources. The implementation of the transformation program remains on track.

Under the assumption that our customer markets remain stable and taking into consideration the seasonal effects of the third and fourth quarter, we expect to achieve adjusted EBITDA in the range of EUR 150 to 180 million.

# Additional information

Please refer to the Annual Report 2020 for further information, particularly in relation to the topics below:

**Strategy and corporate management** (pages 2–15), **Business model** (pages 8–15), **Capital market** (pages 50–53), **Financing** (page 53), **Executive Board** (pages 86–87) and **Glossary** (page 209)

The definitions and reconciliation of the **alternative performance indicators** contained in the Management Report can be found in the following documents:

**Glossary, Annual Report 2020** (page 209) ([www.swisssteel-group.com/investor-relations](http://www.swisssteel-group.com/investor-relations)): adjusted EBITDA margin, free cash flow, net working capital, net debt, capital employed, gross profit margin, EBITDA margin, equity ratio, gearing, net debt/adjusted EBITDA LTM (leverage), net working capital/revenue (L3M annualized), operating free cash flow, **earnings before interest, taxes, depreciation, and amortization** (EBITDA), page 14 of this report: reconciliation from adjusted EBITDA to EBITDA, **segment reporting** (note 18) in financial reporting: investments

## Composition of the Board of Directors

On April 27, 2021, the Annual General Meeting of the Company newly elected the Board of Directors. It is now composed as follows:

### Swiss Steel Holding AG Board of Directors

<b>Jens Alder (CH)</b> Year of birth 1957 Chairman Compensation Committee (Member) Member since 2021 Elected until 2022	<b>Jörg Walther (CH) <sup>1)</sup></b> Year of birth 1961 Vice Chairman Member since 2020 Elected until 2022	<b>Svein Richard Brandtzaeg (NO)</b> Year of birth 1957 Compensation Committee (Chairman) Member since 2020 Elected until 2022
<b>David Metzger (CH/FR) <sup>2)</sup></b> Year of birth 1969 Audit Committee (Member) Member since 2020 Elected until 2022	<b>Dr. Michael Schwarzkopf (AT)</b> Year of birth 1961 Compensation Committee (Member) Member since 2020 Elected until 2022	<b>Karin Sonnenmoser (DE)</b> Year of birth 1969 Audit Committee (Member) Member since 2020 Elected until 2022
<b>Adrian Widmer (CH)</b> Year of birth 1968 Audit Committee (Chairman) Member since 2019 Elected until 2022		

<sup>1)</sup> Representative of BigPoint Holding AG

<sup>2)</sup> Representative of Liwet Holding AG

# Financial reporting

## Consolidated income statement

in million EUR	Note	H1 2021	H1 2020	Q2 2021	Q2 2020
Revenue	7	1,590.6	1,174.5	839.1	469.9
Change in semi-finished and finished goods		127.4	-41.4	46.8	-10.2
Cost of materials		-1,133.8	-739.3	-581.7	-305.3
<b>Gross profit</b>		<b>584.2</b>	<b>393.7</b>	<b>304.2</b>	<b>154.5</b>
Other operating income	8	26.1	22.1	11.4	11.3
Personnel expenses	9	-348.3	-329.8	-175.8	-153.5
Other operating expenses	8	-156.6	-147.3	-76.3	-65.9
<b>Operating result before depreciation, amortization and impairment (EBITDA)</b>		<b>105.4</b>	<b>-61.3</b>	<b>63.5</b>	<b>-53.7</b>
Depreciation, amortization and impairments	12	-42.6	-130.0	-21.0	-105.9
<b>Operating profit (EBIT)</b>		<b>62.8</b>	<b>-191.3</b>	<b>42.5</b>	<b>-159.6</b>
Financial income	10	0.5	0.4	0.2	0.2
Financial expenses	10	-22.0	-23.8	-11.0	-11.6
<b>Financial result</b>		<b>-21.5</b>	<b>-23.4</b>	<b>-10.8</b>	<b>-11.4</b>
<b>Earnings before taxes (EBT)</b>		<b>41.3</b>	<b>-214.7</b>	<b>31.7</b>	<b>-171.0</b>
Income taxes	11	-6.1	13.2	-1.3	11.9
<b>Group result</b>		<b>35.2</b>	<b>-201.5</b>	<b>30.4</b>	<b>-159.1</b>
of which attributable to					
- shareholders of Swiss Steel Holding AG		34.4	-201.4	29.9	-159.0
- non-controlling interests		0.8	-0.1	0.5	-0.1
<b>Earnings per share in EUR (undiluted/diluted)</b>		<b>0.01</b>	<b>-0.10</b>	<b>0.01</b>	<b>-0.08</b>

# Consolidated statement of comprehensive income

in million EUR	Note	H1 2021	H1 2020	Q2 2021	Q2 2020
<b>Group result</b>		<b>35.2</b>	<b>-201.5</b>	<b>30.4</b>	<b>-159.1</b>
Result from currency translation		-1.1	-5.5	2.4	0.4
Change in unrealized result from cash flow hedges		0.4	-0.1	0.8	0.7
Tax effect from cash flow hedges		-0.1	0.0	-0.2	-0.2
<b>Items that may be reclassified subsequently to income statement</b>		<b>-0.8</b>	<b>-5.6</b>	<b>3.0</b>	<b>0.9</b>
Actuarial result from pensions and similar obligations	15	50.3	-5.8	20.9	-33.0
Tax effect from pensions and similar obligations		-5.1	0.4	-6.9	2.2
<b>Items that will not be reclassified subsequently to income statement</b>		<b>45.2</b>	<b>-5.4</b>	<b>14.0</b>	<b>-30.8</b>
<b>Other comprehensive result</b>		<b>44.4</b>	<b>-10.9</b>	<b>17.0</b>	<b>-30.0</b>
<b>Total comprehensive result</b>		<b>79.6</b>	<b>-212.4</b>	<b>47.4</b>	<b>-189.1</b>
of which attributable to					
- shareholders of Swiss Steel Holding AG		78.8	-212.3	46.9	-189.0
- non-controlling interests		0.8	-0.1	0.5	-0.1

## Consolidated statement of financial position

	Note	30.6.2021		31.12.2020	
		in million EUR	% share	in million EUR	% share
<b>Assets</b>					
Intangible assets		17.2		17.6	
Property, plant and equipment	12	470.5		478.2	
Right-of-use of leased assets		25.7		24.4	
Non-current income tax assets		0.2		3.6	
Non-current financial assets		1.3		1.3	
Deferred tax assets	11	17.2		18.0	
Other non-current assets	15	42.2		14.3	
<b>Total non-current assets</b>		<b>574.3</b>	<b>27.3</b>	<b>557.4</b>	<b>32.5</b>
Inventories	13	833.4		649.6	
Trade accounts receivable		531.2		347.1	
Current financial assets		4.0		7.5	
Current income tax assets		9.3		9.3	
Other current assets		81.1		70.0	
Cash and cash equivalents		70.6		74.7	
<b>Total current assets</b>		<b>1,529.6</b>	<b>72.7</b>	<b>1,158.2</b>	<b>67.5</b>
<b>Total assets</b>		<b>2,103.9</b>	<b>100.0</b>	<b>1,715.7</b>	<b>100.0</b>
<b>Shareholders' equity and liabilities</b>					
Share capital	14	361.4		221.7	
Capital reserves	14	1,024.5		1,118.2	
Retained earnings (accumulated losses)	14	-977.2		-1,224.7	
Accumulated income and expenses recognized in other comprehensive income (loss)		44.0		44.5	
Treasury shares		0.0		-0.5	
<b>Shareholders of Swiss Steel Holding AG</b>		<b>452.7</b>		<b>159.2</b>	
Non-controlling interests		7.7		6.9	
<b>Total equity</b>		<b>460.4</b>	<b>21.9</b>	<b>166.1</b>	<b>9.7</b>
Pension liabilities	15	265.9		290.7	
Other non-current provisions		45.9		46.2	
Deferred tax liabilities	11	5.5		3.9	
Non-current financial liabilities	16	449.0		525.2	
Other non-current liabilities		14.2		16.2	
<b>Total non-current liabilities</b>		<b>780.5</b>	<b>37.1</b>	<b>882.2</b>	<b>51.4</b>
Other current provisions		32.6		39.2	
Trade accounts payable		421.5		298.6	
Current financial liabilities	16	227.0		189.4	
Current income tax liabilities		10.8		9.8	
Other current liabilities		171.1		130.3	
<b>Total current liabilities</b>		<b>863.0</b>	<b>41.0</b>	<b>667.3</b>	<b>38.9</b>
<b>Total liabilities</b>		<b>1,643.5</b>	<b>78.1</b>	<b>1,549.5</b>	<b>90.3</b>
<b>Total equity and liabilities</b>		<b>2,103.9</b>	<b>100.0</b>	<b>1,715.7</b>	<b>100.0</b>



# Consolidated statement of cash flows

in million EUR	Calculation	H1 2021	H1 2020
Earnings before taxes		41.3	-214.7
Depreciation, amortization and impairments		42.6	130.0
Result from disposal of intangible assets, property, plant and equipment and financial assets		-0.5	-0.3
Increase/decrease in other assets and liabilities		20.0	52.0
Financial income		-0.5	-0.4
Financial expenses		22.0	23.8
Cash settled share base payment		-2.2	-0.9
Interest received		0.3	0.4
Income taxes received/paid (net)		-4.5	-0.1
<b>Cash flow before changes in net working capital</b>		<b>118.5</b>	<b>-10.2</b>
Change in inventories		-180.9	21.5
Change in trade accounts receivable		-183.3	32.2
Change in trade accounts payable		122.0	-104.7
<b>Cash flow from operating activities</b>	<b>A</b>	<b>-123.7</b>	<b>-61.2</b>
Investments in property, plant and equipment		-27.2	-27.9
Proceeds from disposal of property, plant and equipment		1.5	0.3
Investments in intangible assets		-1.9	-1.3
<b>Cash flow from investing activities</b>	<b>B</b>	<b>-27.6</b>	<b>-28.9</b>
Increase/decrease of other financial liabilities		-40.3	66.8
Increase of loan from shareholder		0.0	94.8
Increase/decrease in other bank loans		-2.6	7.4
Increase state-guaranteed loans		3.2	0.0
Transaction costs refinancing		-4.7	-6.8
Repayment bond		0.0	-328.8
Proceeds from capital increase		223.5	300.4
Transaction costs from capital increase		-6.5	-9.8
Payment of lease liabilities		-4.7	-5.3
Investment in treasury shares		-0.8	0.0
Interest paid		-20.6	-33.8
<b>Cash flow from financing activities</b>	<b>C</b>	<b>146.5</b>	<b>85.0</b>
<b>Net change in cash and cash equivalents</b>	<b>A+B+C</b>	<b>-4.8</b>	<b>-5.1</b>
Effect of foreign currency translation		0.7	-1.0
<b>Change in cash and cash equivalents</b>		<b>-4.1</b>	<b>-6.1</b>
Cash and cash equivalents at the beginning of the period		74.7	54.0
Cash and cash equivalents at the end of the period		70.6	47.9
<b>Change in cash and cash equivalents</b>		<b>-4.1</b>	<b>-6.1</b>
<b>Free cash flow</b>	<b>A+B</b>	<b>-151.3</b>	<b>-90.1</b>

# Consolidated statement of changes in shareholders' equity

in million EUR	Share capital	Capital reserves	Retained earnings	Accumulated income and expenses recognized in other comprehensive result	Treasury shares	Shareholders of Swiss Steel Holding AG	Non-controlling interests	Total equity
<b>As of 1.1.2020</b>	<b>378.6</b>	<b>952.8</b>	<b>-1,202.9</b>	<b>49.3</b>	<b>-1.2</b>	<b>176.6</b>	<b>7.1</b>	<b>183.8</b>
Capital increase	300.5	-9.8	0.0	0.0	0.0	290.7	0.0	290.7
Capital decreases	-174.7	174.7	0.0	0.0	0.0	0.0	0.0	0.0
Expenses from share-based payments	0.0	0.0	1.0	0.0	0.0	1.0	0.0	1.0
Definitive allocation of share-based payments for the prior year	0.0	0.0	-1.6	0.0	0.7	-0.9	0.0	-0.9
<b>Capital transactions with shareholders</b>	<b>125.8</b>	<b>164.9</b>	<b>-0.6</b>	<b>0.0</b>	<b>0.7</b>	<b>290.8</b>	<b>0.0</b>	<b>290.8</b>
Group result	0.0	0.0	-201.4	0.0	0.0	-201.4	-0.1	-201.5
Other comprehensive result	0.0	0.0	-5.4	-5.6	0.0	-10.9	0.0	-10.9
<b>Total comprehensive result</b>	<b>0.0</b>	<b>0.0</b>	<b>-206.8</b>	<b>-5.6</b>	<b>0.0</b>	<b>-212.3</b>	<b>-0.1</b>	<b>-212.4</b>
<b>As of 30.6.2020</b>	<b>504.4</b>	<b>1,117.7</b>	<b>-1,410.3</b>	<b>43.8</b>	<b>-0.5</b>	<b>255.1</b>	<b>7.0</b>	<b>262.0</b>
<b>As of 1.1.2021</b>	<b>221.7</b>	<b>1,118.2</b>	<b>-1,224.9</b>	<b>44.7</b>	<b>-0.5</b>	<b>159.2</b>	<b>6.9</b>	<b>166.1</b>
Capital increase	139.7	77.3	0.0	0.0	0.0	217.0	0.0	217.0
Reclassifications	0.0	-171.0	171.0	0.0	0.0	0.0	0.0	0.0
Purchase of treasury shares	0.0	0.0	0.0	0.0	-0.8	-0.8	0.0	-0.8
Expenses from share-based payments	0.0	0.0	0.6	0.0	0.0	0.6	0.0	0.6
Definitive allocation of share-based payments for the prior year	0.0	0.0	-3.5	0.0	1.3	-2.2	0.0	-2.2
<b>Capital transactions with shareholders</b>	<b>139.7</b>	<b>-93.7</b>	<b>168.1</b>	<b>0.0</b>	<b>0.5</b>	<b>214.6</b>	<b>0.0</b>	<b>214.6</b>
Group result	0.0	0.0	34.4	0.0	0.0	34.4	0.8	35.2
Other comprehensive result	0.0	0.0	45.2	-0.8	0.0	44.4	0.0	44.4
<b>Total comprehensive result</b>	<b>0.0</b>	<b>0.0</b>	<b>79.6</b>	<b>-0.8</b>	<b>0.0</b>	<b>78.8</b>	<b>0.8</b>	<b>79.6</b>
<b>As of 30.6.2021</b>	<b>361.4</b>	<b>1,024.5</b>	<b>-977.2</b>	<b>44.0</b>	<b>0.0</b>	<b>452.7</b>	<b>7.7</b>	<b>460.4</b>

# Notes to the consolidated financial statements

## **About the company**

Swiss Steel Holding AG is a Swiss company limited by shares, which is listed on the SIX Swiss Exchange (SIX) and has its registered office at Landenbergstrasse 11 in Lucerne. Swiss Steel Group is a global steel company operating in the special long steel business. Its activities are divided into two divisions: *Production* and *Sales & Services*.

These consolidated financial statements were authorized for issue by the Board of Directors on August 10, 2021.

## **1 Accounting policies**

The Group prepared these quarterly condensed consolidated financial statements of Swiss Steel Group in accordance with IAS 34 "Interim Financial Reporting". They contain all the information required of interim condensed consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs). More detailed disclosures on accounting policies can be found in the consolidated financial statements as of December 31, 2020. This quarterly report is presented in Euro. Unless otherwise stated, monetary amounts are denominated in millions of Euro.

Due to rounding differences some figures may not exactly match the total, and the percentage figures may not reflect the underlying absolute figures.

## 2 Significant estimation uncertainties and discretionary decisions

In preparing these quarterly condensed consolidated financial statements in accordance with IAS 34, assumptions and estimates were made, which affect the carrying amounts and disclosure of the recognized assets and liabilities, income and expenses and contingent liabilities. Actual amounts may differ from the estimates.

In the first half of 2021 the Group continued to evaluate the impact of COVID-19 on its financial performance. The potential consequences of the pandemic are still causing increased uncertainty regarding the trends in sales volumes, revenues and cash flows as well as the value of current and non-current assets. Assumptions and estimates may differ from the actual values and have a significant impact on the quarterly consolidated financial statements.

The Group believes that the negative effects of COVID-19 have been sufficiently factored into the current budget and medium-term plan with regard to sales volumes, revenues, cash flows and capital costs and therefore, also into the valuation of current and non-current assets.

The situation is being continuously monitored and the values of non-current assets re-measured on each reporting date. If the situation deteriorates again, it may result in additional impairments of current and non-current assets such as receivables, inventories, or property, plant and equipment.

Indications of impairment in the first half of the year were identified in the Ascometal business unit. Based on this, Swiss Steel Group has performed an impairment test as of June 30, 2021. The ensuing impairment test resulted in an impairment (note 12).

### 3 Going concern

The crisis in the steel industry that began in 2019, triggered by weaknesses in the important end markets of the automotive and mechanical engineering industries, was aggravated in 2020 by the dramatic, pandemic-related decline in demand, which significantly hit both volumes and prices.

Swiss Steel Group already responded to this in 2020 with various equity and financing measures. On March 22, 2021 the Group also carried out a capital increase, producing a net inflow of EUR 217.0 million. As a result, Swiss Steel Group was able to renew the syndicated loan with the lending banks and the ABS financing program; the main effect of this was to improve the financing terms (financial covenants).

The potential for restructuring was confirmed within the scope of a restructuring report as of October 5, 2020. This restructuring report provided for several supplementary financing elements that would close the financing gap. With the equity increase in 2021, the identified financing requirement was clearly exceeded.

Sales began to normalize in the third quarter of 2020, primarily in the automotive industry. In the first half of 2021 this trend also extended to mechanical and plant engineering and revived sales across the entire Group.

Implementation of the operational restructuring measures that were identified within the scope of the restructuring report is proceeding according to schedule. The transformation program thus remains on track.

Comparing the planning from the restructuring report with the operating performance actually achieved in the first half of 2021 showed that the planning as set out in the report was exceeded. The Group has also forecast the current market trends and other predicted effects of the COVID-19 crisis in its latest projections until the end of 2021. The Board of Directors believes that the key figures from the restructuring report will be exceeded and anticipates compliance with the financing conditions.

The Group's ability to continue as a going concern is dependent on the availability of sufficient liquidity and compliance with the relevant financing conditions. It will also be crucial that the end markets perform as planned, the planned operational transformation measures are implemented on target and the impact of COVID-19 does not deviate significantly negatively from the impact set out in the planning.

The Board of Directors and the Executive Board continue to closely monitor developments in the relevant end markets and the implementation of the restructuring measures and are repeatedly assessing their impact on Swiss Steel Group's ability to continue as a going concern.

When preparing the consolidated quarterly financial statements, the continuation of Swiss Steel Group as a going concern was assessed as positive by the Board of Directors and by the Executive Board. It is expected that all conditions of the new financing will be met and the planned operational improvements can be realized, so that the company can continue its business activities over the next twelve months. Therefore, these quarterly consolidated financial statements have been prepared on the basis of going concern figures.

#### **4 Standards and interpretations applied**

The relevant accounting policies applied in the quarterly condensed consolidated financial statements are consistent with those used for the most recent consolidated financial statements prepared as of the end of the fiscal year 2020. The changes to IFRS standards, effective January 1, 2021, have not had any material impact on the consolidated quarterly statements of Swiss Steel Group.

#### **5 Seasonal effects**

There are seasonal effects on sales and revenue in both divisions of the Group. These effects are attributable to the number of working days in the second half of the year, which is lower due to vacation periods in July and August, as well as in the second half of December. These periods are associated with plant downtime in some cases. The effects are particularly pronounced in the third quarter, which is affected by the summer vacation period. However, fixed costs are distributed fairly equally over all four quarters. Furthermore, the majority of general overhaul work on production and processing plants is carried out over the summer during plant downtime. As a result, expenses for servicing and maintenance as well as capital expenditures are usually at their highest in the third quarter. Consequently, due to this seasonal pattern and excluding cyclical effects, unit sales, revenue and operating profit before depreciation and amortization (EBITDA) are usually higher in the first half of the year than in the second half.

Inventories of semi-finished and finished goods are usually increased over the summer months. This safeguards our customers' supply after the end of the vacation period and has the effect that net working capital usually peaks around this time.

In contrast, trade accounts receivable and payable and with them net working capital, tend to reach their lowest level at year-end due to the reduction in inventories typically seen at the end of the year. Furthermore, the amount of net working capital is significantly affected by commodity prices. However, the cyclical nature of the economy has a much more pronounced impact than seasonal effects on the development of the Group's sales, revenue and results.

#### **6 Scope of consolidation and company acquisitions**

In the first half of 2021, Swiss Steel AG acquired Steeltec AG and was subsequently renamed Steeltec AG. As both companies are fully owned by Swiss Steel Group, this combination had no impact on the condensed consolidated quarterly financial statements.

## 7 Revenue

Swiss Steel Group's revenue can be broken down by product group and region as follows, whereby the revenue information is based on the location of the customer:

in million EUR	Production		Sales & Services	
	H1 2021	H1 2020	H1 2021	H1 2020
Quality & engineering steel	724.8	424.1	66.2	71.4
Stainless steel	465.2	392.2	104.4	84.2
Tool steel	109.2	89.7	82.7	82.4
Others	31.6	24.1	6.5	6.2
<b>Total</b>	<b>1,330.8</b>	<b>930.2</b>	<b>259.8</b>	<b>244.3</b>

in million EUR	Production		Sales & Services	
	H1 2021	H1 2020	H1 2021	H1 2020
Germany	566.8	401.0	0.9	33.1
Italy	204.4	129.8	18.7	12.5
France	155.3	108.9	21.5	14.8
Switzerland	22.6	21.0	0.0	0.0
Other Europe	228.7	146.9	90.8	72.7
<b>Europe</b>	<b>1,177.8</b>	<b>807.6</b>	<b>131.9</b>	<b>133.1</b>
USA	50.9	43.4	58.0	58.0
Canada	20.7	16.4	15.6	13.7
Other Americas	3.2	4.8	15.2	10.1
<b>America</b>	<b>74.8</b>	<b>64.6</b>	<b>88.8</b>	<b>81.8</b>
China	29.4	20.8	24.7	19.9
India	11.9	8.0	6.2	3.4
Asia Pacific/Africa	36.9	29.2	8.2	6.2
<b>Africa/Asia/Australia</b>	<b>78.2</b>	<b>58.0</b>	<b>39.1</b>	<b>29.5</b>
<b>Total</b>	<b>1,330.8</b>	<b>930.2</b>	<b>259.8</b>	<b>244.3</b>

In 2020 and particularly in 2021, there were adjustments in the business model between the *Sales & Services* and *Production* division (note 18). If the previous business model had continued to be applied in the first half of 2021, the sales in the *Sales & Services* division would have been EUR 62.9 million higher and correspondingly the same amount lower in the *Production* division.

## 8 Other operating income and expenses

Other operating income of EUR 26.1 million (H1 2020: EUR 22.1 million) includes various items, such as rental income, income from maintenance and repair services, government grants, own work capitalized, etc.

Other operating expenses can be broken down as follows:

in million EUR	H1 2021	H1 2020
Freight, commission	47.4	37.6
Allowances on trade receivables	-0.2	5.8
Maintenance, repairs	41.7	34.6
Holding and administration expenses	13.8	13.7
Fees and charges	13.9	12.1
Expenses for leases not capitalized	4.2	5.0
Consultancy and audit services	7.4	11.1
IT expenses	13.0	10.6
Losses on disposal of intangible assets, property, plant and equipment, and financial assets	0.5	0.0
Non-income taxes	6.3	8.3
Foreign exchange loss (net)	1.7	3.7
Miscellaneous expenses	6.9	4.8
<b>Total</b>	<b>156.6</b>	<b>147.3</b>

All exchange gains and losses on receivables and liabilities or derivative currency contracts concluded to hedge these are reported under other operating expenses or income.

## 9 Personnel expenses

in million EUR	H1 2021	H1 2020
Wages and salaries	277.3	265.5
Social security contributions	63.5	58.1
Other personnel costs	7.5	6.2
<b>Total</b>	<b>348.3</b>	<b>329.8</b>

In the first half of 2021 Swiss Steel Group received EUR 2.9 million in compensation for short-time work, which is mainly related to the COVID-19 crisis (H1 2020: EUR 11.1 million). Of this amount, EUR 1.5 million was offset against expenses for wages and salaries, while the remainder was recognized in other operating income.



## 10 Financial result

in million EUR	H1 2021	H1 2020
Interest income	0.4	0.4
Other financial income	0.1	0.0
<b>Financial income</b>	<b>0.5</b>	<b>0.4</b>
Interest expenses on financial liabilities	-17.3	-20.6
Interest expenses on lease liabilities	-1.7	-1.6
Net interest expense on pension provisions and plan assets	-0.8	-1.3
Capitalized borrowing costs	0.5	1.9
Other financial expenses	-2.7	-2.2
<b>Financial expenses</b>	<b>-22.0</b>	<b>-23.8</b>
<b>Financial result</b>	<b>-21.5</b>	<b>-23.4</b>

## 11 Income taxes

in million EUR	H1 2021	H1 2020
Current taxes	9.1	-10.5
Deferred taxes	-3.0	-2.7
<b>Income tax effect (income (-) / expenses (+))</b>	<b>6.1</b>	<b>-13.2</b>

The local tax rates used to determine current and deferred taxes have not changed materially. The effective Group tax rate for the first half of 2021 was 14.8 % (H1 2020: 6.1 %). This rate derives from the tax rates of the individual countries in which the Group operates, weighted for earnings before taxes.

In the previous year current taxes included a positive one-time effect of EUR 14.2 million from offsetting losses in the current fiscal year against profits in previous years in the USA. This tax refund was granted as part of the COVID-19 aid package.

The following table presents the net change in deferred tax assets and liabilities.

in million EUR	H1 2021	2020	H1 2020
Opening balance at the beginning of the period	14.1	7.1	7.1
Changes recognized in profit and loss	3.0	7.3	2.7
Changes recognized in other comprehensive income	-5.2	-0.4	0.5
Foreign currency effects	-0.2	0.1	0.1
<b>Closing balance at the end of the period</b>	<b>11.7</b>	<b>14.1</b>	<b>10.4</b>
- of which: deferred tax assets	17.2	18.0	14.8
- of which: deferred tax liabilities	5.5	3.9	4.4

## 12 Property, plant and equipment

The breakdown of property, plant and equipment into their subcategories can be seen in the table below. Most of the additions are attributable to the *Production* division.

in million EUR	Land and buildings	Plant and equipment	Prepayments for property and plants under construction	Total
<b>Cost value as of 1.1.2021</b>	<b>735.0</b>	<b>2,606.9</b>	<b>71.1</b>	<b>3,413.0</b>
Additions	0.2	7.5	20.0	27.7
Disposals	-0.1	-11.9	0.0	-12.0
Reclassifications	0.3	8.4	-8.7	0.0
Foreign currency effects	0.4	4.7	0.6	5.7
<b>Cost value as of 30.6.2021</b>	<b>735.8</b>	<b>2,615.6</b>	<b>83.0</b>	<b>3,434.4</b>
<b>Accumulated depreciation and impairments as of 1.1.2021</b>	<b>-558.6</b>	<b>-2,355.6</b>	<b>-20.6</b>	<b>-2,934.8</b>
Scheduled depreciation and amortization	-4.3	-24.4	0.0	-28.7
Impairment	0.0	0.0	-6.8	-6.8
Disposals	0.0	11.0	0.0	11.0
Reclassifications	0.0	-1.1	1.1	0.0
Foreign currency effects	-0.2	-4.3	-0.1	-4.6
<b>Accumulated depreciation and impairments as of 30.6.2021</b>	<b>-563.1</b>	<b>-2,374.4</b>	<b>-26.4</b>	<b>-2,963.9</b>
<b>Net carrying amount as of 31.12.2020</b>	<b>176.4</b>	<b>251.3</b>	<b>50.5</b>	<b>478.2</b>
<b>Net carrying amount as of 30.6.2021</b>	<b>172.7</b>	<b>241.2</b>	<b>56.6</b>	<b>470.5</b>

At the Ascometal business unit (Production division) impairment losses of EUR 7.6 million were recognized in the first half of 2021 (of which EUR 6.8 million on property, plant and equipment and EUR 0.8 million on capitalized right-of-use assets).

### 13 Inventories

Inventories as of June 30, 2021 and as of December 31, 2020 break down as follows:

in million EUR	30.6.2021	31.12.2020
Raw materials, consumables and supplies	165.8	135.6
Semi-finished goods and work in progress	348.5	250.2
Finished products and merchandise	319.1	263.8
<b>Total</b>	<b>833.4</b>	<b>649.6</b>

### 14 Shareholders' equity

At the Extraordinary General Meeting on December 22, 2020 the Group resolved to conduct a capital increase for Swiss Steel Holding AG, which was executed on March 22, 2021.

As a result of the capital increase, the share capital in local currency of Swiss Steel Holding AG increased by CHF154.6 million from CHF 304.2 million to CHF 458.8 million, divided into 3,058,857,471 registered shares with a nominal value of CHF 0.15 each. As the capital increase was carried out at a subscription price of CHF 0.24 per newly issued registered share, an additional amount of CHF 92.7 million was transferred to the capital reserves. After deducting transaction costs of CHF 7.2 million, this resulted in an increase in capital reserves of CHF 85.5 million.

In Euro, the gross inflow amounted to EUR 223.5 million, of which EUR 139.7 million was allocated to the share capital and EUR 83.8 million to the capital reserves. After deducting transaction costs of EUR 6.5 million (offset against capital reserves), Swiss Steel Group collected a total of EUR 217.0 million.

Furthermore, a reclassification of EUR 171.0 million from capital reserves to retained earnings was made in 2021. This was resolved at the Annual General Meeting on April 27, 2021.

In the first half of 2020 Swiss Steel Group completed a capital reduction with a simultaneous capital increase with provisional net proceeds of EUR 290.7 million.

## 15 Pensions

The Group has both defined benefit plans and defined contribution plans, where contractually defined amounts are transferred to an external pension institution. However, most of the plans are defined benefit plans, in which the employer undertakes to deliver the agreed pension benefits to its employees.

### Defined benefit obligations and plan assets

Changes in the present value of the defined benefit obligations and in the fair value of plan assets are as follows:

in million EUR	Defined benefit obligation		Fair value of plan assets		Net liability	
	30.6.2021	31.12.2020	30.6.2021	31.12.2020	30.6.2021	31.12.2020
<b>Present value of defined benefit obligations/fair value of plan assets at the beginning of the period</b>	<b>646.9</b>	<b>657.8</b>	<b>367.5</b>	<b>362.0</b>	<b>279.4</b>	<b>295.8</b>
Current service cost	4.9	11.4	0.0	0.0	4.9	11.4
Administration expenses	0.0	0.0	-0.3	-0.7	0.3	0.7
Interest result	1.4	4.8	0.6	2.2	0.8	2.6
Past service costs	-0.5	-6.4	0.0	0.0	-0.5	-6.4
<b>Net pension result</b>	<b>5.8</b>	<b>9.8</b>	<b>0.3</b>	<b>1.5</b>	<b>5.5</b>	<b>8.3</b>
Return on plan assets less interest income	0.0	0.0	15.0	13.8	-15.0	-13.8
Actuarial result from changes in demographic assumptions	-11.7	-0.7	0.0	0.0	-11.7	-0.7
Actuarial result from changes in financial assumptions	-23.6	18.4	0.0	0.0	-23.6	18.4
Actuarial result from experience-based assumptions	0.0	-10.8	0.0	0.0	0.0	-10.8
<b>Remeasurement effects included in other comprehensive income</b>	<b>-35.3</b>	<b>6.9</b>	<b>15.0</b>	<b>13.8</b>	<b>-50.3</b>	<b>-6.9</b>
Employer contributions	0.0	0.0	4.0	10.2	-4.0	-10.2
Employee contributions	2.2	4.8	2.2	4.8	0.0	0.0
Benefits paid	-14.3	-30.4	-10.3	-22.8	-4.0	-7.6
Foreign currency effects	-3.0	-2.0	-3.1	-2.0	0.1	0.0
<b>Present value of defined benefit obligations/fair value of plan assets at the end of the period</b>	<b>602.3</b>	<b>646.9</b>	<b>375.6</b>	<b>367.5</b>	<b>226.7</b>	<b>279.4</b>
Provisions from obligations similar to pensions	0.5	0.9	0.0	0.0	0.5	0.9
<b>Total provisions for pensions and obligations similar to pensions</b>	<b>602.8</b>	<b>647.8</b>	<b>375.6</b>	<b>367.5</b>	<b>227.2</b>	<b>280.3</b>
- of which in pension liabilities					265.9	290.7
- of which in other non-current assets					38.7	10.4

The mortality estimate was updated to calculate the pension obligations of the Swiss plans. This resulted in an actuarial gain of EUR 11.7 million, which was recognized in other comprehensive income.

The reduction of the pension conversion rates in Switzerland produced a gain of EUR 4.5 million in the first half of 2020, which was immediately recognized in the income statement.

### Valuation assumptions for pensions

As of the reporting date the main driver of measurement of the pension liabilities – the discount rates – was evaluated and adjusted if not within the appropriate range. The following valuation assumptions were used:

in %	Switzerland		Euro area		USA		Canada	
	30.6.2021	31.12.2020	30.6.2021	31.12.2020	30.6.2021	31.12.2020	30.6.2021	31.12.2020
Discount rate	0.2	0.1	1.0	0.6	2.5	2.2	3.1	2.7
Salary trend	1.3	1.3	2.5-3.0	2.5-3.0	nm	nm	3.0	3.0

## 16 Financial liabilities

As of June 30, 2021, the financial liabilities were as follows:

in million EUR	30.6.2021	31.12.2020
Syndicated loan	235.1	313.3
State-guaranteed loans	62.2	61.0
Lease liabilities	53.5	52.9
Loan from shareholder	94.7	94.7
Other financial liabilities	3.5	3.3
<b>Total non-current</b>	<b>449.0</b>	<b>525.2</b>
Other bank loans	2.7	5.3
State-guaranteed loans	19.6	15.9
ABS financing program	191.4	154.8
Lease liabilities	8.8	8.3
Negative market values of derivative financial instruments	2.3	0.9
Other financial liabilities	2.2	4.2
<b>Total current</b>	<b>227.0</b>	<b>189.4</b>

As a result of the capital increase in March 2021, Swiss Steel Group was able to reduce its utilization of the syndicated loan to EUR 235.1 million (31.12.2020: EUR 313.3 million). At the same time, the utilization of the ABS financing program could be increased to EUR 191.4 million (31.12.2020: EUR 154.8 million) due to higher billing activity and selectively extended customer credit lines.

## 17 Fair value measurement considerations

As of the reporting date, there were currency derivatives with a positive market value of EUR 1.3 million and a negative market value of EUR 2.3 million. These are recognized in financial assets and financial liabilities respectively and are allocated to Level 2 in the measurement of fair values. These currency derivatives are used exclusively for hedging purposes. Their valuation depends on the maturity, the change in the underlying exchange rate and the spread in the refinancing rate of the currencies involved.

Swiss Steel Group regularly reviews the procedures for measuring items at fair value. If the material input parameters change, the Group assesses whether an item needs to be transferred between the levels.

## 18 Segment reporting

The Group is presented in accordance with its internal reporting and organizational structure, comprising the two divisions *Production* and *Sales & Services*. In 2020 and particularly in 2021, there were adjustments in the business model between the two divisions. For the German market, sales are now consistently handled by the local *Sales & Services* unit, which serves as an agent for the production companies and no longer acts on its own account. The German *Sales & Services* unit is now compensated on the basis of a sales commission. This adjustment has shifted revenue from *Sales & Services* to *Production*.

If the previous business model had continued to be applied in the first half of 2021, the sales in the *Sales & Services* division would have been EUR 62.9 million higher and correspondingly the same amount lower in *Production*. There is no significant shift at operating result (EBITDA) level.

The table below shows the segment reporting as of June 30, 2021.

in million EUR	Production		Sales & Services	
	H1 2021	H1 2020	H1 2021	H1 2020
Third-party revenue	1,330.8	930.2	259.8	244.3
Internal revenue	138.1	141.7	22.9	12.3
<b>Total revenue</b>	<b>1,468.9</b>	<b>1,071.9</b>	<b>282.7</b>	<b>256.6</b>
<b>Segment result (= adjusted EBITDA)</b>	<b>90.7</b>	<b>- 50.8</b>	<b>25.0</b>	<b>7.8</b>
<b>Adjustments <sup>1)</sup></b>	<b>- 1.9</b>	<b>- 3.9</b>	<b>0.0</b>	<b>- 0.2</b>
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>88.8</b>	<b>- 54.8</b>	<b>25.0</b>	<b>7.6</b>
Depreciation and amortization of intangible assets, property, plant and equipment	- 29.7	- 33.8	- 4.2	- 4.5
Impairment of intangible assets, property, plant and equipment and right-of-use assets	- 7.6	- 90.0	0.0	0.0
<b>Operating profit (EBIT)</b>	<b>51.5</b>	<b>- 178.6</b>	<b>20.8</b>	<b>3.1</b>
Financial income	1.3	12.7	2.0	2.1
Financial expenses	- 23.2	- 32.6	- 5.0	- 5.0
<b>Earnings before taxes (EBT)</b>	<b>29.6</b>	<b>- 198.5</b>	<b>17.9</b>	<b>0.2</b>
Segment investments <sup>2)</sup>	31.1	30.2	3.1	3.0
Segment operating free cash flow <sup>3)</sup>	- 174.6	- 137.0	15.5	17.2
<b>in million EUR</b>	<b>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
Segment assets <sup>4)</sup>	1,680.7	1,328.7	265.8	217.6
Segment liabilities <sup>5)</sup>	429.4	305.4	121.1	79.4
<b>Segment assets less segment liabilities (capital employed)</b>	<b>1,251.3</b>	<b>1,023.3</b>	<b>144.7</b>	<b>138.2</b>
Employees as of closing date (positions)	8,377	8,533	1,346	1,316

<sup>1)</sup> Adjustments: performance improvement program, others (EUR 3.0 million); reorganization and transformation processes (EUR 0.2 million); restructuring and other personnel measures (EUR 1.3 million); M&A and integration (EUR 0.0 million)

<sup>2)</sup> Segment investments: additions to intangible assets (excluding goodwill) + additions to property, plant and equipment without acquisitions + additions to right-of-use assets

<sup>3)</sup> Segment operating free cash flow: adjusted EBITDA +/- change in net working capital (inventories, trade accounts receivable and payable valued at spot rate), less segment investments less capitalized borrowing costs

<sup>4)</sup> Segment assets: intangible assets (excluding goodwill) + property, plant and equipment + right-of-use of leased assets + inventories + trade accounts receivable (total matches total assets in the statement of financial position)

<sup>5)</sup> Segment liabilities: trade accounts payable (total matches total liabilities in the statement of financial position)

Reconciliation								
Total operating segments		Corporate activities		Eliminations/adjustments		Total		
H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	
1,590.6	1,174.5	0.0	0.0	0.0	0.0	1,590.6	1,174.5	
161.0	154.0	0.0	0.0	-161.0	-154.0	0.0	0.0	
<b>1,751.6</b>	<b>1,328.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-161.0</b>	<b>-154.0</b>	<b>1,590.6</b>	<b>1,174.5</b>	
<b>115.7</b>	<b>-43.0</b>	<b>-3.6</b>	<b>-4.7</b>	<b>-2.2</b>	<b>-4.3</b>	<b>109.9</b>	<b>-52.0</b>	
<b>-1.9</b>	<b>-4.1</b>	<b>-2.6</b>	<b>-5.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-4.5</b>	<b>-9.3</b>	
<b>113.8</b>	<b>-47.2</b>	<b>-6.2</b>	<b>-9.8</b>	<b>-2.2</b>	<b>-4.3</b>	<b>105.4</b>	<b>-61.3</b>	
-33.9	-38.3	-1.7	-2.2	0.6	0.5	-35.0	-40.0	
-7.6	-90.0	0.0	0.0	0.0	0.0	-7.6	-90.0	
<b>72.3</b>	<b>-175.5</b>	<b>-7.9</b>	<b>-12.0</b>	<b>-1.6</b>	<b>-3.8</b>	<b>62.8</b>	<b>-191.3</b>	
3.3	14.8	24.8	35.5	-27.6	-49.9	0.5	0.4	
-28.2	-37.6	-21.5	-36.3	27.7	50.1	-22.0	-23.8	
<b>47.5</b>	<b>-198.3</b>	<b>-4.6</b>	<b>-12.8</b>	<b>-1.6</b>	<b>-3.6</b>	<b>41.3</b>	<b>-214.7</b>	
34.2	33.2	0.5	0.1	0.0	0.1	34.7	33.4	
-159.1	-119.8	-10.0	-11.3	-0.8	-1.2	-169.9	-132.3	
<b>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>	
1,946.5	1,546.3	68.9	66.1	88.5	103.3	2,103.9	1,715.7	
550.5	384.8	3.5	5.3	1,089.5	1,159.4	1,643.5	1,549.5	
<b>1,396.0</b>	<b>1,161.5</b>							
9,723	9,849	124	101	0	0	9,847	9,950	

## 19 Subsequent event

The flooding of certain areas in North Rhine-Westphalia (Germany) on July 14 and 15, 2021 has severely impacted operations at the site of Deutsche Edelstahlwerke (DEW) in Hagen.

The production facilities were to a large extent flooded. As soon as feasible, cleaning and repair activities have been launched. During the summer shutdown, the repair work at the affected equipment will continue. As of today, certain activities of the plant including shipping are already back in operation. DEW is in close contact with its customers to mitigate potential delays or cancellations of shipments.

At the time of preparing these quarterly consolidated financial statements, a reliable estimate of the overall financial impact resulting from the damage and the restricted production and delivery capabilities, as well as the corresponding insurance payments was not yet available.



# Legal notice

## **Swiss Steel Holding AG**

Landenbergstrasse 11  
CH-6005 Lucerne  
Phone +41 (0) 41 581 4000  
Fax +41 (0) 41 581 4280

ir@swisssteelgroup.com  
www.swisssteel-group.com

The equal treatment of men and women is very important to Swiss Steel Group. Every care has been taken to ensure that we do not exclude either gender in the wording of this report.

This interim report contains forward-looking statements, including presentations of developments, plans, intentions, assumptions, expectations, beliefs, and potential impacts as well as descriptions of future events, income, results, situations, or outlook. These are based on the Company's current expectations, beliefs, and assumptions, which are subject to uncertainty and may differ materially from the current facts, situation, impact, or developments.

This interim report is also available in German. The German version is binding.

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