CONSOLIDATED HALF-YEAR FINANCIAL REPORT

30 JUNE 2020

cementir holding
GRUPPO CALTAGIRONE

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Company officers

Board of Directors [1] In office until approval of 2022 financial statements	*Executive Director Chairman and CEO*	Francesco Caltagirone Jr.
	Non-Executive Director and Vice-Chairman[2]	Alessandro Caltagirone
	Non-Executive Director and Vice-Chairwoman[3]	Azzurra Caltagirone
	Non-Executive Directors	Edoardo Caltagirone Saverio Caltagirone Fabio Corsico Veronica De Romanis *(independent)* Paolo Di Benedetto *(independent)* Chiara Mancini *(independent)*
Audit Committee[4]	***Chairwoman***	Veronica De Romanis *(independent)*
	Members	Paolo Di Benedetto *(independent)* Chiara Mancini *(independent)*
Remuneration and Nomination Committee[5]	***Chairwoman***	Chiara Mancini *(independent)*
	Members	Paolo Di Benedetto *(independent)* Veronica De Romanis *(independent)*
Independent Auditors		KPMG Accountants N.V.[6]

[1] Appointed by resolution of the shareholders' meeting of 20 April 2020.
[2] Appointed by resolution of the Board of Directors dated 24 April 2020
[3] Appointed by resolution of the Board of Directors dated 24 April 2020
[4] Appointed by resolution of the Board of Directors dated 24 April 2020
[5] Appointed by resolution of the Board of Directors dated 24 April 2020
[6] The extraordinary meeting of 28 June 2019, in order to avoid situations of discontinuity in carrying out the statutory audit assignment previously entrusted to KPMG S.p.A. with duration until 2020 and in accordance with Dutch legislation, it has decided to entrust the task to an auditing company belonging to the KPMG network based in Amsterdam.

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DIRECTORS' REPORT AS AT 30 JUNE 2020

INTRODUCTION

This half-year financial report refers to the condensed interim consolidated financial statements as at 30 June 2020 of the Cementir Group prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union, and with Part 9 of Book 2 of the Dutch Civil Code.

This report should be read in conjunction with the 2020 condensed interim consolidated financial statements and has been prepared on the basis of the going concern assumption.

It is noted that this Interim financial report is unaudited.

GROUP PROFILE

Cementir Holding N.V. (hereinafter "Cementir Holding or "Company") is a multinational group with registered office in the Netherlands operating in the building materials sector. Through its subsidiaries in 18 countries, the Cementir Group is world leader in white cement and is specialised in producing and distributing grey cement, ready-mixed concrete, aggregates, concrete products. The Group operates also in urban and industrial waste processing.

The company was incorporated in 1947 and is part of the Caltagirone Group. It has been listed on the Milan Stock Exchange since 1955 and is currently in the STAR segment.

The Group's international growth over the years was mainly driven by investments and acquisitions for over EUR 1.7 billion, which have transformed the company from a domestic to a multinational player with production sites and products commercialised in more than 70 countries.

With about 3.3 million tonnes of installed capacity, Cementir Group is the world leader in the white cement segment; it is also leader in the production of cement and ready-mixed concrete in Scandinavia, it is the third largest producer in Belgium and one of the main international producers of cement in Turkey.

The company pursues a strategy which aims to achieve both geographical and product diversification and a growing integration of its operations.

IMPLICATIONS OF THE COVID-19 PANDEMIC SPREAD

Although the Covid-19 pandemic has differently impacted the various countries in which the Group operates, the priority of the Company's Management has always been the safety of personnel operating in all company sites, defining and adopting infection risk containment and prevention measures in line with directives issued by local authorities. Differentiated strategies were applied for the management of office staff and that working in production plants.

The Cementir Group has put in place containment measures for the spread of the virus, reducing travel from the end of January and then applying smartworking methods from the second half of February for almost all the Group's offices.

In the first few weeks of the pandemic, the Group's Management focus was on the short-term trend of the main financial indicators related to working capital such as the trend in receivables, cash collection flows, stock levels of raw materials, semi-finished and finished products and more generally the level of liquidity, while monitoring the weekly trend of sales volumes and customer orders.

As a preventive measure at Cementir Holding level, it was decided to prevent any shortage of liquidity in the system, by drawing available existing credit facilities.

This cash remained unused and financial institutions have been repaid during the current month of July.

The spread of the pandemic led to the following temporary plant closures:

- ➢ China in the period 24 January / 21 February
- ➢ Malaysia in the period 18 March / 17 April

Other factories have seen temporary activity slowdowns. From a regional point of view, the situation was as follows:

- Nordic & Baltic: activity levels remained in line with the previous year.
- Belgium and France: lockdown measures in France negatively affected volumes in the period March - April, recovering in the following weeks; in June volumes showed an increase compared with the same month of the previous year.
- Turkey: the high volume growth compared to the previous year, seen in the first few months of the year, slowed down in the weeks following the crisis, then recovering sharply in June compared to the corresponding month of 2019.
- United States: after an initial slowdown due to lockdown measures, business levels showed signs of recovery.
- China: activity levels were affected by the month-long lockdown imposed by the authorities. Since the plant reopening, volumes have grown at a rapid pace allowing the local company to recover a large part of the volumes lost in the lockdown month.
- Malaysia: following a month of lockdown, volumes continued to remain lower both in the domestic market and the Asian export markets.
- Egypt: volumes were affected by the containment measures which caused a general slowdown in activities in the country. Volumes are now recovering with a particularly positive June.

However, at Group level, profitability protective measures were put in place alongside the identification of cost containment activities and the deferral of investments.

In relation to the receipt of government aid in the various countries, it should be noted that they were not material in income statement terms, limited to around EUR 1.7 million and mainly relating to activities in support of labour costs; on the contrary, permitted deferrals by various governments for the payment of contributions and taxes have resulted in benefits of approximately EUR 12.8 million, which will almost entirely be settled during the third quarter of the current year.

There have been no breach situations of the covenants linked to financing facilities granted to the Group.

In light of the situation described in this document, there are no changes to the strategic lines reported in the press releases issued following the approval of the business plan in November last year, other than a delay in the timing of investments.

Finally, it should be noted that high-quality video conferencing and collaboration systems, in addition to the portfolio of updated applications and technologically advanced hardware and software, allowed the prompt implementation of remote working for all Group employees for whom it was necessary. All Group employees and managers were able to work from home without a single day of delay, ensuring operational continuity and maximum productivity, despite the emergency situation. The impact on the Group's information technology resources was significant but managed on an ongoing basis, without leading to any critical issues that could have reduced the productivity of the various departments.

As a consequence of the emergency, there was increased adoption of digital tools for collaboration, document sharing and reporting, which the company already had, but which saw an exponential growth in use. Some processes that were managed manually are also now carried out digitally. At the same time, a significant proportion of Cementir's population has increased their level of knowledge and mastery of digital tools, making the most of the agile work model that has ensured operational continuity and production efficiency for the business.

GROUP PERFORMANCE

Consolidated earnings figures for the first six months of 2020 are reported below, with comparative figures provided for the same period of 2019.

Financial highlights

(EUR'000)	1st Half 2020 Unaudited	1st Half 2019 Audited	Change %
REVENUE FROM SALES AND SERVICES	**570,361**	**591,937**	**-3.6%**
Change in inventories	(5,267)	4,742	-211.1%
Increase for internal work and other income	7,368	7,494	-1.7%
TOTAL OPERATING REVENUE	**572,462**	**604,173**	**-5.2%**
Raw materials costs	(217,484)	(231,528)	-6.1%
Personnel costs	(95,197)	(96,454)	-1.3%
Other operating costs	(162,025)	(166,127)	-2.5%
TOTAL OPERATING COSTS	**(474,706)**	**(494,109)**	**-3.9%**
EBITDA	**97,756**	**110,064**	**-11.2%**
EBITDA Margin %	*17.14%*	*18.59%*	
Amortisation, depreciation, impairment losses and provisions	(54,569)	(52,601)	3.7%
EBIT	**43,187**	**57,463**	**-24.8%**
EBIT Margin %	*7.57%*	*9.71%*	
Share of net profits of equity-accounted investees	(91)	58	-257.4%
Net financial income (expense)	(11,096)	(15,554)	28.7%
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY ACCOUNTED INVESTEES	**(11,187)**	**(15,496)**	**27.8%**
PROFIT (LOSS) BEFORE TAXES	**32,000**	**41,967**	**-23.7%**
PROFIT (LOSS) BEFORE TAXES / REVENUE %	*5.61%*	*7.09%*	
Income taxes	(10,113)	(12,037)	*16.0%*
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**21,887**	**29,930**	**-26.9%**
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**-**	**-**	
PROFIT (LOSS) FOR THE PERIOD	**21,887**	**29,930**	**-26.9%**
Attributable to:			
Non-controlling interests	1,912	2,598	-26.4%
Owners of the Parent	**19,975**	**27,332**	**-26.9%**

Sales volumes

('000)	1st Half 2020 Unaudited	1st Half 2019 Audited	Change %
Grey, White cement and Clinker (metric tonnes)	4,596	4,321	6.3%
Ready-mixed concrete (m^3)	1,914	1,998	-4.2%
Aggregates (metric tonnes)	4,646	4,970	-6.5%

Group employees

	30-06-2020 Unaudited	31-12-2019 Audited	30-06-2019 Audited
Number of employees	3,000	3,042	3,049

During the first six months of 2020, cement and clinker **sales volumes**, equal to 4.6 million tonnes, recorded an increase of 6.3% compared to the same period of 2019. The increase is mainly attributable to performance in Turkey.

Ready-mixed concrete volumes reached 1.9 million cubic metres, down 4.2% mainly due to the drop in Belgium, France and Norway.

In the aggregates segment, sales volumes amounted to 4.6 million tonnes, down by 6.5% as a result of the performance in Belgium.

Group revenue reached EUR 570.4 million, down 3.6% compared to EUR 591.9 million in the first half of 2019. The drop in revenue, attributable to the spread of the Covid-19 pandemic, was mainly recorded in Belgium-France, in Malaysia, Norway and to a lesser extent in the United States.

At constant 2019 exchange rates, revenue would have reached EUR 579.4 million, down by 2.1% on the previous year.

Operating costs, equal to EUR 474.7 million, showed a decrease of 3.9% compared to 2019 (EUR 494.1 million in the first half of 2019). The contraction is due to cost containment measures implemented to deal with the impact of the pandemic.

The **cost of raw materials** amounted to EUR 217.5 million (EUR 231.5 million in the first half of 2019), down due to the reduction in the cost of raw materials, mainly fuel, and the reduction in production volumes.

Personnel costs amounted to EUR 95.2 million, down compared to EUR 96.5 million in the first half of 2019.

Operating costs totalled EUR 162.0 million, compared to EUR 166.1 million in the same period in 2019.

EBITDA was EUR 97.8 million, down 11.2% on EUR 110.1 million in the first half of 2019. At constant exchange rates with the previous year, EBITDA would have reached EUR 97.7 million. This figure includes EUR 5.6 million of non-recurring costs linked to the disposal of some equipment in Turkey and to the execution of a settlement agreement.

The EBITDA margin was 17.1% down from 18.6% in the first half of 2019.

Taking into account EUR 54.6 million of amortisation, depreciation, write-downs and provisions (EUR 52.6 million in the first half of 2019), **EBIT** was EUR 43.2 million compared to EUR 57.5 million in the first half of the previous year. Amortisation, depreciation, write-downs and provisions include EUR 0.5 million for impairment of fixed assets EUR 0.2 million for provisions for risks. There are no inventory impairment losses or provisions for risks as a consequence of the Covid-19 pandemic.

At constant exchange rates with the previous year, EBIT would have reached EUR 42.6 million.

The **share of net profits of equity-accounted investees** was negative for EUR 0.1 million (EUR 0.1 million in the first half of 2019).

Net financial expense was EUR 11.1 million (EUR 15.6 million in the first half 2019). The result includes the net negative impact of exchange rate changes of EUR 2.1 million compared to the negative change of EUR 3.7 million recorded last year and the impact of the measurement of some hedging derivatives.

Profit before taxes was EUR 32.0 million (EUR 42.0 million in the first half of 2019).

Profit from continuing operations totalled EUR 21.9 million (EUR 29.9 million in the first half of 2019), after taxes amounting to EUR 10.1 million (EUR 12.0 million in the previous year).

Group net profit, once non-controlling interests were accounted for, amounted to EUR 20.0 million (EUR 27.3 million in the first half of 2019).

In the first half of 2020, **investments** amounted to EUR 42.1 million (EUR 38.1 million in the first half of 2019), of which EUR 15.7 million accounted according to IFRS16 (EUR 7.5 million in the first half of 2019).

GROUP PERFORMANCE IN THE FIRST HALF OF 2020

Earnings

(EUR'000)	2nd Quarter 2020	2nd Quarter 2019	Change %
REVENUE FROM SALES AND SERVICES	**303,427**	**327,519**	**-7.4%**
Change in inventories	(4,256)	1,836	-331.9%
Increase for internal work and other income	3,249	3,139	3.5%
TOTAL OPERATING REVENUE	**302,420**	**332,494**	**-9.0%**
Raw materials costs	(114,695)	(125,991)	-9.0%
Personnel costs	(46,016)	(48,985)	-6.1%
Other operating costs	(76,124)	(81,158)	-6.2%
TOTAL OPERATING COSTS	**(236,836)**	**(256,134)**	**-7.5%**
EBITDA	**65,585**	**76,360**	**-14.1%**
EBITDA Margin %	*21.61%*	*23.31%*	
Amortisation, depreciation, impairment losses and provisions	(27,525)	(26,694)	-3.1%
EBIT	**38,059**	**49,666**	**-23.4%**
EBIT Margin %	*12.54%*	*15.16%*	
Share of net profits of equity-accounted investees	191	257	-25.7%
Net financial income (expense)	(1,235)	(7,626)	83.8%
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY ACCOUNTED INVESTEES	**(1,044)**	**(7,369)**	**85.8%**
PROFIT (LOSS) BEFORE TAXES OF THE PERIOD	**37,015**	**42,297**	**-12.5%**

Sales volumes

('000)	2nd Quarter 2020	2nd Quarter 2019	Change %
Grey, White cement and Clinker (metric tonnes)	2,559	2,502	2.3%
Ready-mixed concrete (m^3)	1,010	1,096	-7.9%
Aggregates (metric tonnes)	2,461	2,732	-9.9%

In the second quarter of 2020, **sales volumes** of cement and clinker, equal to 2.6 million tonnes, were up 2.3%. The increase is mainly attributable to the performance in Turkey, a marked recovery compared to the same period of 2019.

Sales volumes of ready-mixed concrete, equal to 1.0 million cubic metres, fell by 7.9% due to the negative performance in Belgium, France and the Nordic countries, partly offset by the performance in Turkey. In the aggregates segment, sales volumes amounted to 2.5 million tonnes, down by 9.9% as a result of the performance in Belgium.

Revenue from sales was EUR 303.4 million, down 7.4% compared to EUR 327.5 million in the second quarter of 2019. The reduction in revenue caused by the spread of Covid-19 affected almost all geographic segments and mainly Belgium (-15.2%), Norway (-27.7%) and Malaysia (-37.6%). On the contrary, performance in Denmark showed an increase of 1.6% and China, thanks to the recovery following the lockdown period, showed an increase of 11%.

Operating costs amounted to EUR 236.8 million (EUR 256.1 million in the second quarter of 2019), down 7.5%. The fall is attributable to the aforementioned cost containment measures implemented following the spread of Covid-19.

EBITDA stood at EUR 65.6 million, down 14.1% on the second quarter of 2019 (EUR 76.4 million).

EBIT was EUR 38.0 million (EUR 49.7 million in the second half of 2019).

The **share of net profits of equity-accounted investees** was EUR 0.2 million (EUR 0.2 million in the same period of 2019).

Net financial expense was negative for EUR 1.2 million (negative for EUR 7.6 million in the second quarter of 2019).

Profit before taxes came to EUR 37.0 million, down on the second quarter of 2019 (EUR 42.3 million).

In the second quarter of 2020, **investments** amounted to EUR 13.9 million (EUR 21.7 million in the second quarter of 2019), of which EUR 3.7 million accounted according to IFRS16 (EUR 7.2 million in the second quarter of 2019).

Financial highlights

(EUR'000)	30-06-2020 Unaudited	31-12-2019 Audited	30-06-2019 Audited
Net capital employed	1,429,483	1,421,196	1,523,454
Total equity	1,148,916	1,181,567	1,124,389
Net financial debt[1]	280,567	239,629	399,065

Net financial debt as at 30 June 2020 was EUR 280.6 million, a decrease of EUR 118.5 million compared to EUR 399.1 million as at 30 June 2019. The debt position due to accounting standard IFRS 16 included in the amount was equal to EUR 85.0 million compared to EUR 80.8 million at 30 June 2019. Net of this impact, cash flow from ordinary activities was positive at EUR 122.7 million. It should be remembered that the distribution of EUR 22.2 million of dividends took place in May, as per the resolution of the shareholders' meeting approving the 2019 financial statements.

The negative variance compared to the net financial debt as at 31 December 2019, equal to EUR 40.9 million, is due to business seasonality, net working capital dynamics and annual plant maintenance in the first half of the year, as well as the settlement of the agreement reported in the first quarter of the year.

Total equity at 30 June 2020 amounted to EUR 1,148.9 million (EUR 1,181.6 million at 31 December 2019 and 1,124.4 at 30 June 2019).

[1] Net financial position is measured in accordance with CONSOB Communication DEM/6064293 of 28 July 2006 and reported in Note 17.

Financial indicators

The following table provides the most significant indicators for a brief assessment of Cementir Holding group performance and financial position. Return on Capital Employed allows a quick understanding of how operational performance of the Group has an impact of the overall profitability. The other Financial Indicators highlight the ability of the company to meet its financial obligations.

Economic indicators	30-06-2020	2019	30-06-2019	Composition
Return on Equity	7.17%	7.65%	8.77%	Result of continuing operations/Equity
Return on Capital Employed	9.62%	10.68%	9.9%	EBIT / (Equity + Net financial debt)

Capital ratios	30-06-2020	2019	30-06-2019	Composition
Equity Ratio	48.8%	51.8%	51.8%	Adjusted Equity/Total Assets
Net Gearing Ratio	24.46%	20.4%	35.57%	Net Financial Debt/Equity
Liquidity Ratio	1.26	1.35	1.16	Cash + Receivables / Current Liabilities
Cash Flow	0.06	0.46	0.05	Operating Cash Flow / Total Financial Debt
Finance Needs	280.6	239.6	399.1	Net financial debt

Overall the financial indicators show the effects of seasonality and impact of Covid-19 on results.

The capital ratios confirm the positive performance compared to June 2019 in terms of cash flow generation and debt reduction.

Non-financial indicators

On the approval of the Business Plan in November 2019, the Group set climate change targets to reduce CO_2 emissions per tonne of cement by approximately 30% by 2030. A specific target has been set for alternative fuels, the clinker ratio and emissions to achieve the 2030 targets.

In the first half of 2020, the change in average emissions per tonne of cement was mainly due to a different product mix required by the market and a temporary unavailability of raw materials due to lockdowns to limit spread of the pandemic in the various countries where the Group operates.

The main non-financial data of the Group is shown below, broken down by type of cement.

Grey cement

Year	1990	2019	1st Half 2020	2022	2025	2030
Traditional fuel use in %	100%	69%	72%	64%	57%	23%
Alternative fuel use in %	0%	31%	28%	36%	43%	77%
Clinker ratio	82%	82%	83%	80%	73%	69%
CO_2 emissions (kg CO_2 /tonne cement)	721	696	725	652	574	500
Reduction compared to 1990		-3%	0%	-10%	-20%	-31%

White cement

Year	1990	2019	1st Half 2020	2022	2025	2030
Traditional fuel use in %	100%	96%	97%	96%	95%	94%
Alternative fuel use in %	0%	4%	3%	4%	5%	6%
Clinker ratio	93%	84%	82%	84%	82%	80%
CO_2 emissions (kg CO_2 /tonne cement)	1,238	926	932	859	847	808
Reduction compared to 1990		-25%	-25%	-31%	-32%	-35%

Alternative fuel produced by the Group	1st Half 2020	2019	Description
Alternative fuel (metric tonnes)	41,956	100,520	Fuel produced from municipal solid waste, industrial waste or commercial waste.

Fossil fuel replacement index	1st Half 2020	2019	Description
% of fossil fuel replacement	18.3%	23.5%	Alternative fuels used / total fuels used for the production of cement

Water reused in cement production	1st Half 2020	2019 (*)	Composition
% of water reuse	41.6%	34.2%	Reused water / Water withdrawn

(*) the 2019 data relating to the Asian plants has been subject to reclassification for a like-by-like reading

Health & safety	1st Half 2020	2019	Composition
Lost Time Incident (LTI)	20	59	No. of accidents that led to more than one absence day
Frequency rate	1.45	2.13	(LTI/ total hours worked) x 200,000
Severity rate	28.72	65.82	(Lost time (days) / total hours worked) x 200,000

Training	1st Half 2020	2019	Composition
Training hours per capita	5.5	16.8	training hours / number of employees

Training activities requiring classroom attendance have been postponed and are planned to be held online depending on the progress of the safety measures to combat Covid-19.

Employees with periodic performance assessment	1st Half 2020 (*)	2019	Description
Executives	n.d.	91%	Executives receiving performance assessment / total Executives
Manager	n.d.	78%	Managers receiving performance assessment / total Managers
White-collar workers	n.d.	80%	White-collar workers receiving performance assessment / total White-collar workers
Blue-collar workers	n.d.	48%	Blue-collar workers receiving performance assessment / total Blue-collar workers

(*) The periodic assessment of employees is currently under way within the Group.

PERFORMANCE BY GEOGRAPHICAL SEGMENT

Nordic and Baltic

(EUR'000)	1st Half 2020	1st Half 2019	Change %
Revenue from sales	271,698	279,125	(2.7%)
Denmark	*187,610*	*181,167*	*3.6%*
Norway / Sweden	*83,795*	*98,981*	*(15.3%)*
Others (1)	*27,683*	*29,108*	*(4.9%)*
Eliminations	*(27,390)*	*(30,131)*	
EBITDA	67,255	58,416	15.1%
Denmark	*59,172*	*47,084*	*25.7%*
Norway / Sweden	*7,054*	*9,984*	*(29.3%)*
Others (1)	*1,029*	*1,348*	*(23.7%)*
EBITDA Margin %	24.8%	20.9%	
Investments	15,314	18,594	

(1) Iceland, Poland, Russia and white cement operating activities in Belgium and France

Denmark

Sales revenue in the first half of 2020 reached EUR 187.6 million, an increase of 3.6% compared to EUR 181.2 million in the first half of 2019, mainly due to the increase in domestic cement sales (around 8%) and ready-mixed concrete. There was an increase in activity in the country in almost all market segments, with the exception of the prefabricated sector. Significant infrastructure projects and favourable weather conditions have limited and contained the negative effects of the Covid-19 virus on the ready-mixed concrete sector, instead generating an increase in sales in some segments (flooring and DIY building).

On the other hand, the export volume of white cement fell by about 10% compared to the first half of 2019, due to the various timing of shipments to the United States and lower volumes to the United Kingdom and France, mainly due to the effects of Covid-19. Exports of grey cement are falling due to lower deliveries, again mainly due to Covid-19.

Ready mixed concrete volumes in Denmark were in line with the domestic cement trend, with differentiated trends in the various regions of the country. Prices are in line with inflation.

EBITDA in the first quarter 2020 amounted to EUR 59.2 million (EUR 47.1 million in the first half 2019), an increase of EUR 12.1 million compared to 2019. The increase is largely attributable to the cement business, which benefited from the impact of the volumes reported above and lower fuel costs, partially offset by the unfavourable exchange rate trend with the US dollar, lower electricity costs, production efficiencies and the containment of personnel costs, overheads and administrative costs.

The improved result for ready-mixed concrete was determined by higher sales volumes and prices, lower fixed costs only partially offset by higher variable costs for the purchase of raw materials.

Total investments amounted to EUR 12.6 million, of which EUR 11.1 million in the cement sector mainly for extraordinary maintenance, environmental impact projects and production rationalisation. Investments included EUR 2.0 million accounted according to IFRS 16.

Norway and Sweden

In **Norway**, ready mixed concrete sales volumes fell by around 15% compared to the first half of the previous year. The country recorded a contraction in activities, both in the public and private sectors, linked to the trend in oil prices, as well as the effects of Covid-19, which led to a heavy reduction in volumes in the April - June quarter. There has also been a delay in the progress of some important infrastructure projects. This economic climate has also led to strong market competition. The change in prices was positively affected by the product/customer mix, as well as the provision of additional services.

It is important to underline that Norwegian krone lost 10% against the Euro compared to 2019 average half year exchange rate.

In **Sweden**, volumes of ready-mixed concrete and aggregates are increasing compared to the previous year (+ 5%). In the first six months of 2020, the sector benefited from favourable weather conditions and robust construction market trend as some projects started earlier than expected. The drop in the residential sector recorded in 2019 is now over.

Average ready-mixed concrete prices suffered a decline due to a different sales mix compared to 2019, aggregates prices were also down due to the product/project mix.

The Swedish krona lost 1.3% against the Euro compared to average exchange rate for the same period in 2019.

In the first half of 2020, total sales revenue in Norway and Sweden amounted to EUR 83.8 million (EUR 99 million in 2019) while EBITDA fell to EUR 7.1 million (EUR 10 million in the same period of 2019). The reduction is mainly attributable to Norway, due to lower sales volumes, higher raw material and cement costs, as well as the currency depreciation, only partially offset by higher sale and savings on fixed costs (staff, maintenance, general and production costs). Sweden's results, on the other hand, are substantially in line with the first half of 2019.

Investments amounted to EUR 2.7 million equally distributed between Norway and Sweden. In Sweden they mainly related to equipment for aggregates extraction, while in Norway to the construction of a new plant in addition to the restructuring of existing plants. The amount of EUR 2.7 million includes investments accounted for in accordance with IFRS 16 for EUR 0.8 million.

Belgium

(EUR'000)	1st Half 2020	1st Half 2019	Change %
Revenue from sales	120,163	134,467	(10.6%)
EBITDA	23,237	31,038	(25.1%)
EBITDA Margin %	*19.3%*	*23.1%*	
Investments	13,838	8,879	

In the first half of 2020, sales volumes of grey cement fell by 10% compared to 2019, particularly in the French market (over 15%). This is essentially explained by the negative performance, equal to almost 30%, in the months of March, April and May caused by Covid-19 for all activities of this geographic segment. Sales returned to an increasing trend in June with an increase of 7% compared to June 2019.

Average prices showed an upward trend in line with inflation in both domestic and exports markets, despite considerable market competition.

Ready-mixed concrete sales volumes fell by 20% in Belgium and France in the first six months of 2020, following Covid-19. Sales in ready-mixed concrete also increased in June (+ 9% compared to June 2019). In both countries, most plants closed during the lockdown period and governments authorised the resumption of operations in the first half of May.

In Belgium, sales prices are in line with inflation compared to 2019, despite competition in all regions and thanks to additional services for customers and special products with greater added value. In France prices are only rising moderately due to the slowdown in activities, competition on projects and the customer mix in the lockdown period.

Sales volumes of aggregates fell by 14% compared to the corresponding months of 2019, with a more pronounced fall in France, where there was a complete lockdown for Covid-19, and more contained in Belgium where there was only reduced activity; in the three-month period from March to May, volumes fell by approximately 30% due to business contraction due to the pandemic. In June, volumes grew by 6% compared to the same month in 2019.

The selling prices of aggregates showed a positive trend mainly due to the mix of product, customer and destination.

Overall in the first half of 2020, sales revenue totalled EUR 120.2 million (EUR 134.5 million in the same period of 2019) and EBITDA reached EUR 23.2 million (EUR 31 million in the same period of 2019).

In the cement sector, EBITDA was mainly affected by the drop in volumes. In the aggregates and ready-mixed concrete sector, the reduction was due to lower sales volumes only partially offset by higher selling prices and savings on fixed costs following cost containment plans implemented to cope with the Covid-19 pandemic.

Investments in the first three months of 2020 amounted to EUR 13.8 million and mostly concerned the cement plant in Gaurain. Investments recognised on the basis of the IFRS 16 accounting standard amounted to EUR 7.1 million mainly relating to a transport contract.

North America

(EUR'000)	1st Half 2020	1st Half 2019	Change %
Revenue from sales	75,304	76,761	(1.9%)
EBITDA	10,119	11,031	(8.3%)
EBITDA Margin %	13.4%	*14.4%*	
Investments	2,387	1,900	

Sales volumes of white cement declined by 4.7%, in particular in April and May, mainly following the spread of Covid-19 and the delayed start to some important projects in Florida. Volumes, on the other hand, are in line with last year in relation to the areas of Waco (Texas) and York (Pennsylvania) and slightly higher than in 2019 in the Riverside area (California), despite the spread of Covid-19 and strong competition.

Lower overall volumes resulted in slightly lower revenue compared to the corresponding six months of 2019, and an EBITDA of EUR 10.1 million (EUR 11 million in 2019), despite moderately higher sales prices, variable cost savings, in particular in raw materials and fuels, and in administrative and overheads; maintenance costs, on the other hand, are increasing.

The other US subsidiaries, which produce concrete products and operate the Florida terminal in Tampa, saw an EBITDA of EUR 0.4 million, up in comparison to the previous year.

Total sales revenue in United States reached EUR 75.3 million (EUR 76.8 million in the first half of 2019), with an EBITDA of EUR 10.1 million (EUR 11 million in 2019). In local currency the margin was USD 11.2 million compared to USD 12.5 million in 2019.

Investments in the first half of 2020 amounted to approximately EUR 2.4 million, including the portion deriving from the application of IFRS 16 (EUR 1.3 million), mainly relating to the cement plants and to a lesser extent to the subsidiary Vianini Pipe.

Turkey

(EUR'000)	1st Half 2020	1st Half 2019	Change %
Revenue from sales	57,174	53,191	7.5%
EBITDA	(8,837)	(6,032)	(46.5%)
EBITDA Margin %	-15.5%	-11.3%	
Investments	6,117	2,649	

Revenue reached EUR 57.2 million, an increase of 7.5% compared to the first three months of 2019 (EUR 53.2 million), despite the devaluation of the Turkish lira against the Euro (-12% compared with the average exchange rate in the first half of 2019) and the general economic situation.

The increased demand led to a 25% increase in cement revenue and to a 40% increase in overall cement and clinker sales volumes. Sales volumes in the domestic market grew by 25% thanks in part to the launch of infrastructure projects in the Elazig area, hit by the earthquake on January 24. The areas of Trakya and Kars also benefited from a sharp increase in sales volumes, thanks in part to the launch of new projects. In other regions, daily activities were restricted due to Covid-19 epidemic and some projects were postponed. Cement and clinker exports almost doubled compared to the same half of 2019, thanks to opportunities in new markets in Africa and Europe.

Due to strong competition, prices on the domestic market have been under pressure seeing very different trends in the various plants. Export prices are substantially in line with the previous year.

Ready-mixed concrete volumes increased by 11.2% compared to the first half of 2019, while prices in local currency decreased slightly. Sales volume increase was due to some big scale projects start-up and to the opening of new plants.

In the Waste Management business, the subsidiary Sureko, which processes industrial waste, booked lower revenue with respect to 2019, due to volume decrease in the landfilled waste and materials trading business, while the volumes of waste collected for the preparation of refuse-derived fuel (RDF) and the sale of RDF were substantially at the level of previous year.

The Hereko division, operating in the processing of municipal solid waste in Istanbul, saw falling revenue compared to 2019, due to the lower volumes of waste collected for the production and sale of fuels derived from waste (SRF) following a halt to production from 10 April imposed by local authorities to reduce the risk of infection.

In June, the division's fixed equipment was sold. This sale generated a one-off negative impact on EBITDA of 3.1 million Euros.

UK subsidiary Quercia reported slightly lower revenue due to lower waste delivery to plant than planned; in addition, the landfill tonnages suffered from three massive storms in UK.

Overall EBITDA was negative for EUR 8.8 million worsening in comparison to the previous year (negative for EUR 6.0 million in the first six months of 2019).

In relation to the cement and ready-mixed concrete divisions, EBITDA instead showed a result in line with 2019, thanks to higher sales volumes and lower variable costs for production efficiencies, offset by lower selling prices and higher fixed costs relating to maintenance and personnel, including bonuses.

Investments in the first six months of 2020 reached EUR 6.1 million mostly related to IFRS 16, which led to the recognition of EUR 3.9 million, mainly related to three new ready-mixed concrete plants. Investments in cement amounted to approximately EUR 1.8 million concentrated mainly in the Izmir plant. Investments of the Waste division amounted to approximately EUR 0.4 million.

Egypt

(EUR'000)	1st Half 2020	1st Half 2019	Change %
Revenue from sales	19,798	17,262	14.7%
EBITDA	3,756	3,193	17.6%
EBITDA Margin %	19.0%	18.5%	
Investments	788	766	

Sales revenue amounted to EUR 19.8 million (EUR 17.3 million in the first half of 2019).

The lockdown measures introduced by the Government to limit the spread of Covid-19 led to logistical limitations and a contraction in volumes of around 10% in the domestic market, combined with an increase competitive pressure from foreign operators. The significant recovery in June partially offset the lower activity of the previous months.

Overall sales benefited from higher export volumes, growing by around 13% in all the main destinations, in particular Russia and some European destinations.

Domestic prices are rising in line with the country's inflation, while export prices are decreasing mainly due to depreciation of the US dollar against the Egyptian pound.

EBITDA rose to EUR 3.8 million (EUR 3.2 million in the first half of 2019), thanks to higher overall volumes and lower fuel costs, compared to higher fixed costs mainly related to advance maintenance. EBITDA also benefited from the revaluation of the Egyptian pound against the Euro by around 11%.

Investments in the first half of 2020 amounted to EUR 0.8 million and mainly related to the packaging sector, water treatment and plant auxiliary services.

Asia Pacific

(EUR'000)	1st Half 2020	1st Half 2019	Change %
Revenue from sales	37,799	43,657	(13.4%)
China	*23,096*	*24,280*	*(4.9%)*
Malaysia	*14,917*	*19,377*	*(23.0%)*
Eliminations	*(214)*	*-*	
EBITDA	8,159	9,006	(9.4%)
China	*6,630*	*5,973*	*11.0%*
Malaysia	*1,529*	*3,033*	*(49.6%)*
EBITDA Margin %	21.6%	20.6%	
Investments	2,533	4,121	

China

Revenue from sales reached EUR 23.1 million, a slight drop compared to EUR 24.3 million in the first half of 2019, the contraction is due to a significant reduction in activity in the first months of the year due to the Covid-19 pandemic.

In the first six months of 2020, the company suffered a cement and white clinker sales volumes decrease of around 10%. It should be noted that all factory activities were halted between 24 January and 21 February, while plant production restarted on 27 March. From March, thanks in part to measures taken by the Chinese government such as an increase in infrastructure investments, there was a significant recovery in sales, which were higher than last year in May and June.

Local currency selling prices were affected by the favourable mix, despite strong competition.

EBITDA rose to EUR 6.6 million (EUR 6.0 million in the same period of 2019), mainly thanks to higher selling prices, lower variable costs for fuel and electricity and lower fixed costs following the plans to deal with the virus crisis. These positive effects were only partially offset by lower sales volumes.

Investments in the first six months of 2020 amounted to EUR 0.8 million, mainly related to works to improve the efficiency of the plant and environmental activities in the quarry.

Malaysia

Sales revenue amounted to EUR 14.9 million (EUR 19.4 million in 2019 corresponding quarter). Domestic white cement volumes declined by around 40% due to a negative trend starting in March, due to restrictions imposed by the Malaysian Government on sales and production, effective from 17 March to curb the spread of the Covid-19. despite the easing of the aforementioned restrictions, the local market is struggling to fully recover. Average selling prices in local currency on the rise in line with inflation also due to the customer and product mix.

Total exports also fell by around 20% compared to 2019, due to lower clinker sales to Australia, linked to timing issues with deliveries compared to the previous half year. Cement exports, on the other hand, are in line with the previous year. It should be noted that various export recipient countries (Australia, the Philippines, Vietnam, Thailand, Japan), during this period, put a halt to activities at national level and quarantined the community to combat the global spread of the virus. Average export sales prices recorded an increase generated by the country mix and exchange rate trends.

At EUR 1.5 million, EBITDA declined compared to the first three months of 2019 (EUR 3.0 million). The main negative factor is the significant fall in sales volumes, both on the local market and exports and, secondly, higher fixed costs for maintenance and group charges, offset by lower fuel and raw material costs.

In the first half of 2020, investments amounted to EUR 1.8 million relating to extraordinary maintenance on kilns and mills, as well as environmental activities on the quarry, of which EUR 0.4 million was attributable to the application of IFRS 16.

Italy

(EUR'000)	1st Half 2020	1st Half 2019	Change %
Revenue from sales	45,210	32,401	39.5%
EBITDA	(5,933)	3,412	(273.9%)
EBITDA Margin %	-13.1%	10.5%	
Investments	1,088	1,154	

This grouping includes the parent company, Cementir Holding, the trading company, Spartan Hive, and other minor companies. The increase in Spartan Hive's revenue, equal to approximately 75%, is attributable to higher sales volumes of cement, clinker, raw materials, fuels and transport services.

The parent company, on the other hand, recorded a decrease in revenues as a result of the lower services rendered to Group companies.

EBITDA was negative for EUR 5.9 million (positive EUR 3.4 million in the first half 2019), also due to the impact of EUR 2.5 million for the payment made in execution of a settlement agreement, for compensation requests relating to previous transactions.

Investments

During 2020, the Group made total investments of approximately EUR 42.1 million, of which approximately EUR 15.7 million attributable to the application of the accounting standard IFRS 16. The breakdown by asset class shows that EUR 40.9 million was invested in property, plant and equipment, while EUR 1.2 million was invested in intangible assets.

SIGNIFICANT EVENTS DURING THE HALF YEAR

The first half of 2020 ended with an EBITDA of EUR 97.8 million (EUR 110.1 million in the first half of 2019); the result was affected by the spread of the Covid-19 pandemic, which affected all geographic segments where the Group operates.

For more details, see the previous paragraph on page 3 of this document.

Despite the situation, cash flow generated by operating activities, control of working capital and investments made it possible to close the half year with a net financial debt of EUR 280.6 million, which includes the negative impact deriving from the application of the IFRS 16 accounting standard for EUR 85.0 million. Net financial debt showed a contraction of EUR 122.7 million compared to 30 June 2019.

During May, dividends of EUR 22.2 million were paid as per the resolution of the Shareholders' Meeting when the 2019 financial statements were approved.

HEALTH, SAFETY AND ENVIRONMENT

Health and safety

Cementir has long been focused on the issue of the health & safety of its employees and collaborators, with the utmost commitment and a shared approach throughout the Group.

In particular, the Technical/Industrial Area, coordinated by the Group Technical Coordination Officer, has included the issue of Health & Safety in its Governance, through a multi-step approach aimed at strengthening and perfecting the Group's Health & Safety culture. The first step was to implement a Lost Time Incident accident monitoring process (LTI) that ensures, at Corporate level, constant updating on the type and severity of each LTI occurring in our plants. The most relevant and significant cases are discussed and shared during periodic staff and plant meetings. In 2019, there was also a focus on consolidating a Risk Assessment/Awareness process in our plants, also at individual employee level to increase awareness of the risks associated with the daily working activities and thereby minimise the possibility of an accident.

These activities are defined by an ad hoc working group (Safety Working Group) to create a Management System for the standardisation of safety activities and best practices.

The main Group plants have also been certified according to the OHSAS18001 and ISO 45001 international standards by accredited external entities. In 2019, the following were certified according to this standard: 8 cement plants, 3 companies operating in the waste processing sector and the Turkish subsidiary producing ready-mixed concrete.

In relation to the Covid-19 pandemic, each country promptly defined and adopted measures to contain and prevent the infection risk for its employees in accordance with the local directives issued. Differentiated strategies were applied for the management of office staff and staff working in production plants. The measures adopted provided, in some cases, for the temporary closure or restructuring of production activities in compliance with local directives.

Environment

The Group aims to continuously improve its environmental performance to pursue the sustainable development of its business activities. Controlling energy consumption, increasing the use of alternative fuels in the production process and reducing the emission of greenhouse gases through the use of cutting-edge technology are some of the objectives that the Group pursues to combine its economic growth with its sustainable and long-term goals.

In environmental matters, in 2019, the Group defined a series of objectives, including:

- a 30% reduction in CO_2 emissions per tonne of cement by 2030;
- an increase in the use of alternative fuels for the production of grey cement, up to 77% of the total by 2030;
- the obligation for all plants to operate with certified environmental management systems (ISO 14001), energy management (ISO 50001);

HUMAN RESOURCES

Changes in the workforce

At 30 June 2020, the Group workforce was equal to 3,000 employees, 42 fewer than at the end of 2019. The change is essentially due to the reduction of 37 employees in Turkey compared to the end of 2019; the remaining change is attributable to turnover and hiring processes in some Regions/Business Units.

Organisation

In 2020, the organisational strategy growth plan continued, launched in previous years to make the organisational structure more suitable for achieving the objectives set in the 2020-2022 Business Plan and to respond more effectively to market developments and business changes. Therefore, the focus was on the coordination and rationalisation of the organisational model which, at 30 June 2020, includes various territorial areas:

- Nordic & Baltic
- North America
- Asia Pacific
- Turkey
- Egypt
- Belgium

and two dedicated business units: Spartan Hive and Waste.

Amsterdam is the registered office of the Holding which regulates the aforementioned regions and operating companies, while the Rome office remains the secondary and operational headquarters.

During the year, some important changes were implemented to strengthen the organisational model, guarantee some key processes and improve overall efficiency. In particular, the changes related to:

- The establishment of the Aalborg Portland Digital company with a focus on Technical and IT matters
- Centralisation of the Corporate Procurement and Logistics departments serving the Group
- Consolidation of the North America team (Finance and Sales)

The General Manager of the Group is entrusted with overseeing the main operating undertakings of the company, allowing the Group CEO to focus on business activities with a strategic impact, such as mergers and acquisitions. At management level, important improvement projects were finalised, including the digitalisation of the Holding's purchasing process, the implementation of a single platform for the management of purchasing processes in Aalborg and Gaurain.

Internal Control and Risk Management System

The Cementir Group's Internal Control and Risk Management System is defined as the set of tools, organisational structure, procedures and company rules to guarantee, through an adequate process of identification, measurement, management and monitoring of the main risks, correct and consistent business management with objectives set in terms of:

- compliance with laws and regulations;
- safeguarding of corporate assets;
- operating activity effectiveness and efficiency;
- reporting accuracy and completeness.

The Internal Control and Risk Management System ensures that:

- all the main risks that might threaten the achievement of the Group's objectives are identified, understood and visible to management throughout the Group, as well as to the Board of Directors;
- these risks are assessed by identifying their impact and their probability according to standard and uniform criteria;
- reasonable measures are taken – including in terms of the cost/benefit ratio – to control risks that could threaten the organisation’s assets, ability to generate income or the achievement of operational objectives.

Risk management roles and responsibilities have been defined, starting from the parent's Board of Directors which defines the strategy, policy and risk appetite, supported by the Audit Committee and involving the management of the group companies who are responsible for risk management within their area of responsibility.

The Cementir Group's Internal Control and Risk Management System is integrated into the Group's organisational, administrative, accounting and governance structure and has been prepared on the basis of the principles laid down by the Enterprise Risk Management - Integrated Framework, an international standard developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report), also ensuring greater detail for the risks of the companies and Group and integration with the results of the Audit activities. The methodology followed involves an iterative process consisting of the following steps:

- Risk identification: risks are identified with a two-pronged approach; Top down (risks identified on the basis of best practice and evidence emerging from the Internal Audit activities) and bottom up (the manager of each area reports specific risks that could hinder the achievement of targets set for their activities);
- Risk assessment: for each identified risk, management gives an inherent risk assessment (in the absence of controls / mitigation actions), in terms of probability and impact on the activity, using a 5-level assessment system (scoring). In terms of impact, three parameters are considered: economic (quantitative), operational (qualitative), reputational (qualitative);
- Identification and assessment of the adequacy of existing controls: for each identified risk, all the current controls / actions in place for risk mitigation are identified with management;
- Residual risk assessment: taking into account the individual controls for each risk and the relative adequacy, the residual risk is calculated by applying a uniform calculation methodology to all Group companies;
- Identification of further actions: in the event that the residual risk is higher than the level of risk appetite defined by management, further actions are agreed with management to mitigate the risk and contain

it within acceptable levels. The initiatives are taken promptly and within budget limits, to effectively contribute to risk mitigation;
- Reporting: reports are prepared at company and Group level, showing the main risks and initiatives taken by management to reduce the risks to acceptable levels;
- Monitoring: periodic review for: existing risk assessments, assessment parameters and new risks to be identified if necessary.

The model, as described, subject to further and future updates, aims to provide support for the decision-making and operational processes of the company management, so as to reduce the possibility that specific events could compromise the Group's ordinary operations or the achievement of its strategic objectives.

To this end, the risk appetite level adopted in relation to strategic risks is consistent with the vision of creating value and maintaining market uniqueness, while always respecting the environment and promoting integration with local communities. In relation to operational risks, the risk appetite level is defined on the basis of the effectiveness and efficiency targets set by the management.

Provisions for compliance and financial reporting are different. The Group does not accept an assumption of non-compliance risk for laws and regulations (including those relating to safety), and of possible alterations to the integrity of financial reporting.

The Cementir Group's Internal Control and Risk Management System is integrated with the Group's Sustainability Strategy. For this purpose, a dedicated section has been added, in which specific risks relating to the achievement of the objectives and targets defined in the sustainability strategy are mapped and assessed. These risks are highlighted and are the subject of a separate report for the Audit Committee. The Internal Audit function carries out follow-up activities on the implementation of actions defined by management to mitigate risks.

In relation to accounting and financial reporting, the existing Internal Control System ensures its accuracy and completeness through constantly updated administrative and accounting procedures.

Furthermore, as part of the compliance activities with the COSO structure, during the year, the Internal Audit function carries out audit activities on the aforementioned procedures to ascertain that the provided key controls are being correctly applied by the involved company structures. The assessment of the internal control system on financial reporting provided for by Cementir Group procedures was carried out based on this activity.

On the basis of the activity carried out by the Internal Audit department and the related results, the Audit Committee assessed the Internal Control and Risk Management System as adequate, effective and appropriate for dealing with business, financial and compliance risks.

The annual Group risk update process will end in November 2020, taking into account the operational limitations imposed by the lockdown, and the results will be presented in a specific Audit Committee.

Main risks to which the Group is exposed

Risk of loss of market share and/or margin

This risk relates to competitive dynamics and, in some geographical markets, may be combined with an economic downturn. To mitigate this risk, the Group companies analyse the relevant markets and plan initiatives to improve their ability to interpret market dynamics and trends, improving the services offered to customers.

Energy risk

The cost of energy factors and in particular of petroleum coke and electricity, which account for a significant portion of Group variable production costs, may be subject to significant fluctuations. The Group carefully monitors energy market trends and inventories of the various goods needed for production. We also have relations with various suppliers and continuously seek the best supply conditions to meet its needs.

Risk related to licences and permits to operate

This risk is related both to future renewals and to the possible increase in the costs of existing licences. The risk is mitigated through careful monitoring of permits and licenses and by evaluating alternative permits and/or supplies, taking suitable decisions on a case-by-case basis.

Risk of non-availability of raw materials

Production of cement and ready-mixed concrete requires extensive use of raw materials such as limestone, clay, aggregates and fly ash. To mitigate this risk, we make the necessary long-term contractual arrangements with suppliers to ensure adequate supply.

Risks connected to climate change

The cement production process is associated with environmental impacts in terms of atmospheric emissions, mainly carbon dioxide, dust and nitrogen and sulphur oxides. In European countries where the Group operates, there is a risk posed by governmental decisions on emissions and fluctuations in the price of CO_2 emission quotas, especially in the medium to long term. The Group recently launched a sustainability strategy, which defines the targets for reducing emissions and establishes specific short, medium and long-term action plans (which include ad hoc investments) to achieve the aforementioned targets. Further details on the Group's sustainability strategy are reported in the Non-Financial Statement.

Health and safety risks

This relates to the risk of accidents involving people working in Group facilities. The Group monitors workers' safety performance through specific indicators and takes actions to reduce this risk, such as targeted investments as well as safety training and information. Information on these actions and safety performance is provided in greater detail in the Non-Financial Statement.

Risk of loss of key personnel

Risk of not being able to guarantee the rapid coverage of key positions within the Group. The Group systematically monitors this risk through an internal process dedicated to succession plans.

Compliance risks

These are risks related to compliance with applicable regulations (antitrust, anti-corruption, GDPR, Legislative Decree 231/2001). In relation to these risks, the Legal Department implements targeted programmes with guidelines, procedures and training to ensure compliance with the above regulations. The Organisation and Control Models required under Legislative Decree 231/2001 are periodically updated.

The Internal Audit function carries out specific audits on compliance with regulations.

Financial risk management and information relating to financial instruments

The Cementir Holding group is exposed to financial risks in connection with its operations; in particular to credit risk, liquidity risk and market risk.

Credit risk

Credit risk is related to possible losses that can occur if a counterparty fails to fulfil its obligations.

Credit risk could mainly derive from operating activities, in particular trade receivables from customers. The Cementir Group has entrusted local management with the regular management of trade receivables on the basis of specific policies that define the criteria for credit limits, achievement guarantees and payment conditions. Credit limits are generally defined for each customer after a risk analysis provided by external rating agencies and are periodically reviewed. Based on these policies, any order that exceeds the agreed credit limits must be reviewed and individually approved for creditworthiness.

All customers are monitored locally, based on their individual features, including their business, distribution channel, geographical position and any previous financial difficulties. Credit risk is regularly monitored including by analysing the performance of specific indicators based on variables such as total trade receivables and past due receivables.

Periodic meetings of the local level credit risk committees analyse and discuss credit performance and any specific critical issue.

Following the spread of the Covid-19 pandemic, the credit monitoring activity was strengthened with weekly checks on the progress of the receivables and in particular of the past due receivables. There were no particular insolvency situations.

The Cementir Group establishes provisions for trade receivables, to cover potential losses, on the basis of regular follow-ups on customer situations.

Liquidity risk

The Group is exposed to liquidity risk in relation to the availability of financing and its access to credit markets and financial instruments in general. Given the Group's strong financial position and available credit lines, this risk is remote. However, the Group manages liquidity risk by carefully monitoring cash flows and financing needs. There is a particular focus on the Group's management to increase operating cash flow and control investments in both plant and equipment, both intangible and property, naturally safeguarding that required for the technical development and efficiency of the production plants with assigned cash generation objectives for all Group entities. Existing credit lines are however deemed adequate to meet any unexpected needs. Furthermore, as reported in the section relating to the business plan approved by the Group's board of directors, a positive cash position is expected at the end of 2022.

The Group made cautious use of existing credit facilities with the central banking system for around EUR 140 million, to counteract any possible lack of market liquidity availability following the spread of the Covid-19 pandemic. Since the funds remained unused in that period, they were reimbursed in the current month of July.

Market risk

Market risk is mainly linked to exchange rate and interest rate fluctuations.

Exchange rate risks are systematically monitored at Group level to assess any impact in advance and take the necessary mitigation actions. Since the purpose is to limit exchange rate risks, when a currency exposure is identified and the decision to hedge it is made, forward rate agreements are finalised with the banking system in both the "Non-derivative forward rate agreement" and "Derivative forward rate agreement" formats. Financial instruments must be used exclusively for hedging purposes and must not be traded, where trading is defined as taking positions where the Group does not have a natural underlying exposure.

Finally, the Cementir Group has variable rate bank loans and is exposed to the risk of interest rate fluctuations. However, this risk is considered moderate since the loans are currently only in Euros and the Danish krone and the medium-long term rate curve is linear. However, the Cementir Group monitors interest rates and expected times for the repayment of the debt and purchases interest rate swaps as a partial hedge of the interest rate risk. Given that the current loan was finalised in the past, to limit exposure to interest rate fluctuations, appropriate interest rate swaps were finalised in the years prior to 2019.

For information on financial risks, please refer to notes 13) and 32) of the consolidated financial statements.

OTHER INFORMATION

Alternative performance indicators

In addition to conventional financial indicators under IFRS, the Cementir Holding group also uses a number of alternative performance indicators to enable better assessment of earnings and financial performance. In line with what is established in the ESMA/2015/1415 guidelines, here below please find the meaning and contents of those indicators.

- EBITDA: is an indicator of operating performance calculated by adding together "EBIT" and "Amortisation, depreciation, impairment losses and provisions";
- Net financial debt: is an indicator of financial structure calculated according to Consob Communication No. 6064293/2006, as the sum of the items:
  - Current financial assets
  - Cash and cash equivalents
  - Current and non-current financial liabilities
- Net capital employed: is calculated as the total amount of non-financial assets, net of non-financial liabilities.

Litigation

The Company is responsible for leading the defence in proceedings, of which it is not a party in accordance with the terms and conditions set out in a settlement agreement with Italcementi S.p.A., relating to the sale of the shares of Cementir Italia S.p.A. (today Cemitaly S.p.A.), Cementir Sacci S.p.A. (today Italsacci S.p.A.) and Betontir S.p.A., finalised on January 2, 2018.

The main proceedings, still pending or recently closed, relating to events in which the Company may be abstractly subject to compensation obligations based on the aforementioned settlement agreement, in relation to events prior to the transfer, are noted below.

Antitrust proceedings

On 7 August 2017, upon completion of an investigation, the Italian Antitrust Authority ("Authority") served Cemitaly its final decision, imposing an administrative fine of EUR 5,090,000. The Authority held that the parties to the preliminary investigation procedure had put in place an agreement aimed at coordinating cement selling prices across the entire country and related market shares.

On 21 March 2019, the ruling was published in which the Council of State rejected Cemitaly's appeal against the imposed fine, which therefore became definitive. On 9 January 2020, following a request by Italcementi S.p.A., Cementir Holding paid Cemitaly the sum of EUR 5,118,076, including accrued interest.

Tax proceedings against Cemitaly (Eco-tax)

In 2015, the Italian Finance Police (Guardia di Finanza) in Taranto and the Taranto Provincial Police Unit began a tax audit of Cemitaly at the owned Taranto plant to check on payment of the special tax for the disposal in landfill of solid waste ("Eco-tax"), relating to the slag stored and used in the aforementioned plant. On 19 October 2016, the Apulia Region Local Tax Service issued a notice to pay a total of EUR 1.3 million, confirmed by the definitive tax assessment dated 12 January 2017.

On 25 June 2019, Cemitaly and the Apulia regional government therefore reached a full judicial settlement pursuant to the aforesaid Article 48, Legislative Decree 546/1992 and, on 28 June 2019, after having received the relevant amount from the Company as compensation due, Cemitaly paid the total agreed amount equal to EUR 538,320.17. Given the out-of-court settlement, the matter is now closed due to the resolution of the dispute.

Preventive seizure of specific areas and facilities in the Cemitaly Taranto plant

On 28 September 2017, a preventive seizure order was served on Cemitaly, Ilva S.p.A. in A.S. (in extraordinary administration) and Enel Produzione S.p.A., as well as some employees of the three companies, issued by the Preliminary Investigating Judge of Lecce (Case no. 3135/17 R.Gip) related to the Taranto plant, the residual slag coming from Ilva S.p.A. and fly ash from the Enel Produzione plant in Brindisi.

Cemitaly involvement concerns the administrative offences set out in Articles. 5, 6 and 25 undecies paragraph 2 lett. F) Legislative Decree 231/2001. According to investigator allegations, (i) Cemitaly was aware of the fact that the fly ash it bought from Enel Produzione did not comply with applicable legislation, as traces of substances not derived solely from burning coal were found; (ii) the blast-furnace slag supplied by Ilva to Cemitaly should be qualified and treated as waste, due to its alleged "mechanical" impurities (presence of ferrous metals, crushed stone, debris, etc.), such as to require treatments such as sieving and deferrization, both of which, according to the investigator, are outside "normal industrial practice". With a ruling of 31 July 2018, the Lecce Public Prosecutor ordered the release of all assets seized. At the outcome of the hearing of 15 April 2019, the Public Prosecutor notified the parties involved of the conclusion of the preliminary investigations pursuant to Art. 415 bis of the Italian Criminal Code and therefore requested that the company and natural persons appeared before the court, limited to answering the charges relating to the fly ash purchased from Enel Produzione. The dispute relating to the slag is awaiting the request for dismissal. The preliminary hearing is set for November 20.

Other information

An administrative dispute is pending before the Court of Appeal in Turkey, brought by the Turkish company Cimentas AS, indirect subsidiary of Cementir Holding. The dispute relates to the order issued by the Turkish stock exchange's regulatory and supervisory body (Capital Market Board – CMB), requiring Cimentas AS to demand back from the concerned Cementir Group companies around 100 million Turkish Lira (now equal to around EUR 13 million) by way of hidden profit distribution, allegedly generated by an intragroup company sale in 2009. On 29 January 2017, CMB served a summons to Cementir Holding to appear before the Court of Izmir, requesting that the company be ordered to pay to Cimentas AS an amount provisionally set at approximately 1 million Turkish Lira. The Company duly appeared in court, arguing the total lack of foundation of the plaintiff's argument and requested that the civil proceedings be suspended until the administrative proceeding is finally settled. With a ruling of 1 July 2020, the Court of Appeal in Turkey declared lack of jurisdiction in relation to the case in question. We are awaiting CMB's decisions regarding its possible appeal against the measure before the Supreme Court.

Non-Financial Statement

In 2019, the Group Sustainability Committee was established which assists the Board of Directors in defining the sustainability strategy, proposes the main objectives and areas of intervention to be laid down in the Business Plan and provides indications and recommendations on policies, guidelines and related KPIs for sustainability objectives.

The Group Sustainability Committee is led by the Chairman of Aalborg Portland Holding and is made up of: Group Chairman and CEO, Chief Operating Officer, Group General Counsel, Group Chief Audit Officer, Chief Technical Officer, Chief Investor Relations, Head of the Nordic & Baltic area and Chairman of the subsidiary Compagnie des Ciments Belges.

In 2019, the Group defined a series of sustainability targets, including:

- a 30% reduction in CO_2 emissions per tonne of cement by 2030;
- an increase in the use of alternative fuels for the production of grey cement, up to 77% of the total by 2030;
- the obligation for all plants to operate with certified environmental management systems (ISO 14001), energy management (ISO 50001) and health and safety management (ISO 45001). In relation to Health and Safety matters, the Group is committed to constantly reducing the number and severity of accidents with a "zero accidents" target in all plants. With this in mind, by 2030 all the Group's plants will have a certified health and safety management system (ISO 45001);

To support the achievement of the aforementioned objectives, the 2020-2022 Business Plan provides for investments in sustainability for a total of EUR 100 million split between various projects. These include: the construction of 8 MW wind turbines to supply the Aalborg plant; heat recovery works in plants in Denmark and Turkey; district heating in Denmark which will allow expanded heat supply from the current 36 thousand to over 50 thousand households; investments in the kiln Belgium that will increase the use of alternative fuels from the current 40% to 80%.

Implementation plans have been defined at individual plant level for all the aforementioned targets and intermediate annual targets have been included in the Top Management incentive system used by the Group.

Furthermore, the Group is directly involved in one of the most ambitious public CO_2 reduction projects ever promoted by a national government through the subsidiary Aalborg Portland. In the autumn of 2019, the Danish government declared its intentions to reduce, by 2030, the country's CO_2 emissions by 70% compared to 1990. In December 2019, the Danish Prime Minister appointed the Managing Director of Aalborg Portland as chairman of the "climate partnership for the Danish energy heavy industry", one of the 13 working groups set up by the Government to plan the necessary actions that Denmark will have to take to achieve the aforementioned target. The climate partnership led by Aalborg Portland, will be tasked with proposing actions for the industrial sector to improve energy consumption.

For more details, please see the specific document in the Non-Financial Statement.

This document is available to the public on the Company's website www.cementirholding.com, together with the 2019 Annual Report, of which this Directors' report forms an integral part.

Related-party transactions

With regard to related-party transactions, as defined by IAS 24, the Group did not conduct any atypical and/or unusual transactions. All business and financial dealings with related parties were conducted on terms equivalent to those that prevail in arm's length transactions.

The Group did not conduct any significant or material transactions concerning related-party transactions. Note 34 to the consolidated financial statements provides an analysis of transactions with related parties.

Treasury Shares

At 30 June 2020, the parent and its subsidiaries did not hold, either directly or indirectly, shares or quotas of the ultimate parent. They did not purchase or sell such shares during the year.

It should be noted that on 2 July, the extraordinary shareholders' meeting authorised the Board of Directors to carry out a treasury share purchase programme with a duration of 18 months and a maximum investment of EUR 60 million.

Management and coordination

Cementir Holding NV sets its general and operational strategies independently. In particular, the Board of Directors of Cementir Holding NV has sole responsibility for reviewing and approving strategic, commercial and financial plans, and for overseeing the adequacy of organisational, administrative and accounting structures.

Protection of personal data

The Parent Company guarantees the protection of personal data in accordance with current laws.

During 2017, the Parent Company launched a group-wide project for compliance with the "General Data Protection Regulation" which came into force on 25 May 2018. As a result, the Company has adopted internal regulations and the relevant operational tools needed to ensure regulatory compliance at the date of entry into force of the EU regulation. In order to ensure full compliance with the legislation and review the system created also in light of Legislative Decree 101 of 10 August 2018, which came into force on 19 September 2018, Cementir Holding launched another project, now complete, to update and refine its privacy policy.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE HALF YEAR

On 2 July 2020, the Extraordinary Shareholders' Meeting authorised the Board of Directors to carry out a treasury share purchase programme with a term of 18 months and a maximum investment of EUR 60 million.

During July, the parent company has repaid liquidity lines, the use of which had been decided on during the previous months in order to counteract a possible liquidity crisis on the markets. Since they remained unused, they were reimbursed.

MANAGEMENT OPERATING OUTLOOK

Group priority is to preserve the health and safety of our employees, their families and all stakeholders. We have undertaken all necessary measures to minimize contagion risks while ensuring the operational continuity and we have scrupulously complied with the extraordinary law provisions of the different jurisdictions.

With the current industrial perimeter, it is expected to reach full year consolidated revenues of approximately EUR 1.2 billion and an EBITDA of between EUR 230 and 240 million. Net financial debt at the end of 2020 is expected to be around EUR 180 million, including capex of around EUR 60 million. No substantial changes in the workforce are expected.

This forward-looking indication does not include any new outbreaks of the Covid-19 pandemic in the coming months. The foregoing exclusively reflects the point of view of the company's management, and does not represent a guarantee, a promise, an operational suggestion or even just an investment advice. Therefore, it should not be taken as a forecast support on the future trend of the markets and financial instruments concerned.

RESPONSIBILITIES IN RESPECT TO THE HALF-YEAR FINANCIAL REPORT

The Board of Directors is responsible for preparing the Half-Year Financial Report, inclusive of the Condensed Interim Consolidated Financial Statements and the Directors' Report, in accordance with the Dutch Financial Supervision Act and the applicable International Financial Reporting Standards (IFRS) for interim reporting, IAS 34 - Interim Financial Reporting. In accordance with Section 5:25d, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Condensed Interim Consolidated Financial Statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss of Cementir Holding and its subsidiaries, and the undertakings included in the consolidation as a whole, and the Directors' Report provides a fair review of the information required pursuant to Section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act.

Rome, 28 July 2020

Chairman of the Board of Directors

signed: Francesco Caltagirone Jr.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

(Before profit appropriation)

(EUR'000)	Notes	30 June 2020 Unaudited	31 December 2019 Audited
ASSETS			
Intangible assets with a finite useful life	1	206,938	214,388
Intangible assets with an indefinite useful life (goodwill)	2	339,028	349,047
Property, plant and equipment	3	839,521	860,385
Investment property	4	82,679	90,602
Equity-accounted investments	5	3,792	3,879
Other equity investments	6	278	285
Non-current financial assets	9	1,098	1,643
Deferred tax assets	20	51,197	49,695
Other non-current assets	11	5,992	6,800
TOTAL NON-CURRENT ASSETS		**1,530,523**	**1,576,724**
Inventories	7	171,262	172,365
Trade receivables	8	174,563	150,475
Current financial assets	9	1,433	1,192
Current tax assets	10	8,217	5,172
Other current assets	11	28,090	29,218
Cash and cash equivalents	12	436,806	330,948
TOTAL CURRENT ASSETS		**820,371**	**689,370**
TOTAL ASSETS		**2,350,894**	**2,266,094**
EQUITY AND LIABILITIES			
Share capital		159,120	159,120
Share premium reserve		35,711	35,711
Other reserves		798,146	766,227
Profit (loss) attributable to the owners of the parent		19,975	83,569
Equity attributable to owners of the Parent	13	**1,012,952**	**1,044,627**
Reserves attributable to non-controlling interests		134,052	130,080
Profit (loss) attributable to non-controlling interests		1,912	6,860
Equity attributable to non-controlling interests	13	**135,964**	**136,940**
TOTAL EQUITY		**1,148,916**	**1,181,567**
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefits	14	35,918	35,745
Non-current provisions	15	26,897	27,521
Non-current financial liabilities	17	507,726	515,772
Deferred tax liabilities	20	143,275	146,001
Other non-current liabilities	19	3,382	3,833
TOTAL NON-CURRENT LIABILITIES		**717,198**	**728,872**
Current provisions	15	4,893	15,733
Trade payables	16	185,586	219,025
Current financial liabilities	17	211,081	55,997
Current tax liabilities	18	22,731	15,423
Other current liabilities	19	60,489	49,477
TOTAL CURRENT LIABILITIES		**484,780**	**355,655**
TOTAL LIABILITIES		**1,201,978**	**1,084,527**
TOTAL EQUITY AND LIABILITIES		**2,350,894**	**2,266,094**

Consolidated income statement

(EUR'000)	Notes	1st Half 2020 Unaudited	1st Half 2019 Audited
REVENUE	21	**570,361**	**591,937**
Change in inventories	7	(5,267)	4,742
Increase for internal work	22	3,471	3,574
Other income	22	3,897	3,920
TOTAL OPERATING REVENUE		**572,462**	**604,173**
Raw materials costs	23	(217,484)	(231,528)
Personnel costs	24	(95,197)	(96,454)
Other operating costs	25	(162,025)	(166,127)
EBITDA		**97,756**	**110,064**
Amortisation and depreciation	26	(53,884)	(52,084)
Additions to provision	26	(182)	(215)
Impairment losses	26	(503)	(302)
Total amortisation, depreciation, impairment losses and provisions		(54,569)	(52,601)
EBIT		**43,187**	**57,463**
Share of net profits of equity-accounted investees	27	(91)	58
Financial income	27	2,911	2,862
Financial expense	27	(11,881)	(14,708)
Net exchange rate losses	27	(2,126)	(3,708)
Net financial income (expense)		(11,096)	(15,554)
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES		**(11,187)**	**(15,496)**
PROFIT (LOSS) BEFORE TAXES		**32,000**	**41,967**
Income taxes	28	(10,113)	(12,037)
PROFIT FROM CONTINUING OPERATIONS		**21,887**	**29,930**
PROFIT (LOSS) FOR THE PERIOD		**21,887**	**29,930**
Attributable to:			
Non-controlling interests		1,912	2,598
Owners of the Parent		**19,975**	**27,332**

(EUR)			
Earnings per ordinary share			
Basic earnings per share	29	**0.126**	**0.172**
Diluted earnings per share	29	**0.126**	**0.172**

(EUR)			
Earnings per ordinary share from continuing operations			
Basic earnings per share	29	**0.126**	**0.172**
Diluted earnings per share	29	**0.126**	**0.172**

Consolidated statement of comprehensive income

(EUR'000)	Notes	1st Half 2020 Unaudited	1st Half 2019 Audited
PROFIT (LOSS) FOR THE YEAR		**21,887**	**29,930**
Other components of comprehensive income:			
Items that will never be reclassified to profit or loss		**-**	**--**
Items that may be reclassified to profit or loss for the year:			
Foreign currency translation differences - foreign operations	30	(32,854)	(10,444)
Profit (losses) on derivatives	30	1,493	(1,369)
Taxes recognised in equity	30	(405)	270
Total items that may be reclassified to profit or loss		**(31,766)**	**(11,543)**
Total other comprehensive expense, net of tax		**(31,766)**	**(11,543)**
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		**(9,879)**	**18,387**

Attributable to:			
Non-controlling interests		71	4,274
Owners of the Parent		**(9,950)**	**14,113**

Consolidated statement of changes in equity

(EUR'000)	Note	Share capital	Share premium reserve	Other reserves				Profit (loss) attributable to the owners of the parent	**Equity attributable to owners of the Parent**	Profit (loss) attributable to non-controlling interests	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total Equity**
				Legal reserve	Translation reserve	Hedge reserve	Retained earnings*						
Equity at 1 January 2020	**13**	**159,120**	**35,710**	**-**	**(580,956)**	**(5,737)**	**1,352,921**	**83,569**	**1,044,627**	**1,899**	**135,041**	**136,940**	**1,181,567**
Allocation of 2019 profit (loss)							83,569	(83,569)		(1,899)	1,899		
Distribution of 2019 dividends							(22,277)		**(22,277)**	(1,970)		**(1,970)**	**(24,247)**
Total transactions with investors		**-**	**-**	**-**	**-**	**-**	**61,292**	**(83,569)**	**(22,277)**	**(3,869)**	**1,899**	**(1,970)**	**(24,247)**
Profit (loss) for the year								19,975	**19,975**	1,913		**1,913**	**21,888**
Change in translation reserve	30				(30,994)				**(30,994)**		(1,860)	**(1,860)**	**(32,854)**
Net actuarial gains	30								**-**			-	**-**
Gain on derivatives	30					1,069			**1,069**		19	**19**	**1,088**
Total comprehensive income (expense)	**30**	**-**	**-**	**-**	**(30,994)**	**1,069**	**-**	**19,975**	**(9,950)**	**1,913**	**(1,841)**	**72**	**(9,878)**
Change in other reserves							552		**552**		922	**922**	**1,474**
Total other transactions		**-**	**-**	**-**	**-**	**-**	**552**	**-**	**552**	**-**	**922**	**922**	**1,474**
Equity at 30 June 2020 (Unaudited)	**13**	**159,120**	**35,710**	**-**	**(611,950)**	**(4,668)**	**1,414,765**	**19,975**	**1,012,952**	**(57)**	**136,021**	**135,964**	**1,148,916**

(EUR'000)	Note	Share capital	Share premium reserve	Other reserves: Legal reserve	Other reserves: Translation reserve	Other reserves: Hedge reserve	Other reserves: Retained earnings*	Profit (loss) attributable to the owners of the parent	**Equity attributable to owners of the Parent**	Profit (loss) attributable to non-controlling interests	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total Equity[1]**
Equity at 1 January 2019	**13**	**159,120**	**35,710**	**31,825**	**(570,236)**	**(7,337)**	**1,220,870**	**127,194**	**997,146**	**8,466**	**122,772**	**131,238**	**1,128,384**
Allocation of 2018 profit (loss)							127,194	(127,194)		(8,466)	8,466		
Change in reserve due to conversion of the Company into Dutch NV	13			(31,825)			31,825		**-**			**-**	**-**
Distribution of 2018 dividends							(22,277)		**(22,277)**	(4,961)		**(4,961)**	**(27,238)**
Total transactions with investors		**-**	**-**	**(31,825)**	**-**	**-**	**136,742**	**(127,194)**	**(22,277)**	**(13,427)**	**8,466**	**(4,961)**	**(27,238)**
Profit (loss) for the year								83,569	**83,569**	6,860		**6,860**	**90,429**
Change in translation reserve	30				(10,720)				**(10,720)**		4,493	4,493	**(6,227)**
Net actuarial gains	30						(4,776)		**(4,776)**		(487)	(487)	**(5,263)**
Gain on derivatives	30					1,600	-		**1,600**				**1,600**
Total comprehensive income (expense)	**30**	**-**	**-**	**-**	**(10,720)**	**1,600**	**(4,776)**	**83,569**	**69,673**	**6,860**	**4,006**	**10,866**	**80,539**
Change in other reserves							85		**85**		(203)	**(203)**	**(118)**
Total other transactions		**-**			**-**		**85**	**-**	**85**		**(203)**	**(203)**	**(118)**
Equity at 31 December 2019 (Audited)	**13**	**159,120**	**35,710**	**-**	**(580,956)**	**(5,737)**	**1,352,921**	**83,569**	**1,044,627**	**1,899**	**135,041**	**136,940**	**1,181,567**

[1] The Group adopted IFRS 16 on 1 January 2019 using the modified retrospective approach, under which comparative information has not been restated.

* In the 2018 financial statement the Company presented earnings as other reserve. For 2019 financial statements this has been updated to retained earnings to be consistent with the separate financial statement. As part of the transformation from Cementir Holding SpA to Cementir Holding N.V. on 5 October 2019, Management aligned the equity composition.

Consolidated statement of cash flows

(EUR'000)	Notes	1st Half 2020 Unaudited	1st Half 2019 Audited
Profit/(loss) for the year		**21,887**	**29,930**
Amortisation and depreciation	26	53,884	52,084
Net Reversals of impairment losses		342	302
Share of net profits of equity-accounted investees	27	91	(58)
Net financial income (expense)	27	11,257	15,554
(Gains) Losses on disposals		2,598	(487)
Income taxes	28	10,113	12,037
Change in employee benefits		97	(446)
Change in provisions (current and non-current)		(11,564)	(657)
Operating cash flows before changes in working capital		**88,705**	**108,259**
(Increase) decrease in inventories		1,102	2,261
(Increase) decrease in trade receivables		(24,656)	(37,713)
Increase (decrease) in trade payables		(33,203)	(45,961)
Change in other non-current and current assets and liabilities		13,519	1,287
Change in current and deferred taxes		673	557
Operating cash flows		**46,140**	**28,690**
Dividends collected		-	-
Interest collected		1,747	1,186
Interest paid		(6,144)	(6,308)
Other net income (expense) collected (paid)		(4,284)	(4,066)
Income taxes paid		(11,849)	(12,143)
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**25,610**	**7,358**
Investments in intangible assets		(1,409)	(4,541)
Investments in property, plant and equipment		(26,289)	(26,445)
Investments in equity investments and non-current securities		-	-
Proceeds from the sale of intangible assets		-	5
Proceeds from the sale of property, plant and equipment		1,785	759
Proceeds from the sale of equity investments and non-current securities		-	-
Proceeds from assets sold net of cash		-	-
Change in non-current financial assets		544	1,022
Change in current financial assets		(347)	858
Other changes in investing activities		-	12,592
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)		**(25,716)**	**(15,751)**
Change in non-current financial liabilities		(8,584)	(7,086)
Change in current financial liabilities		139,511	(10,561)
Dividends distributed		(24,247)	(22,281)
Other changes in equity		2,607	(17,545)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)		**109,287**	**(57,473)**
NET EXCHANGE RATE LOSSES ON CASH AND CASH EQUIVALENTS (D)		**(3,323)**	**(741)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**105,858**	**(66,607)**
Opening cash and cash equivalents	12	**330,948**	**232,614**
Closing cash and cash equivalents	12	**436,806**	**166,007**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

General information

On 28 June 2019, the Extraordinary Shareholders' Meeting approved the transformation of the company Cementir Holding SpA from a joint-stock company under Italian law into a Naamloze Vennootschap under Dutch law, consequent to the transfer of the registered office to Amsterdam (36, Zuidplein, 1077 XV). The transfer and transformation process was completed on 5 October 2019.

On that date the Board of Directors resolved to establish an operational and secondary headquarters in Rome, at Corso Francia 200. The company's tax residence remained in Italy. As part of this transformation, Management aligned the equity composition from the Italian Law requirements with the Dutch Civil Code requirements.

The company remained listed on the STAR segment of the Milan Stock Exchange.

Cementir Holding NV (the “Parent”) and its subsidiaries make up the Cementir Holding Group (the “Group”), mainly active in the cement and ready-mixed concrete sector in Italy and around the world.

At 30 June 2020 shareholders holding shares exceeding 3% of share capital, as indicated in the book of shareholders, from communications received pursuant to Article 5:28 of Financial Supervision Act and other information available, are:

1) Francesco Gaetano Caltagirone – 104,862,053 shares (65.901%). The shareholding is held as follows:
    - Direct ownership of 1,327,560 shares (0.834%)
    - Indirect ownership through the companies:
        - Calt 2004 Srl – 47,860,813 shares (30.078%)
        - Caltagirone SpA – 22,820,015 shares (14.341%)
        - FGC SpA – 17,585,562 shares (11.052%)
        - Gamma Srl – 5,575,220 shares (3.504%)
        - Pantheon 2000 SpA – 4,466,928 shares (2.807%)
        - Ical 2 SpA – 2,614,300 shares (1.643%)
        - Capitolium Srl – 2,604,794 shares (1.637%)
        - Vianini Lavori SpA – 6,861 shares (0.004%)
2) Francesco Caltagirone – 8,520,299 shares (5.355%). The above investment is held indirectly through the company Chupas 2007 Srl for 8,520,299 shares (5.355%).

On 28 July 2020, the Board of Directors approved this half-year financial report at 30 June 2020. The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on 6 August 2020.

Cementir Holding NV is included line-by-line in the interim consolidated financial statements of the Caltagirone Group. At the date of preparation of this interim financial report, the ultimate Parent is FGC SpA due to the shares held via its subsidiaries.

The condensed interim consolidated financial statements at 30 June 2020 include the condensed interim financial statements of the Parent and its subsidiaries. The financial statements of the individual companies at the same date prepared by their directors were used for the consolidation.

Going Concern

The financial statement of the Group has been prepared on the basis of the going concern assumption.

Statement of compliance with the IFRS

These condensed interim consolidated financial statements at 30 June 2020, drawn up on a going concern basis for the Parent and the subsidiaries, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2:362(9) of the Dutch Civil Code.

Specifically, the condensed interim consolidated financial statements have been prepared in accordance with IAS 34 and as such do not disclose all the information required of annual financial statements. Accordingly, the condensed interim consolidated financial statements should be read together with the consolidated financial statements as at and for the year ended 31 December 2019, filed at the head office of Cementir Holding NV in Amsterdam (36, Zuidplein, 1077 XV), and available on the corporate website www.cementirholding.com.

The condensed interim consolidated financial statements are consistent with the annual financial statements, in accordance with the revised version of IAS 1. The accounting policies adopted in preparing these condensed interim consolidated financial statements are the same as those applied in the preparation of the Group's annual consolidated financial statements as at and for the year ended 31 December 2019, with the exception of new standards applicable commencing as of 1 January 2020. The effects of the latter on this interim financial report are described below.

Certain parts of this condensed interim consolidated financial statements contain financial measures that are not measures of financial performance or liquidity under IFRS. These are commonly referred to as non-IFRS financial measures and include items such as Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) and Earnings Before Income Taxes (EBIT). The Company calculates EBITDA before provisions.

Basis of presentation

The condensed interim consolidated financial statements at 30 June 2020 are presented in euros, the Parent's functional currency. All amounts are expressed in thousands of euros, unless indicated otherwise. The condensed interim consolidated financial statements consist of a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and these notes. The Group has opted to present these statements as follows:

- the statement of financial position presents current and non-current assets and liabilities separately;
- the income statement classifies costs by nature;
- the statement of comprehensive income presents the effect of gains and losses recognised directly in equity, starting from the profit or loss for the year;
- the statement of cash flows is presented using the indirect method.

The general criterion adopted is the historical cost method, except for items recognised and measured at fair value based on specific IFRS, as described below in notes.

The IFRS have been applied consistently with the guidance provided in the "Framework for the preparation and presentation of financial statements". The Group was not required to make any departures as per IAS 1.19.

In the financial statements, in addition to those specifically requested by IAS 1 and the other standards, when material, so as to show transactions with related parties separately or, in the case of the income statement, profits and losses on non-recurring or unusual transactions.

Standards and amendments to standards adopted by the Group

a) As of 1 January 2020, the Group has adopted the following new accounting standards:

- Changes to the "*Conceptual Framework for Financial Reporting"*, which was endorsed by the EU on 6 December 2019 in Regulation no. 2075. The main changes compared to the 2010 version concern a new chapter on measurement, improved definitions and guidance, with specific regard to the definition of liabilities, and clarifications of important concepts, such as stewardship, prudence and measurement uncertainty. The amendments are applicable to annual reporting periods beginning on or after 1 January 2020.
- *"Amendments to IAS 1 and IAS 8: Definition of Material"*, which was endorsed by the EU on 10 December 2019 in Regulation no. 2014. The objective of the document is to refine and align the definition of "Material" in some IFRS, to ensure consistency with the new Conceptual Framework for Financial Reporting approved in March 2018 and endorsed by the EU on 6 December 2019. The amendments are applicable to annual reporting periods beginning on or after 1 January 2020.
- *"Amendments to IFRS 9, IAS 39 and IFRS 7: Interest rate benchmark reform"*, which was endorsed by the EU on 16 January 2020 in Regulation no. 34. The aim of the document is to enable reporting entities not to terminate hedging transactions until the interest-rate benchmark reform, which is still underway worldwide, has been completed. Specifically, the reform has created uncertainties about the timing and amount of future cash flows associated with certain financial instruments, with the consequent risk of having to terminate hedging relationships designated in accordance with IAS 39 or IFRS 9. According to the IASB, terminating hedging relationships because of these uncertainties does not provide useful information to users of financial statements; therefore, the document in question made specific amendments to IAS 39, IFRS 9 and IFRS 7, introducing temporary derogations from the application of the specific hedge accounting provisions of IFRS 9 and IAS 39, to be applied compulsorily to all hedging transactions directly impacted by the interest-rate benchmark reform. The amendments are applicable to annual reporting periods beginning on or after 1 January 2020.
- *"Amendment to IFRS 3 Business Combinations"*, which was endorsed by the EU on 21 April 2020 in Regulation no. 551. The document has introduced a much more restrictive definition of business than that contained in the previous IFRS 3 version, as well as a logical path to follow in order to establish whether a transaction is a "business combination" or simply an asset acquisition. The amendment must be applied to acquisitions as of 1 January 2020.

The adoption of the new standards applicable from 1 January 2020 did not have any effects.

b) Standards and interpretations to be applied shortly:

At the date of approval of these condensed interim consolidated financial statements, the IASB has issued certain accounting standards, interpretations and amendments that the European Union has yet to endorse, some of which are still at the discussion stage. They include:

- On 18 May 2017, the IASB published the new standard IFRS 17 – "Insurance Contracts", which replaces IFRS 4. The new standard on insurance contracts aims to increase transparency on the sources and quality of profits and to ensure a high comparability of results, introducing a single revenue recognition standard that reflects the services provided. In addition, on 25 June 2020, the IASB published the document "*Amendments to IFRS 17*" which includes some amendments to IFRS 17 and the deferral of the entry into force of the new accounting standard to 1 January 2023. At the reference date of these condensed interim consolidated financial statements, the endorsement process was still in progress.

- On 23 January 2020, the IASB published a number of amendments to IFRS 1. The document "*Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*" requires that a liability be classified as current or non-current based on the rights existing at the reporting date. In addition, it states that the classification is not affected by the entity's expectation that it will exercise its right to defer settlement of the liability. Finally, it clarifies that such settlement consists of the transfer of cash, equity instruments, other assets or services to the counterparty. The amendments are applicable to annual reporting periods beginnings on or after 1 January 2022. Early application is permitted. The endorsement process is still in progress.

- On 14 May 2020, the IASB published the document "*Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020" with the aim of making some specific improvements to these standards.* The amendments are applicable to annual reporting periods beginning on or after 1 January 2022. The endorsement process is still in progress.

- On 28 May 2020, the IASB published the document "*Leases Covid 19-Related Rent Concessions*", which amends *IFRS 16 Leases* to include a practical expedient that simplifies how lessees account for the *rent concession* obtained following the Covid-19 pandemic. This practical expedient is optional and does not apply to lessors. The amendments to *IFRS 16* are applicable to annual reporting periods beginning on or after 1 June 2020, but early application is permitted to previous financial statements (including the related interim financial statements) that have not yet been authorised for publication. The endorsement process, which is still in progress, is expected to be completed in the coming months.

- On 25 June 2020, the IASB published the document "*Amendments to IFRS 4 Contracts - deferral of IFRS 9*" in order to clarify some application aspects of IFRS 9 while IFRS 17 definitive application is pending. The amendments are applicable to annual reporting periods beginning on or after 1 January 2021. Endorsement by the EU is expected to take place in 2020.

The potential impact of the accounting standards, amendments and interpretations to be applied in the future on the Group's financial reports is currently being studied and assessed.

Basis of consolidation

Consolidation scope

The scope of consolidation includes the parent, Cementir Holding NV, and the companies over which it has direct or indirect control.

Subsidiaries subject to direct or indirect control include companies for which the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence of potential voting rights is considered when determining whether control exists.

A list of the companies included in the scope of consolidation at 30 June 2020 is provided in annex 1.

Translation of financial statements of foreign operations

The financial statements of subsidiaries, associates and joint ventures are prepared using the currency of the primary economic environment in which they operate (the functional currency).

The financial statements of group companies operating outside the eurozone are translated into euros using the closing rate for the statement of financial position items and the average annual rate for the income statement items if no major fluctuations are detected in the reference period, in which case the exchange rate on the date of the transaction applies. Translation differences arising on the adjustment of opening equity at the closing spot rates and the differences arising from the different methods used to translate profit for the year are recognised in equity through the statement of comprehensive income and shown separately in a special reserve.

When a foreign operation is sold, the translation differences accumulated in the specific equity reserve are reclassified to profit or loss.

The main exchange rates used in translating the financial statements of companies with functional currencies other than the euro are as follows:

	1st Half 2020		31 December 2019	1st Half 2019
	Final	Average	Final	Average
Turkish lira – TRY	7.68	7.15	6.68	6.36
US dollar – USD	1.12	1.10	1.12	1.13
British pound – GBP	0.91	0.87	0.85	0.87
Egyptian pound – EGP	17.99	17.33	17.92	19.56
Danish krone – DKK	7.45	7.46	7.47	7.47
Icelandic krona – ISK	155.40	148.37	135.80	137.00
Norwegian krone – NOK	10.91	10.73	9.86	9.73
Swedish krona – SEK	10.49	10.66	10.45	10.52
Malaysian ringgit – MYR	4.80	4.68	4.60	4.65
Chinese renminbi Yuan - CNY	7.92	7.75	7.82	7.67

Use of estimates

The preparation of condensed interim consolidated financial statements requires management to use accounting policies and methods that are sometimes based on difficult and subjective judgements, estimates based on past experience and assumptions that are considered reasonable and realistic in the circumstances.

The application of these estimates and assumptions affects the amounts presented in the financial statements and disclosures. The actual results for which these estimates and assumptions were used may differ due to the uncertainties that characterise the assumptions and the conditions on which the estimates were based.

The accounting policies and financial statements items that require greater subjective judgement by management when making estimates and for which a change in the conditions underlying the assumptions could have a significant impact on the Group's consolidated financial statements are the following:

- *Intangible assets with an indefinite life*: goodwill is tested for impairment annually to identify any impairment losses to be recognised in the income statement. Specifically, testing entails the calculation of the recoverable amount of the CGUs to which goodwill is allocated by estimating the related value in use or fair valueless costs to sell; if the recoverable amount is lower than the CGUs' carrying amount, the goodwill allocated to it is impaired. Allocation of goodwill to the CGUs and determination of their fair value involves the use of estimates that rely on factors that may change over time, with potentially significant effects compared to the valuations made by management.
- *Impairment losses on non-current assets*: in accordance with the Group's accounting policies, property, plant and equipment and intangible assets with a finite life are tested for impairment when indicators exist showing that recovery of the relative carrying amount through the assets' use is unlikely. Management makes use of subjective judgments based on information available within the Group and on the market as well as past experience to check the existence of these indicators. If there is indication of impairment, the Group determines impairment using valuation techniques deemed suitable. The correct identification of impairment indicators and the estimates used to determine impairment rely on factors that may vary over time, affecting management's judgement and estimates.
- *Amortisation and depreciation of non-current assets*: amortisation and depreciation are significant costs for the Group. The cost of property, plant and equipment is depreciated systematically over the assets' estimated useful life, The estimated useful life of the Group's assets is determined by management when the asset is purchased, on the basis of past experience of similar assets, market conditions and expectations about future events that could impact the assets' useful life, such as technological change. As such, effective useful life may differ from estimated useful life. The Group regularly assesses technological and sector changes, dismantlement costs and the recoverable amount to update useful life. This regular update could lead to a change in the depreciation period and, therefore, the amount of depreciation in future years. Management regularly reviews the estimates and assumptions and the effects of each change are recognised in the income statement. When the review affects current and future years, the change is recognised in the year in which it is made and in the related future years, as explained in more detail in the next section.
- *Purchase price allocation:* as part of business combinations, the identifiable assets purchased and the liabilities assumed are recognised in the consolidated financial statements at fair value on the acquisition date, through a Purchase price allocation process, against the consideration transferred to acquire the control of a company, which corresponds to the fair value of the assets acquired and the liabilities assumed, as well as of capital instruments issued. During the measurement period, the calculation of the aforementioned their values requires Directors to make estimates on the information available on all facts and circumstances that exist on the acquisition date and may affect the value of the acquired assets and assumed liabilities.

- *Estimate of the fair value of investment property:* at each reporting data investment property is measured at fair value and is not subject to depreciation. When determining their fair value, the Directors based their valuation on assumptions about the trend of the reference real estate market in particular. Such assumptions may vary over time, influencing evaluations and forecasts to be performed by the Directors.

Changes in accounting policies, errors and changes in estimates

The Company modifies the accounting policies adopted from one reporting period to another only if the change is required by a standard or contributes to providing more reliable and relevant information about the effects of transactions on the company's financial position, performance and cash flows.

Changes in accounting policies are recognised retrospectively in the opening balance of each affected component of equity for the earliest prior period presented. Other comparative amounts shown for each previous period presented are adjusted as if the new accounting policy had always been applied. The prospective approach is only applied when it is impracticable to reconstruct the comparative amounts.

The application of a new or amended accounting standard is accounted for as required by the standard. If the standard does not govern the transition method, the change is accounted for retrospectively or, if impracticable, on a prospective basis.

This same approach is applied to material errors. Non-material errors are recognised in the income statement in the period in which the error is identified.

Changes in estimates are recognised prospectively in the income statement in the period in which the change takes place, if it only affects that period, or in the period in which the change takes place and subsequent periods, if the change also affects these periods.

Financial risk management

The Group is exposed to financial risks related to its operations, namely:

Credit risk

The Group is not particularly exposed to credit risk, despite operating in different geographical markets, as it is not overly exposed to a limited number of positions. Moreover, its operating procedures require checks on credit risk, with the sale of products and/or services limited to customers with suitable credit ratings and guarantees.

Receivables are recognised net of the loss allowance, calculated considering the rules set out by IFRS 9, as mentioned above. Therefore, the maximum exposure to credit risk is equivalent to the carrying amount.

With respect to bank deposits and derivatives, the Group has always worked with leading counterparties, thus limiting its credit risk in this sense.

Liquidity risk

Liquidity risk concerns the availability of financial resources and access to credit market and financial instruments.

Specifically, the Group monitors and manages its cash flows, funding requirements and liquidity levels in order to ensure the effective and efficient use of its financial resources.

It meets its liquidity requirements for investing activities, working capital and the payment of amounts payable drawing on cash flows generated constantly by its operating activities and on credit facilities.

The Group aims to maintain its ability to generate cash flows through operating activities, given the current market conditions. In fact, thanks to its strong financial position, any unplanned financial requirements can be funded through its access to credit facilities.

Market risk

Market risk mainly concerns exchange rates, interest rates and raw materials costs, as the Group operates internationally in areas with different currencies. It uses financial instruments to hedge these risks.

The Group monitors the financial risks to which it is exposed regularly so as to assess in advance any potential impacts and take the most suitable action to mitigate them; it does this through the use of derivatives.

Currency risk

Group companies operate internationally; as such they are structurally exposed to currency risk for cash flows from operating activities and financing operations in currencies other than the functional currency.

The Group's operating activities are exposed differently to changes in exchange rates: in particular the cement sector is exposed to currency risk on both revenues, for exports, and costs to purchase solid fuels in USD; whereas the ready-mixed concrete sector is less exposed as both revenue and costs are in local currency. The Group assesses the natural hedging of cash flows and financing for these risks and purchases currency forwards and currency put and call options for hedging purposes. Transactions involving derivatives are performed for hedging purposes.

The Group's presentation currency is the euro. As a result, it is exposed to currency risk in relation to the translation of the financial statements of consolidated companies based in countries outside the Economic Monetary Area (except for Denmark whose currency is historically tied to the euro). The income statements of these companies are translated into euros using the average annual rate in the event that changes in value are not significant, and changes in exchange rates may affect the value in euros, even when the revenue and profits in local currency remain unchanged. Pursuant to the IFRS, translation differences on assets and liabilities are recognised directly in equity in the translation reserve (note 13).

Interest rate risk

As the Group has net financial debt, it is exposed to the risk of fluctuations in interest rates. The Group purchases interest rate swaps to partly hedge the risk after assessing forecast interest rates and timeframes for the repayment of debt by using estimated cash flows.

The Group's operating and financial policies aim to minimise the impact of these risks on its performance.

Raw materials price risk

The Group is exposed to the risk of fluctuations in raw materials prices. It manages this risk through supply agreements with Italian and foreign suppliers which set prices and quantities for roughly 12 months. It also uses suppliers in different geographical areas to avoid the risk of supply chain concentration and to obtain the most competitive prices.

Also refer to note 32 for quantitative information on risks.

Group's value

Stock market capitalisation of the Cementir share is slightly lower than the Group's book equity (capitalisation on the Stock Market as at 30 June 2020 of EUR 1,008 million against Group Equity of EUR 1,013 million); that value is lower than the value based on Group fundamentals expressed by the economic value of its assets.
It is felt that the Group's value should be calculated considering its ability to generate cash flows and not be based on Stock Market values which also reflect situations that are not strictly connected to the Group, with expectations focussed on the short-term. Furthermore, normally for companies performing Holding activities such as Cementir Holding NV, the market discounts the cost of the Holding structure and attributes operating diseconomies compared to the purchase of the single underlying assets which, considered separately, express higher intrinsic values than their Stock market listings.

Segment reporting

In accordance with IFRS 8, the Group has identified its operating segments on the basis of the Parent’s internal reporting system for management purposes.

The Group’s operations are organised on a regional basis, divided into Regions that represent the following geographical areas: Nordic & Baltic, Belgium, North America, Turkey, Egypt, Asia Pacific and Italy.

The Nordic & Baltic includes Denmark, Norway, Sweden, Iceland, Poland, Russia and the white cement operations in Belgium and France. Belgium includes the activities of the Compagnie des Ciments Belges S.A. group in Belgium and France. North America includes the United States. The Asia Pacific area includes China, Malaysia and Australia. Italy mainly with Corporate, Spartan Hive and Aalborg Portland Digital and other minor companies.

The Group’s geographical segments consist of the non-current assets of each company based and operating in the above areas. Transfer prices applied to transactions between segments for the exchange of goods and services comply with normal market conditions.

The following table shows the performance of each operating segment for the first half of 2020:

(EUR '000)	Nordic & Baltic		Belgium	North America	Turkey	Egypt	Asia Pacific	Italy	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
	Denmark	Other *		USA						
Operating revenue	**196,105**	**113,467**	**117,141**	**72,171**	**58,514**	**21,099**	**40,035**	**48,559**	**(94,629)**	**572,462**
Intra-segment operating revenue	(40,387)	(1,474)	-	(528)	(6,311)	(1,909)	-	(44,020)	94,629	-
Contributed operating revenue	155,718	111,993	117,141	71,643	52,203	19,190	40,035	4,539	-	572,462
Segment result (EBITDA)	**59,172**	**8,083**	**23,237**	**10,119**	**(8,837)**	**3,756**	**8,159**	**(5,933)**	**-**	**97,756**
Amortisation, depreciation, impairment losses and provisions	(17,729)	(4,599)	(11,475)	(7,967)	(5,827)	(1,537)	(3,777)	(1,658)	-	(54,569)
EBIT	**41,443**	**3,484**	**11,762**	**2,152**	**(14,664)**	**2,219**	**4,382**	**(7,591)**	**-**	**43,187**
Net profit (loss) of equity-accounted investees	(207)	116							-	(91)
Net financial income (expense)									(11,096)	(11,096)
Profit (loss) before taxes										**32,000**
Income taxes									(10,113)	(10,113)
Profit (loss) for the period										**21,887**

The following table shows the performance of each operating segment for the first half of 2019:

(EUR '000)	Nordic & Baltic		Belgium	North America	Turkey	Egypt	Asia Pacific	Italy	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
	Denmark	Other *		USA						
Operating revenue	**189,453**	**129,175**	**132,683**	**80,731**	**56,168**	**18,856**	**46,627**	**37,298**	**(86,818)**	**604,173**
Intra-segment operating revenue	(46,368)	(2,079)	-	(466)	(968)	(834)	-	(36,103)	86,818	-
Contributed operating revenue	143,085	127,096	132,683	80,265	55,200	18,022	46,627	1,195	-	604,173
Segment result (EBITDA)	**47,084**	**11,332**	**31,038**	**11,031**	**(6,032)**	**3,193**	**9,006**	**3,412**	-	**110,064**
Amortisation, depreciation, impairment losses and provisions	(16,980)	(4,645)	(11,682)	(7,342)	(5,547)	(1,242)	(3,498)	(1,665)	-	(52,601)
EBIT	**30,104**	**6,687**	**19,356**	**3,689**	**(11,579)**	**1,951**	**5,508**	**1,747**	-	**57,463**
Net profit (loss) of equity-accounted investees	(61)	119	-	-	-	-	-	-	-	58
Net financial income (expense)	-	-	-	-	-	-	-	-	(15,554)	(15,554)
Profit (loss) before taxes	-	-	-	-	-	-	-	-	-	**41,967**
Income taxes	-	-	-	-	-	-	-	-	(12,037)	(12,037)
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	**29,930**

The following table shows other data for each geographical segment at 30 June 2020:

	Segment assets	Non current segment assets	Segment liabilities	Equity-accounted investments	[2]Investments in property, plant and equipment and intangible assets
Nordic & Baltic:					
Denmark	576,130	461,163	305,575	2,637	11,780
Others*	137,909	73,247	63,204	1,155	3,534
Belgium	314,873	227,355	51,766		2,387
North America	522,936	400,241	163,087		13,838
Turkey	251,300	179,370	64,171		6,117
Egypt	105,421	38,691	17,484		788
Asia Pacific	142,515	72,275	20,212		2,533
Italy	299,810	78,181	516,479		1,088
Total	**2,350,894**	**1,530,523**	**1,201,978**	**3,792**	**42,065**

The following table shows other data for each geographical segment at 31 December 2019 and at 30 June 2019:

	31.12.2019				30.06.2019
	Segment assets	Non current segment assets	Segment liabilities	Equity-accounted investments	[3]Investments in property, plant and equipment and intangible assets
Nordic & Baltic:					
Denmark	591,384	467,655	312,669	2,838	13,945
Others*	138,342	79,383	71,559	1,041	4,649
Belgium	524,228	397,944	156,948	-	8,879
North America	322,016	232,085	53,881	-	1,900
Turkey	286,859	206,886	60,607	-	2,649
Egypt	103,728	39,584	17,566	-	766
Asia Pacific	143,497	75,296	21,873	-	4,121
Italy	156,040	77,891	389,424	-	1,154
Total	**2,266,094**	**1,576,724**	**1,084,527**	**3,879**	**38,063**

[2] Investments made in the period.
[3] Investments made in the first half of 2019.

1) Intangible assets with a finite useful life

At 30 June 2020, intangible assets with a finite useful life amounted to EUR 206,938 thousand (EUR 214,388 thousand at 31 December 2019). Concession rights and licences mainly consisted of concessions to use quarries and software licences for the IT system (SAP R/3). Other intangible assets include the values assigned to certain assets upon acquisition of the CCB Group and LWCC, such as customer lists and contracts for the exclusive exploitation of quarries. These amounts were recognised as part of the purchase price allocation for the acquisition of these companies.

Amortisation is applied over the assets' estimated useful life.

(EUR'000)	Development expenditure	Concessions, licences and trademarks	Other intangible assets	Assets under development and advances	Total
Gross amount at 1 January 2020	**1,786**	**55,337**	**237,401**	**456**	**294,980**
Additions	-	15	647	549	1,211
Disposals	-		(743)		(743)
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Exchange differences	-	(120)	(39)	(6)	(165)
Reclassifications	-	377	321	(377)	321
Gross amount at 30 June 2020	**1,786**	**55,609**	**237,587**	**622**	**295,604**
Amortisation at 1 January 2020	**1,786**	**21,487**	**57,319**	**-**	**80,592**
Amortisation	-	1,710	7,287	-	8,997
Decrease	-		(743)	-	(743)
Change in consolidation scope	-			-	
Exchange differences	-	(11)	(369)	-	(380)
Reclassifications	-		200	-	200
Amortisation at 30 June 2020	**1,786**	**23,186**	**63,694**	**-**	**88,666**
Net amount at 30 June 2020	**-**	**32,423**	**173,893**	**622**	**206,938**

(EUR'000)	Development expenditure	Concessions, licences and trademarks	Other intangible assets	Assets under development and advances	Total
Gross amount at 1 January 2019	**1,786**	**52,256**	**231,191**	**485**	**285,718**
Additions	-	1,646	342	4,936	6,924
Disposals	-	(29)	(140)	-	(169)
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Exchange differences	-	585	1,685	8	2,278
Reclassifications	-	879	4,323	(4,973)	229
Gross amount at 31 December 2019	**1,786**	**55,337**	**237,401**	**456**	**294,980**
Amortisation at 1 January 2019	**1,786**	**17,732**	**42,655**	**-**	**62,173**
Amortisation	-	3,292	15,174	-	18,466
Decrease	-	(24)	(140)	-	(164)
Change in consolidation scope	-	-	-	-	
Exchange differences	-	123	(6)	-	117
Reclassifications	-	364	(364)	-	
Amortisation at 31 December 2019	**1,786**	**21,487**	**57,319**	**-**	**80,592**
Net amount at 31 December 2019	**-**	**33,850**	**180,082**	**456**	**214,388**

2) Intangible assets with an indefinite useful life (goodwill)

The Group regularly tests intangible assets with an indefinite useful life, consisting of goodwill allocated to CGUs, for impairment.

At 30 June 2020, the item amounted to EUR 339,028 thousand (EUR 349,047 thousand at 31 December 2019). The following table shows CGUs by macro geographical segment.

30.06.2020	Nordic & Baltic		North America	Turkey	Egypt	Asia Pacific	Italy	Total
	Denmark	Other	USA					
Opening balance	**230,632**	**26,392**	**27,387**	**59,284**	**2,124**	**3,228**	**-**	**349,047**
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-	-
Exchange differences	35	(2,535)	88	(7,466)	(9)	(132)		**(10,019)**
Reclassifications	-	-	-	-	-	-	-	-
Closing balance	**230,667**	**23,857**	**27,475**	**51,818**	**2,115**	**3,096**		**339,028**

31.12.2019	Nordic & Baltic		North America	Turkey	Egypt	Asia Pacific	Italy	Total
	Denmark	Other	USA					
Opening balance	**230,639**	**26,509**	**26,870**	**64,924**	**1,852**	**3,139**	**-**	**353,933**
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-	-
Exchange differences	(7)	(117)	517	(5,640)	272	89	-	(4,886)
Reclassifications	-	-	-	-	-	-	-	-
Closing balance	**230,632**	**26,392**	**27,387**	**59,284**	**2,124**	**3,228**	**-**	**349,047**

Intangible assets with an indefinite useful life are regularly tested for impairment. For the purposes of these condensed interim consolidated financial statements, it was assessed whether any indicators existed suggesting the impairment of the assets. The impairment test of Cimentas group was updated in light of the devaluation of the Turkish Lira and the current situation related to COVID-19. It did not show any impairment losses. In the context of this valuation, the expected trends for 2020-2022 and the following three years were taken into account, considering the current market economic and financial context. The discount rate used was 17.2%, while the growth rate of the final amounts was 4%.

At the date of preparation of this half-year financial report, there are no changes to the strategic lines reported in the press releases issued following the approval of the business plan in November last year, other than a delay in the timing of investments.

3) Property, plant and equipment

At 30 June 2020, property, plant and equipment reached EUR 839,521 thousand (EUR 860,385 thousand at 31 December 2019) and included EUR 83.5 million in right-of-use assets.

Additional disclosures for each category of property, plant and equipment are set out below:

(EUR'000)	Land and buildings	Quarries	Plant and equipment	Other	Right-of-use assets	Assets under development and advances	Total
Gross amount at 1 January 2020	**485,926**	**194,727**	**1,472,171**	**70,530**	**102,138**	**41,612**	**2,367,104**
Additions		74	2,264	685	15,673	22,151	40,847
Disposals	(814)	(47)	(7,464)	(3,512)	(1,697)	(71)	(13,605)
Impairment losses							
Change in consolidation scope							
Exchange differences	(8,380)	(803)	(26,939)	(1,688)	(1,270)	(465)	(39,545)
Reclassifications	25		11,153	715	(276)	(10,187)	1,430
Gross amount at 30 June 2020	**476,757**	**193,951**	**1,451,185**	**66,730**	**114,568**	**53,040**	**2,356,231**
Depreciation at 1 January 2020	**303,564**	**24,688**	**1,106,530**	**52,484**	**19,454**		**1,506,720**
Depreciation	5,431	800	23,479	2,080	13,097	-	44,887
Decrease	(551)		(5,324)	(1,705)	(1,115)	-	(8,695)
Change in consolidation scope							
Exchange differences	(3,982)	(672)	(20,421)	(1,320)	(315)	-	(26,710)
Reclassifications	1,228	-	(724)	58	(54)	-	508
Depreciation at 30 June 2020	**305,690**	**24,816**	**1,103,540**	**51,597**	**31,067**	**-**	**1,516,710**
Net amount at 30 June 2020	**171,067**	**169,135**	**347,645**	**15,133**	**83,501**	**53,040**	**839,521**

Note 31 IFRS 16 – "Leases" gives a breakdown of Right-of-use assets categorised according to their nature.

(EUR'000)	**Land and buildings**	**Quarries**	**Plant and equipment**	**Other**	**Right-of-use assets**	**Assets under development and advances**	**Total**
Gross amount at 1 January 2019	**489,623**	**188,968**	**1,472,226**	**64,640**	**5,789**	**47,087**	**2,268,333**
Change in accounting policy, leases					**77,821**		**77,821**
Additions	1,393	2,849	17,624	2,920	24,677	31,973	81,436
Disposals	(1,066)	(5)	(7,831)	(7,198)	(6,029)	(965)	(23,094)
Impairment losses	(161)		(1,714)	(1,238)			(3,113)
Change in consolidation scope							-
Exchange differences	(1,217)	574	(7,378)	(1,205)	(120)	446	(8,900)
Reclassifications	1,479	2,341	26,363	7,411		(36,929)	665
Gross amount at 31 December 2019	**490,051**	**194,727**	**1,499,290**	**65,330**	**102,138**	**41,612**	**2,393,148**
Depreciation at 1 January 2019	**299,238**	**21,498**	**1,107,137**	**47,437**	**3,524**		**1,478,834**
Change in accounting policy, leases							**-**
Depreciation	10,972	2,484	46,374	3,710	24,479		88,019
Decrease	(638)		(7,591)	(7,037)	(4,633)		(19,899)
Change in consolidation scope							-
Exchange differences	(729)	236	(8,197)	(822)	(26)		(9,538)
Reclassifications	(1,154)	470	(4,541)	4,462	(3,890)		(4,653)
Depreciation at 31 December 2019	**307,689**	**24,688**	**1,133,182**	**47,750**	**19,454**		**1,532,763**
Net amount at 31 December 2019	**182,362**	**170,039**	**366,108**	**17,580**	**82,684**	**41,612**	**860,385**

4) Investment property

Investment property of EUR 82,679 thousand (EUR 90,602 thousand at 31 December 2019) is recognised at fair value, calculated annually based on independent expert opinions.

(EUR'000)		**30.06.2020**			**31.12.2019**	
	Land	**Buildings**	**Total**	**Land**	**Buildings**	**Total**
Opening balance	**61,896**	**28,706**	**90,602**	**61,429**	**28,723**	**90,152**
Increase	-	-	**-**	-	-	**-**
Decrease	-	-	**-**	-	-	**-**
Fair value gains (losses)				6,188	284	**6,472**
Exchange differences	(7,540)	(383)	**(7,923)**	(5,721)	(301)	**(6,022)**
Reclassifications	-	-	**-**	-	-	**-**
Closing balance	**54,356**	**28,323**	**82,679**	**61,896**	**28,706**	**90,602**

At 30 June 2020, approximately EUR 7.4 million of investment property was pledged as collateral for bank loans totalling a residual, undiscounted amount of approximately EUR 4.7 million at the reporting date.

5) Equity-accounted investments

The item includes the Group's share of equity in equity-accounted associates and joint ventures. The carrying amount of these investments and the Group's share of the investees' profit or loss are shown below:

Companies	Business	Registered office	% owned	**Carrying amount 30.06.2020**	**Share of profit or loss 30.06.2020**
ECOL Unicon Spzoo	Ready-mixed concrete	Gdańsk (Poland)	49%	2,637	(207)
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	1,155	116
Total				**3,792**	**(91)**

Companies	Business	Registered office	% owned	**Carrying amount 31.12.2019**	**Share of profit or loss 30.06.2019**
ECOL Unicon Spzoo	Ready-mixed concrete	Gdańsk (Poland)	49%	2,838	(61)
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	1,041	119
Total				**3,879**	**58**

No indicators of impairment were identified for these investments.

6) Other investments

(EUR'000)	**30.06.2020**	**31.12.2019**
Available-for-sale equity investments *Opening balance*	**285**	**210**
Increase (decrease)	-	19
Fair value gains (losses)	-	-
Change in consolidation scope	-	-
Reclassifications to assets held for sale	-	-
Exchange differences	(7)	(3)
Reclassifications - Recybel	-	59
Available-for-sale equity investments *Closing balance*	**278**	**285**

No indicators of impairment were identified.

7) Inventories

The carrying amount of inventories approximates their fair value; a breakdown of the item is shown below:

(EUR'000)	**30.06.2020**	**31.12.2019**
Raw materials, consumables and supplies	91,269	85,299
Work in progress	39,314	40,293
Finished goods	40,139	46,367
Advances	540	406
Inventories	**171,262**	**172,365**

Changes were recorded over the period in the different inventory categories as a result of manufacturing processes and sales, the costs of factors of production and the foreign exchange rates used to translate financial statements stated in foreign currencies.

The decrease in raw materials, consumables and supplies, totalling EUR 8,614 thousand (increase of EUR 1,572 thousand at 30 June 2019) was expensed in the income statement as “Raw materials costs” (Note 23). The negative change in work in progress and finished goods was recorded in the income statement for a total of EUR 5,267 thousand (30 June 2019: positive EUR 4,742 thousand).

There were no significant increase in the level of inventories of the Group’s companies.

8) Trade receivables

Trade receivables totalled EUR 174,563 (EUR 150,475 thousand at 31 December 2019) and break down as follows:

(EUR'000)		**30.06.2020**	**31.12.2019**
Trade receivables		177,060	154,945
Loss allowance		(7,700)	(8,262)
Net trade receivables		**169,360**	**146,683**
Advances to suppliers		5,148	3,696
Trade receivables - related parties	(note 34)	55	96
Trade receivables		**174,563**	**150,475**

The carrying amount of trade receivables equals their fair value. They arise on commercial transactions for the sale of goods and services and do not present any significant concertation risks.

The increase in trade receivables compared to 31 December 2019 is due to the cyclical nature of the reference business’ working capital.

The breakdown by due date is shown below:

(EUR'000)	**30.06.2020**	**31.12.2019**
Not yet due	153,585	116,998
Overdue:	23,475	37,947
0-30 days	*10,730*	*17,366*
30-60 days	*2,240*	*7,375*
60-90 days	*2,262*	*3,203*
More than 90 days	*8,243*	*10,003*
Total trade receivables	177,060	154,945
Loss allowance	(7,700)	(8,262)
Net trade receivables	**169,360**	**146,683**

9) Current and non-current financial assets

Non-current financial assets of EUR 1,098 thousand (EUR 1,643 thousand at 31 December 2019) mainly refer to financial items which will be expensed upon termination of the financing contract signed by Cementir Holding NV.

Current financial assets totalled EUR 1,433 thousand (EUR 1,192 thousand 31 December 2019) and break down as follows:

(EUR'000)		30.06.2020	31.12.2019
Fair value of derivatives		270	36
Accrued income/ Prepayments		765	762
Loan assets - related parties	(note 34)	397	393
Other loan assets		1	1
Current financial assets		**1,433**	**1,192**

10) Current tax assets

Current tax assets, totalling EUR 8,217 thousand (EUR 5,172 thousand at 31 December 2019), mainly refer to IRES and IRAP payments on account to tax authorities, approximately EUR 3.2 million, withholdings (EUR 2.6 million).

11) Other current and non-current assets

Other non-current assets totalled EUR 5,992 thousand (EUR 6,800 thousand at 31 December 2019) and mainly consisted of VAT assets and deposits.

Other current assets totalled EUR 28,090 thousand (EUR 29,218 thousand at 31 December 2019) and consisted of non-commercial items. The item breaks down as follows:

(EUR'000)	30.06.2020	31.12.2019
VAT assets	13,386	12,250
Personnel	194	544
Accrued income	389	343
Prepayments	4,325	3,607
Other receivables	9,796	12,474
Other current assets	**28,090**	**29,218**

12) Cash and cash equivalents

Totalling EUR 436,806 thousand (EUR 330,948 thousand at 31 December 2019), the item consists of liquidity held by the Group, which is usually invested in short-term financial transactions. The item breaks down as follows:

(EUR'000)		30.06.2020	31.12.2019
Bank and postal deposits		436,588	330,734
Bank deposits - related parties	(note 34)		
Cash-in-hand and cash equivalents		218	214
Cash and cash equivalents		**436,806**	**330,948**

Cash and cash equivalents increased compared to 31 December 2019, mainly by drawing credit lines available on the existing credit facilities by the Parent Company, in order to prevent any shortage of liquidity in the system. These cash and cash equivalents remained unused and were repaid to the lenders in July.

13) Equity

Equity attributable to the owners of the parent

Equity attributable to the owners of the parent amounted to EUR 1,012,952 thousand at 30 June 2020 (EUR 1,044,627 thousand at 31 December 2019). Profit for the first half of 2020 attributable to the owners of the parent totalled EUR 19,975 thousand (EUR 27,332 thousand for the first half of 2019).

Share capital

The Parent's share capital consists of 159,120,000 ordinary shares with a par value of EUR 1 each. It is fully paid-up and has not changed with respect to the previous year end. There are no pledges or restrictions on the shares.

Other reserves

Legal reserve

It should be noted that, at 31 December 2019 the legal reserve of EUR 31,825 thousand, related to the Italian Civil Code requirement, has been added to retained earnings due to the conversion of the Company into a Dutch NV.

Translation reserve

At 30 June 2020, the translation reserve had a negative balance of EUR 611,950 thousand (negative EUR 580,956 thousand at 31 December 2019), broken down as follows:

(EUR'000)	**30.06.2020**	**31.12.2019**	**Change**
Turkey (Turkish lira – TRY)	(557,340)	(531,657)	(25,683)
USA (US dollar – USD)	4,871	4,686	185
Egypt (Egyptian pound – EGP)	(57,978)	(57,517)	(461)
Iceland (Icelandic krona – ISK)	(2,995)	(2,554)	(441)
China (Chinese renminbi yuan – CNY)	6,912	7,909	(997)
Norway (Norwegian krone – NOK)	(8,350)	(5,047)	(3,303)
Sweden (Swedish krona – SEK)	(1,321)	(1,265)	(56)
Other countries	4,251	4,489	(238)
Total translation reserve	**(611,950)**	**(580,956)**	**(30,994)**

Equity attributable to non-controlling interests

Equity attributable to non-controlling interests amounted to EUR 135,964 thousand at 30 June 2020 (EUR 136,940 thousand at 31 December 2019). Profit for the first half of 2020 attributable to non-controlling interests totalled EUR 1,912 thousand (EUR 2,598 thousand for the first half of 2019).

Capital management

The Board's policy is to maintain a strong capital base aiming to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the capital structure by means of tracking the trend of Net Financial Debt/Position, Net Gearing Ratio and Equity Ratio. For this purpose, Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Adjusted Equity comprises all components of equity other than amounts accumulated in the hedging and cost of hedging reserves.

The following table highlights the trend in the financial indicators:

Ratio	30.06.2020 (EUR 000)	2019 (EUR 000)
Total Liabilities	718,807	571,769
- Less cash and cash equivalents and current financial assets	(438,240)	(332,140)
Net Financial Debt	**280,567**	**239,629**
Total Equity	1,148,916	1,181,567
- Hedging reserve	(5,344)	(6,812)
Adjusted Equity	1,143,572	1,174,755
Net Gearing Ratio	**24.5%**	**20.4%**
Adjusted Equity	1,143,572	1,174,755
Total Assets	2,350,894	2,266,094
Equity ratio	**48.6%**	**51.8%**

The Management of the Group monitors the trend of Return on Equity with a ratio given by Profit on continuing operation over Equity, this ratio is 7.17% at 30 June 2020 (8.77% at 30 June 2019).

It should be noted that on 2 July, the extraordinary shareholders' meeting authorised the Board of Directors to carry out a treasury share purchase programme with a duration of 18 months and a maximum investment of EUR 60 million.

14) Employee benefits

Employee benefits at 30 June 2020 totalled EUR 35,918 thousand (EUR 35,745 thousand at 31 December 2019) did not change significantly over the year and includes provisions for employee benefits and post-employment benefits.

Where conditions are met for their recognition, liabilities are also recognised for future commitments connected with medium/long-term incentive plans that will be paid to employees at the end of the plan period. The long-term incentive plan envisages the payment of a variable monetary reward, calculated on the basis of the gross annual salary of the beneficiary, which is tied to the achievement of the business and financial objectives in the Industrial Plans prepared and approved. It amounted to EUR 2,796 thousand at 30 June 2020 (EUR 1,901 thousand at 31 December 2019).

Liabilities for employee benefits, mainly in Turkey, Belgium and Norway, are included in the defined benefit plans and are partly funded by insurance plans. In particular, plan assets refer to the pension plans in Belgium and Norway. Liabilities are valued on annual basis applying actuarial methods and assets have been calculated based on the fair value at the reporting date. Post-employment benefits are an unfunded and fully provisioned liability recognised for benefits attributable to employees upon or after termination of employment. As they are defined benefit plans, actuarial assumptions are used for their measurement.

15) Provisions

Non-current and current provisions amounted to EUR 26,897 thousand (EUR 27,521 thousand at 31 December 2019) and EUR 4,893 thousand (EUR 15,733 thousand at 31 December 2019) respectively.

(EUR'000)	Provision for quarry restoration	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2020	**23,188**	**4,243**	**15,823**	**43,254**
Provisions	198	104	20	**322**
Utilisations	(254)	(280)	(10,109)	**(10,643)**
Decrease	-	-	(34)	**(34)**
Change in consolidation scope	-	-	-	**-**
Exchange differences	(579)	(398)	(132)	**(1,109)**
Reclassifications	-			
Net actuarial gains recognised in the year	-	-		
Other changes	-	-	-	**-**
Balance at 30 June 2020	**22,553**	**3,669**	**5,568**	**31,790**
Including:				
Non-current provisions	22,303	914	3,680	**26,897**
Current provisions	250	2,755	1,888	**4,893**

(EUR'000)	Provision for quarry restoration	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2019	**23,165**	**4,576**	**15,588**	**43,329**
Provisions	680	786	494	**1,960**
Utilisations	(498)	(513)	(1,269)	**(2,280)**
Decrease	-	(368)	(105)	**(473)**
Change in consolidation scope	-	-	-	**-**
Exchange differences	(159)	(318)	123	**(354)**
Reclassifications	-	80	-	**80**
Net actuarial gains recognised in the year	-	-	992	**992**
Other changes	-	-	-	**-**
Balance at 31 December 2019	**23,188**	**4,243**	**15,823**	**43,254**
Including:				
Non-current provisions	22,845	933	3,743	**27,521**
Current provisions	343	3,310	12,080	**15,733**

The provision for quarry restructuring is allocated for the cleaning and maintenance of quarries where raw materials are extracted, to be performed before the utilisation concession expires.

Other provisions mainly consist of environmental provisions totalling approximately EUR 1.5 million (EUR 1.6 million at 31 December 2019), provision for risks for corporate restructuring costs in line with 31 December 2019 totalling EUR 2.6 million. The utilisation of the period is related to the execution of a settlement agreement, for compensation requests relating to previous transactions.

16) Trade payables

The carrying amount of trade payables approximates their fair value; the item breaks down as follows:

(EUR'000)		**30.06.2020**	**31.12.2019**
Suppliers		181,517	215,686
Related parties	(note 34)	266	514
Advances		3,803	2,825
Trade payables		**185,586**	**219,025**

17) Financial liabilities

Non-current and current financial liabilities are shown below:

(EUR'000)		30.06.2020	31.12.2019
Bank loans and borrowings	(note 33)	435,234	440,395
Lease liabilities	(note 31)	58,531	60,558
Lease liabilities - related parties	(note 34)	2,588	3,312
Fair value of derivatives		11,373	11,507
Financial debt - related parties			
Non-current financial liabilities		**507,726**	**515,772**
Bank loans and borrowings		43,762	546
Current portion of non-current financial liabilities		132,549	23,599
Current loan liabilities - related parties	(note 34)	17	
Current lease liabilities	(note 33)	22,839	19,013
Current lease liabilities - related parties	(note 34)	1,449	1,437
Other loan liabilities		442	96
Fair value of derivatives		10,023	11,306
Current financial liabilities		**211,081**	**55,997**
Total financial liabilities		**718,807**	**571,769**

The carrying amount of non-current and current financial liabilities approximates their fair value.

Non-current financial liabilities mainly refer to the loan agreement with a pool of banks and to the loan instalments of the Danish subsidiary Aalborg Portland A/S. Moreover, at 30 June 2020, financial exposure totalled EUR 718.8 million, with the changed in debt for EUR 147 million mainly by drawing credit lines available on the existing credit facilities by the Parent Company, in order to prevent any shortage of liquidity in the system. These credit lines remained unused and financial institutions have been repaid to the lenders during the month of July.

Derivatives purchased to hedge interest rate, commodity price and currency risks connected with liabilities falling due between July 2020 and February 2027 had a negative fair value of approximately EUR 21.4million at 30 June 2020 (approximately negative EUR 22.9 million at 31 December 2019).

About 85.1% of these financial liabilities requires compliance with financial covenants which were complied with at 30 June 2020. In particular, the covenants to be complied with are the debt/EBITDA ratio, at consolidated level and the EBITDA/Net financial expense ratio. The Group's exposure, broken down by residual expiry of the financial liabilities, is as follows:

(EUR'000)	30.06.2020	31.12.2019
Within three months	67,207	28,508
Between three months and one year	143,874	27,489
Between one and two years	362,469	358,388
Between two and five years	102,708	88,093
After five years	42,549	69,291
Total financial liabilities	**718,807**	**571,769**

(EUR'000)	**30.06.2020**	**31.12.2019**
Floating rate	709,781	571,769
Fixed rate	9,026	-
Financial liabilities	**718,807**	**571,769**

As required by CONSOB Communication 6064293 of 28 July 2006, the Group's net financial debt is shown in the next table:

(EUR'000)	**30.06.2020**	**31.12.2019**
A. Cash	218	214
B. Other cash equivalents	436,588	330,734
C. Securities held for trading		
D. Cash and cash equivalents	**436,806**	**330,948**
E. Current loan assets	**1,433**	**1,192**
F. Current bank loans and borrowings	(43,762)	(546)
G. Current portion of non-current debt	(119,938)	(11,004)
H. Other current loan liabilities	(47,380)	(44,447)
I. Current financial debt (F+G+H)	**(211,080)**	**(55,997)**
J. Net current financial debt (I-E-D)	**227,159**	**276,143**
K. Non-current bank loans and borrowings	(507,726)	(515,772)
L. Bonds issued	-	-
M. Other non-current liabilities	-	-
N. Non-current financial debt (K+L+M)	**(507,726)**	**(515,772)**
O. Net financial debt (J+N)	**(280,567)**	**(239,629)**

18) Current tax liabilities

Current tax liabilities amounted to EUR 22,731 thousand (EUR 15,423 thousand at 31 December 2019) and relate to income tax liabilities, net of payments on account.

19) Other non-current and current liabilities

Other non-current liabilities totalled EUR 3,382 thousand (EUR 3,833 thousand at 31 December 2019) and included around 2.9 million of deferred income (EUR 3.3 million at 31 December 2019) relating to future benefits from a business agreement which started to accrue from 1 January 2013, which are payable within five years (31 December 2019: EUR 3.3 million within five years).

Other current liabilities totalled EUR 60,489 thousand (EUR 49,477 thousand at 31 December 2019) and break down as follows:

(EUR'000)		**31.12.2020**	**31.12.2019**
Personnel		31,751	26,425
Social security institutions		3,868	2,740
Related parties	(note 34)	5	6
Deferred income		978	989
Accrued expenses		2,715	1,831
Other sundry liabilities		21,172	17,486
Other current liabilities		**60,489**	**49,477**

Deferred income refers to the future benefits of the above-mentioned business agreement (approximately EUR 0.8 million in line with 31 December 2019).

Other sundry liabilities mainly include amounts due to the revenue office for employee withholdings and VAT. It should be noted that, during the first half, the debt of EUR 5,118 thousand related to the result of the antitrust proceedings commenced by the Italian Competition Authority (AGCM) was settled, as per decision by the Council of State in the hearing of 7 February 2019.

20) Deferred tax assets and liabilities

Deferred tax liabilities totalling EUR 143,275 thousand (31 December 2019: EUR 146,001 thousand) and deferred tax assets totalling EUR 51,197 thousand (31 December 2019: EUR 49,695 thousand) break down as follows:

(EUR'000)	Income taxes tax liabilities	Income taxes tax assets
Balance at 1 January 2020	**146,001**	**49,695**
Accrual, net of utilisation in profit or loss	(927)	3,500
Increase, net of decreases in equity	9	(395)
Change in consolidation scope	-	-
Exchange differences	(1,808)	(1,348)
Other changes	-	(255)
Balance at 30 June 2020	**143,275**	**51,197**

(EUR'000)	Income taxes tax liabilities	Income taxes tax assets
Balance at 1 January 2019	**145,282**	**46,772**
Accrual, net of utilisation in profit or loss	1,777	3,033
Increase, net of decreases in equity	-	70
Change in consolidation scope	-	-
Exchange differences	471	(475)
Other changes	(1,529)	295
Balance at 31 December 2019	**146,001**	**49,695**

Recovery of the deferred tax assets is expected in the following years within the timeframe defined by the relevant legislation.

It should be noted that, the Group is involved in a transfer pricing case between the Danish and the Italian tax authorities to reach an agreement on royalty payments through Mutually Agreed Procedures ("MAP"). Outcome of case can impact the tax payments for the period 2008-2019. Management remains convinced that the royalty payments are justifiable, and based thereon, Management has not recognised any potential tax adjustments related to the case at 30 June 2020, since management assessed it is not probable this will result in an additional tax payment. For Danish entities total exposure amounts to EUR 12.5 million. At Italian tax group level, net exposure resulting from MAP process will be nil.

21) Revenue

(EUR'000)		1st Half 2020	1st Half 2019
Product sales		531,849	549,336
Product sales to related parties	(note 34)	-	32
Services		38,512	42,569
Revenue		**570,361**	**591,937**

Group revenue reached EUR 570.4 million, down 3.6% compared to EUR 591.9 million in the first half of 2019. The drop in revenue, attributable to the spread of the Covid-19 pandemic, was mainly recorded in Belgium-France, in Malaysia, Norway and to a lesser extent in the United States.

The caption Services is mainly related to transport services which are recognised at the time the service is provided.

Revenue by product is shown below:

1st Half 2020	**Nordic & Baltic**		**Belgium**	**North America**	**Turkey**	**Egypt**	**Asia Pacific**	**Italy**	Unallocated items and adjustments**	**CEMENTIR HOLDING GROUP**
(EUR'000)	**Denmark**	**Others***		**USA**						
Cement	131,251	27,587	63,535	69,174	40,133	19,798	37,990	-	**(27,860)**	**361,608**
Ready-mixed concrete	70,419	70,384	30,612	-	11,662	-	-	-	**-**	**183,077**
Aggregates	2,240	13,411	26,015	-	-	-	1,019	-	**-**	**42,685**
Waste	-	-	-	-	6,002	-	-	-	**-**	**6,002**
Other	-	-	-	6,129	5,198	-	-	45,210	**(11,739)**	**44,798**
Unallocated items and adjustments	*(16,299)*	-	-	-	*(5,822)*	-	*(995)*	-	***(44,693)***	***(67,809)***
Revenue	**187,611**	**111,382**	**120,162**	**75,303**	**57,173**	**19,798**	**38,014**	**45,210**	**(84,292)**	**570,361**

1st Half 2019	**Nordic & Baltic**		**Belgium**	**North America**	**Turkey**	**Egypt**	**Asia Pacific**	**Italy**	Unallocated items and adjustments**	**CEMENTIR HOLDING GROUP**
(EUR'000)	**Denmark**	**Others***		**USA**						
Cement	127,513	29,102	66,858	70,894	33,706	17,262	43,594	-	*(31,619)*	**357,310**
Ready-mixed concrete	66,154	85,299	37,420	-	11,870	-	-	-		**200,743**
Aggregates	2,014	15,173	30,189	-	-	-	1,066	-		**48,442**
Waste	-	-	-	-	7,260	-	-	-		**7,260**
Other	-	(1,491)	-	5,867	6,216	-	-	32,401	*(13,587)*	**29,406**
Unallocated items and adjustments	*(14,514)*	-	-	-	*(5,862)*	-	*(1,002)*	-	*(29,846)*	***(51,224)***
Revenue	**181,167**	**128,083**	**134,467**	**76,761**	**53,190**	**17,262**	**43,658**	**32,401**	***(75,052)***	**591,937**

* "Other" includes the operations in Norway, Sweden, Iceland, Poland and Russia.

** "Unallocated items and adjustments" mainly refers to infra-group transactions

22) Increase for internal work and other income

Increase for internal work of EUR 3,471 thousand (EUR 3,574 thousand in the first half of 2019) refers to the capitalisation of costs of materials and personnel costs used in the realisation of property, plant and equipment and intangible fixed assets.

Other income of EUR 3,897 thousand (EUR 3,920 thousand in 2018) breaks down as follows:

(EUR'000)		1st Half 2020	1st Half 2019
Rent, lease and hires		760	996
Rent, lease and hires - related parties	(note 34)	58	16
Gains		136	522
Release of provision for risks		34	63
Insurance refunds		130	4
Other income		2,778	2,318
Other income from related parties	(note 34)	1	1
Other income		**3,897**	**3,920**

23) Raw materials costs

(EUR'000)	1st Half 2020	1st Half 2019
Raw materials and semi-finished products	115,885	122,482
Fuel	45,182	42,061
Electrical energy	40,178	36,100
Other materials	24,853	29,313
Change in raw materials, consumables and goods	(8,614)	1,572
Raw materials costs	**217,484**	**231,528**

The cost of raw materials amounted to EUR 217.5 million (EUR 231.5 million in the first half of 2019), down due to the reduction in the cost of raw materials, mainly fuel, and the reduction in production volumes.

24) Personnel costs

(EUR'000)	1st Half 2020	1st Half 2019
Wages and salaries	74,904	76,871
Social security charges	14,580	14,884
Other costs	5,713	4,699
Personnel costs	**95,197**	**96,454**

The Group's workforce breaks down as follows:

	30.06.2020	31.12.2019	30.06.2019	Average 30.06.2020	Average 30.06.2019
Executives	76	79	77	76	76
Middle management, white collars and intermediates	1,165	1,171	1,322	1,173	1,313
Blue collars	1,759	1,792	1,650	1,784	1,676
Total	**3,000**	**3,042**	**3,049**	**3,033**	**3,065**

More specifically, at 30 June 2020, employees in service at the Parent and the other direct subsidiaries numbered 47 (73 at 31 December 2019); those at the Cimentas Group numbered 741 (769 at 31 December 2019), those at the Aalborg Portland Group numbered 1,094 (1,071 at 31 December 2019), those at the Unicon Group numbered 647 (659 at 31 December 2019), and those at the CCB Group numbered 471 (470 at 31 December 2019). The Group has no employees in the Netherlands.

25) Other operating costs

(EUR'000)		1st Half 2020	1st Half 2019
Transport		71,053	76,800
Services and maintenance		43,825	49,422
Consultancy		5,285	7,044
Insurance		2,595	2,503
Other services - related parties	(note 34)	221	266
Rent, lease and hires		5,386	5,434
Rent, lease and hires - related parties	(note 34)	25	47
Other costs		33,635	24,611
Other operating costs		**162,025**	**166,127**

26) Amortisation, depreciation, impairment losses and additions to provision

(EUR'000)	1st Half 2020	1st Half 2019
Amortisation	8,997	9,034
Depreciation	44,887	43,050
Provisions	182	215
Impairment losses	503	302
Amortisation, depreciation, impairment losses and provisions	**54,569**	**52,601**

Amortisation, depreciation, impairment losses and provisions include EUR 13.1 million (EUR 12.1 million in the first half of 2019) in amortisation of right-of-use assets deriving from the application of the IFRS 16.

27) Net financial income (expense) and share of net profits of equity-accounted investees

The negative balance for the first half of 2020 of EUR 11,187 thousand (first half of 2019: negative EUR 15,496 thousand) relates to the share of net profits of equity-accounted investees and net financial income, broken down as follows:

(EUR'000)		1st Half 2020	1st Half 2019
Share of profits of equity-accounted investees		116	119
Share of losses of equity-accounted investees		(207)	(61)
Share of net profits of equity-accounted investees		**(91)**	**58**
Interest and financial income		1,759	2,330
Interest and financial income - related parties	(note 34)	16	-
Grants related to interest		-	66
Financial income on derivatives		975	465
Revaluation of equity investments		161	-
Total financial income		*2,911*	*2,861*
Interest expense		(6,562)	(6,514)
Other financial expense		(3,119)	(3,044)
Interest and financial expense - related parties	(note 34)	(34)	-
Losses on derivatives		(2,166)	(5,149)
Total financial expense		*(11,881)*	*(14,707)*
Exchange rate gains		5,188	3,550
Exchange rate losses		(7,314)	(7,528)
Net exchange rate losses		*(2,126)*	*(3,708)*
Net financial income (expense)		**(11,096)**	**(15,554)**
Net financial income (expense) and share of net profits of equity-accounted investees		**(11,187)**	**(15,496)**

In the first half of 2020, net financial expense was negative for EUR 11.2 million (negative for EUR 15.5 million for the first half 2019). Moreover, the balance reflects the lower impact of financial expense (EUR 11.9 million compared to 14.7 million in the first half of 2019) of the Group's debt structure and exchange rate losses, partly counterbalanced by financial income.

Interest expense included EUR 1.0 million (EUR 0.7 million in the first half of 2019) thousand in interest on lease liabilities arising from the application of the IFRS 16 accounting standard.

Financial income and expense on derivatives mainly reflect the mark-to-market accounting of derivatives purchased to hedge currency and interest rate risks. In the light of the aforementioned measurements, around EUR 0.5 million (around EUR 0.4 million in the first half of 2019) are unrealised gains and around EUR 1.8 million (around EUR 4.8 million in the first half of 2019) are unrealised losses.

Regarding exchange gains (EUR 5.1 million) and losses (EUR 7.3 million), approximately EUR 2.3 million were unrealised gains (EUR 0.6 million in the first half of 2019) and approximately EUR 3.5 million were unrealised losses (EUR 3.9 million in the first half of 2019).

28) Income taxes

(EUR'000)	1st Half 2020	1st Half 2019
Current taxes	14,540	13,753
Deferred taxes	(4,427)	(1,716)
Income taxes	**10,113**	**12,037**

29) Earnings per share

Basic earnings per share are calculated by dividing profit attributable to the owners of the Parent by the weighted average number of ordinary shares outstanding in the year.

(EUR)	1st Half 2020	1st Half 2019
Profit (EUR '000)	19,975	27,332
Weighted average number of outstanding ordinary shares ('000)	159,120	159,120
Basic earnings per ordinary share	**0.126**	**0.172**
Diluted earnings per ordinary share	**0.126**	**0.172**

(EUR)	1st Half 2020	1st Half 2019
Profit (EUR '000)	19,975	27,332
Weighted average number of outstanding ordinary shares ('000)	159,120	159,120
Basic earnings per ordinary share from continuing operations	**0.126**	**0.172**
Diluted earnings per ordinary share from continuing operations	**0.126**	**0.172**

Diluted earnings per share equal the basic earnings per share as the only outstanding shares are the ordinary shares of Cementir Holding NV.

30) Other comprehensive expense

The following table gives a breakdown of other comprehensive expense, including and excluding the related tax effect:

(Euro '000)	1st Half 2020			1st Half 2019		
	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Net actuarial gains (losses) on post-employment benefits	-	-	**-**	-	-	**-**
Foreign currency translation differences - foreign operations	(32,854)	-	**(32,854)**	(10,444)	-	**(10,444)**
Financial instruments	1,493	(405)	**1,088**	(1,369)	270	**(1,099)**
Total other comprehensive income (expense)	**(31,361)**	**(405)**	**(31,766)**	**(11,813)**	**270**	**(11,543)**

31) IFRS 16 – “Leases”

The following table shows the impact of the application of IFRS 16 for the Group at 31 December 2019 and the related disclosures:

(EUR’000)	Land and buildings	Plant and equipment	Other	Total Right-of-use assets
Gross amount at 1 January 2020	**17,933**	**16,914**	**67,291**	**102,138**
Increase	1,366	833	13,474	15,673
Decrease	(461)	(149)	(1,087)	(1,697)
Exchange differences	(656)	(128)	(486)	(1,270)
Reclassifications	-	-	(276)	(276)
Gross amount at 30 June 2020	**18,182**	**17,470**	**78,916**	**114,568**
Amortisation at 1 January 2020	**3,281**	**3,041**	**13,132**	**19,454**
Amortisation	1,557	1,734	9,806	13,097
Decrease	(160)	(149)	(806)	(1,115)
Exchange differences	(122)	(45)	(148)	(315)
Reclassifications	-	-	(54)	(54)
Amortisation at 30 June 2020	**4,556**	**4,581**	**21,930**	**31,067**
Net amount at 30 June 2020	**13,626**	**12,889**	**56,986**	**83,501**

(EUR’000)	Land and buildings	Plant and equipment	Other	Total Right-of-use assets
Gross amount at 1 January 2019			**5,789**	**5,789**
Change in accounting policy, leases	**17,845**	**16,879**	**43,097**	**77,821**
Increase	1,311	259	23,107	24,677
Decrease	(1,217)	(183)	(4,629)	(6,029)
Exchange differences	(6)	(41)	(73)	(120)
Reclassifications	-	-	-	-
Gross amount at 31 December 2019	**17,933**	**16,914**	**67,291**	**102,138**
Amortisation at 1 January 2019	**-**	**-**	**3,524**	**3,524**
Amortisation	3,350	3,296	17,833	24,479
Decrease	(68)	(183)	(4,382)	(4,633)
Exchange differences	(1)	(7)	(18)	(26)
Reclassifications	-	(65)	(3,825)	(3,890)
Amortisation at 31 December 2019	**3,281**	**3,041**	**13,132**	**19,454**
Net amount at 31 December 2019	**14,652**	**13,873**	**54,159**	**82,684**

As at 30 June 2020, right-of-use assets reached EUR 83,501 thousand (EUR 82,684 thousand at 31 December 2019) and the “Other” category equal to EUR 57.0 million (EUR 54.2 million at 31 December 2019) mainly included lease contracts for vehicles and means of transport for EUR 56.2 million (EUR 53.8 at 31 December 2019).

Current and non-current lease liabilities are shown below:

(EUR'000)		30.06.2020	31.12.2019
Non-current lease liabilities		58,531	60,558
Non-current lease liabilities - related parties	(note 34)	2,588	3,312
Non-current lease liabilities		**61,119**	**63,870**
Current lease liabilities		22,839	19,013
Current lease liabilities - related parties	(note 34)	1,449	1,437
Current lease liabilities		**24,288**	**20,450**
Total lease liabilities		**85,407**	**84,320**

Amounts recognised in the consolidated income statement

(EUR'000)		1st Half 2020
Depreciation	(note 26)	13,098
Interest expense on lease liabilities		1,011
Short-term lease costs		3
Costs of leases of low-value assets		1,917

Amounts recognised in the cash flow statement

(EUR'000)	1st Half 2020
Total cash outflow for leases	13,814

32) Financial risks

Credit risk

The Group's maximum exposure to credit risk at 30 June 2020 equals the carrying amount of loans and receivables recognised in the statement of financial position.

Management of the credit risks is based on internal credit limits, which are based on the customer's and the counterparties' creditworthiness, based on both internal and external credit ratings as well as the Group's experience with the counterparty. If no satisfactory guarantee is obtained when credit rating the customer/counterparty, payment in advance or separate guarantee for the sale, e.g. a bank guarantee, will be required.

Given the sector's collection times and the Group's procedures for assessing customers' creditworthiness, the percentage of disputed receivables is low. If an individual credit position shows irregular payment trends, the Group blocks further supplies and takes steps to recover the outstanding amount.

Due to the market situation, the Group has in recent years increased the resources used on follow-up on customers, which contributes to early warnings of possible risks. Historically the Group has had relatively small losses due to customers' or counterparties' inability to pay.

Recoverability is assessed considering any collateral pledged that legally can be attached and advice from legal advisors who oversee collection procedures. The Group impairs all receivables for which a loss is probable at the reporting date, based on whether the entire amount or a part thereof will not be recovered.

The credit risk limit of financial assets corresponds to the values recognised on the balance sheet.

No individual customer or co-operator poses any material risk to the Group.

Following the spread of the Covid-19 pandemic, the credit monitoring activity was strengthened with weekly checks on the progress of the receivables and in particular of the past due receivables. There were no particular insolvency situations.

Notes 8 and 11 provide information on trade and other receivables.

At 30 June 2020 the break down by Region of Net trade receivables, as follows:

(EUR'000)	30.06.2020	31.12.2019
Nordic & Baltic:		
Denmark	31,692	25,378
Others *	30,142	26,021
Belgium	49,452	28,369
North America	21,566	20,704
Turkey	28,970	38,599
Egypt	1,688	1,061
Asia Pacific	4,323	6,168
Italy	1,527	382
Total	**169,360**	**146,683**

In Nordic and Baltic Region, receivables are attributable to Danish customers and export customers characterised as medium-sized and major customers. The Group is familiar with the Danish customers, who have not been granted long credit lines. Experience shows that export customers pose a low credit risk.

Regarding ready-mixed concrete and aggregates business, the Group's customers primarily consist of contractors, builders and other customers posing a higher credit risk.

In North America, Asia Pacific and Egypt, activities are attributable to minor local customers and medium-sized to major customers on a global scale. Credits are granted in accordance with usual, local trading terms. Credit rating is applied to some types of customers, but experience shows that customers in Overseas pose a low credit risk.

In Turkey, there are both dealers and end users (contractors and other customers) within both the ready-mixed concrete, cement and waste business. All customers are generally required to provide security for deliveries unless the management has assessed that there are no significant risks associated with selling to that customer. The waste business sales are only to large customers.

Liquidity risk

The Group has credit facilities which cover any unforeseen requirements.

Note 17 Financial Liabilities provides a breakdown of financial liabilities by due date.

Market risk

Information necessary to assess the nature and scope of financial risks at the reporting date is provided in this section.

Currency risk

The Group is exposed to the risk of fluctuations in exchange rates, which may affect its earnings performance and equity.

With respect to the main effects of consolidating foreign companies, if the exchange rates for the Turkish lira (TRY), Norwegian krone (NOK), Swedish krona (SEK), US dollar (USD), Chinese renminbi yuan (CNY), Malaysian ringgit (MYR) and Egyptian pound (EGP) were an average 10% below the effective exchange rate, the translation of equity would have generated a decrease of EUR 60 million equal to about 5.2% on consolidated equity (reduction of EUR 64 million equal to about 5.4% as at 31 December 2019).

The Group entered into a swap agreement (hedge accounting) with a termination date in 2024, where both currency risk and interest risk have been hedged. Related to the interest risk the Group has agreed to pay USD Libor + a spread of 3.63% and the Group will receive EURIBOR + a spread of 2.88% each 30 April and 31 October until maturity. The effective part of the hedge is equal to all future cash flow payments and nominal instalments.

The fair value liability is included in a separate line item in the balance sheet "Derivatives financial instruments". The ineffective part is recognised as financial income.

30.06.2020 *EUR million*	**Notional amount**	**Maturity**			**Strike**	**Fair value liability**	**Change in fair value recognised in hedge reserve**	**Ineffective part recognised in income statement**
		< 1 year	**1-5 years**	**> 5 years**				
Swap USD/EUR	107.3	9.0	98.4	0.0	1.00 EUR/ 1.235 USD	-11.4	2.1	0.4

2019 *EUR million*	**Notional amount**	**Maturity**			**Strike**	**Fair value liability**	**Change in fair value recognised in hedge reserve**	**Ineffective part recognised in income statement**
		< 1 year	**1-5 years**	**> 5 years**				
Swap USD/EUR	114.3	10.1	104.3	0.0	1.00 EUR/ 1.235 USD	-11.5	Swap USD/EUR	114.3

Interest rate risk

The Group is exposed to the risk of fluctuations in interest rates. Consolidated net financial debt at 30 June 2020 totalled EUR 280.6 million (EUR 239.6 million at 31 December 2019) and is subject to floating interest rates.

Assuming all the other variables remain stable, an annual 1% increase in interest rates, for all the currencies in which the Group has borrowings, would have had a negative effect on profit before taxes of EUR 2.6 million (31 December 2019: EUR 2.5 million) and on equity of EUR 2 million (31 December 2019: EUR 1.9 million) with respect to the floating rates applicable to the Group's loans and cash and cash equivalents. A similar decrease in interest rates would have an identical positive impact.

33) Fair value hierarchy

IFRS 13 requires that assets and liabilities carried at fair value be classified using a hierarchy which reflects the sources of the inputs used to measure their fair value. The hierarchy consists of the following levels:

- Level 1: measurement of fair value using quoted prices on active markets for identical assets or liabilities.

- Level 2: measurement of fair value using inputs other than the quoted prices included within Level 1 which are directly observable (such as prices) or indirectly observable (i.e., derived from prices) on the market.

- Level 3: measurement of fair value using inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of assets and liabilities is classified as follows:

30 June 2020 (EUR'000)	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property	4	-	53,446	29,233	**82,679**
Current financial assets (derivative instruments)	9	-	270	-	**270**
Total assets		**-**	**53,716**	**29,233**	**82,949**
Non current financial liabilities (derivative instruments)	17	-	(11,373)	-	**(11,373)**
Current financial liabilities (derivative instruments)	17	-	(10,023)	-	**(10,023)**
Total liabilities		**-**	**(21,396)**	**-**	**(21,396)**

31 December 2019 (EUR'000)	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property	4	-	61,377	29,225	**90,602**
Current financial assets (derivative instruments)	9	-	36	-	**36**
Total assets		**-**	**61,413**	**29,225**	**90,638**
Non current financial liabilities (derivative instruments)	17	-	(11,507)	-	**(11,507)**
Current financial liabilities (derivative instruments)	17	-	(11,306)	-	**(11,306)**
Total liabilities		**-**	**(22,813)**	**-**	**(22,813)**

No transfers among the levels took place during 2020 and no changes in level 3 were made.

Investment property classified in Level 3 of the fair value hierarchy refers to assets held by Italian companies. For this type of asset, the fair value was determined using the following methodologies commonly accepted in the valuation practice:

- Synthetic - comparative method, on the basis of which the fair value of the asset is determined by referring to the unit market value (€ / m2) multiplied by the surface of the asset;

- Direct capitalisation method, according to which the fair value of the asset is determined by dividing the annual income by a capitalisation rate.

33.1) Financial instruments – Fair value and risk management

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2020 (EUR'000)		**Carrying amount**			**Fair value**
	Note	**Fair value – hedging instruments**	**Financial assets/ liabilities**	**Other financial liabilities**	**Level 2**
Financial assets measured at fair value					
Commodity swap	9	-			-
Forwards	9	270			270
		270	**-**	**-**	**270**
Financial assets not measured at fair value					
Trade and other receivables	8-11		202,653		
Cash and cash equivalents	12		436,806		
		-	**639,459**	**-**	**-**
Financial liabilities measured at fair value					
Interest rate swap	17	8,457			8,457
Cross Currency Swap	17	11,373			11,373
Forwards	17	221			221
Commodity swap	17	1,345			1,345
		21,396	**-**	**-**	**21,396**
Financial liabilities not measured at fair value					
Bank loans and borrowing	17		435,234		
Bank overdrafts	17		43,762		
Current loan liabilities	17		132,549		
Other loan liabilities	17			459	
		-	**611,545**	**459**	**-**

31 December 2019 (EUR'000		**Carrying amount**			**Fair value**
	Note	**Fair value – hedging instruments**	**Financial assets/ liabilities**	**Other financial liabilities**	**Level 2**
Financial assets measured at fair value					
Commodity swap	9	36			36
		36	**-**	**-**	**36**
Financial assets not measured at fair value					
Trade and other receivables	8-11		179,693		
Cash and cash equivalents	12		330,948		
		-	**510,641**	**-**	**-**
Financial liabilities measured at fair value					
Interest rate swap	17	9,582			9,582
Cross Currency Swap	17	11,619			11,619
Forwards	17	103			103
Commodity swap		1,509			1,509
		22,813	**-**	**-**	**22,813**
Financial liabilities not measured at fair value					
Bank loans and borrowing	17		440,395		
Bank overdrafts	17		546		
Current loan liabilities	17		23,599		
Other loan liabilities	17			96	
		-	**464,540**	**96**	**-**

34) Related - party transactions

Transactions performed by group companies with related parties are part of normal business operations and take place at arm's-length conditions. No atypical or unusual transactions took place. The following tables show the value of related party transactions:

30 June 2020 (EUR'000)	Ultimate Parent	Associates	Companies under common control	Other related parties	Total related parties	Total financial statements item	% of item
Statement of financial position							
Non-current financial assets	-	-	650	-	**650**	**1,098**	59.2%
Current financial assets	-	-	397	-	**397**	**1,433**	27.7%
Trade receivables	42	-	12	-	**54**	**174,563**	0.03%
Trade payables	244	-	22	-	**266**	**185,586**	0.1%
Other non-current liabilities	-	-	-	-	**-**	**-**	-
Other current liabilities	-	-	5	-	**5**	**60,489**	0.01%
Non-current financial liabilities	-	-	2,588	-	**2,588**	**507,726**	0.5%
Current financial liabilities	-	-	1,466	-	**1,466**	**211,081**	0.7%
Income statement							
Revenue	-	-	9	-	**9**	**570,361**	0.0%
Other operating revenue	-	-	59	-	**59**	**3,897**	1.5%
Other operating costs	200	-	46	-	**246**	**162,025**	0.1%
Financial income	-	-	16	-	**16**	**2,911**	0.5%
Financial expense	-	-	34	-	**34**	**11,881**	0.3%

31 December 2019 (EUR'000)	Ultimate Parent	Associates	Companies under common control	Other related parties	Total related parties	Total financial statements item	% of item
Statement of financial position							
Non-current financial assets			850		**850**	**1,643**	51.7%
Current financial assets			393		**393**	**1,192**	33.0%
Trade receivables	82		14		**96**	**150,475**	0.1%
Trade payables	450		64		**514**	**219,025**	0.2%
Other non-current liabilities	-	-	-	-	**-**	**-**	-
Other current liabilities			6		**6**	**49,477**	0.01%
Non-current financial liabilities			3,312		**3,312**	**515,772**	0.6%
Current financial liabilities			1,437		**1,437**	**55,997**	2.6%
30 June 2019							
Income statement							
Revenue	-	-	31	-	**31**	**591,937**	0.01%
Other operating revenue	-	-	17	-	**17**	**3,920**	0.4%
Other operating costs	225	-	88	-	**313**	**166,127**	0.2%

The main related-party transactions are summarised below.

Business transactions with associates concern the sale of products and semi-finished products (cement and clinkers) at arm's-length conditions. Revenue and costs connected with business transactions with the ultimate Parent and companies under common control include various services, such as leases.

The Group did not grant loans to directors, statutory auditors or key management personnel during the reporting period and did not have loan assets due from them at 30 June 2020.

35) Events after the reporting period

Following the end of the half year, on 2 July, the extraordinary shareholders' meeting authorised the Board of Directors to carry out a treasury share purchase programme with a duration of 18 months and a maximum investment of EUR 60 million.

During July, the parent company proceeded to repay liquidity lines, the use of which had been decided on during the previous months in order to counteract a possible liquidity crisis on the markets. Since they remained unused, they were reimbursed.

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ANNEX

Annex 1

List of equity investments at 30 June 2020

Company name	Registered office	Share capital	Currency	Type of % Direct	Type of % Indirect	Investment held by Group companies	Method
Cementir Holding NV	Amsterdam (NL)	159,120,000	EUR			Parent	Line-by-line
Aalborg Cement Company Inc.	Branchburg N.J. (USA)	1,000	USD		100	Aalborg Portland US Inc,	Line-by-line
Aalborg Portland Holding A/S	Aalborg (DK)	300,000,000	DKK		75 23	Cementir Espana SL Globocem SL	Line-by-line
Aalborg Portland A/S	Aalborg (DK)	100,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Belgium SA	Antwerp (B)	500,000	EUR		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Digital Srl	Rome (I)	500,000	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland España SL	Madrid (E)	3,004	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland France SAS	Rochefort (FR)	10,010	EUR		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Islandì EHF	Kopavogur (IS)	303,000,000	ISK		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Malaysia Sdn Bhd	Perak (MAL)	95,400,000	MYR		70	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Polska Spzoo	Warszawa (PL)	100,000	PLN		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland US Inc	Branchburg N.J. (USA)	1,000	USD		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Anqing) Co Ltd	Anqing (CN)	265,200,000	CNY		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Australia) Pty Ltd	Brisbane (AUS)	1,000	AUD		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
Aalborg Portland OOO	Kingisepp (RUS)	14,700,000	RUB		99.9 0.1	Aalborg Portland A/S Aalborg Portland Holding A/S	Line-by-line
Aalborg Resources Sdn Bhd	Perak (MAL)	2,543,972	MYR		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
AB Sydsten	Malmö (S)	15,000,000	SEK		50	Unicon A/S	Line-by-line
AGAB Syd Aktiebolag	Svedala (S)	500,000	SEK		40	AB Sydsten	Equity
Alfacem Srl	Rome (I)	1,010,000	EUR	99.99		Cementir Holding NV	Line-by-line
Basi 15 Srl	Rome (I)	400,000	EUR	100		Cementir Holding NV	Line-by-line
Cementir Espana SL	Madrid (E)	3,007	EUR	100		Cementir Holding NV	Line-by-line
Cimbeton AS	Izmir (TR)	1,770,000	TRY		50.28 0.06	Cimentas AS Kars Cimento AS	Line-by-line
Cimentas AS	Izmir (TR)	87,112,463	TRY		97.8 0.12 0.48	Aalborg Portland España Cimbeton AS Kars Cimento AS	Line-by-line
Compagnie des Ciments Belges SA	Gaurain (B)	179,344,485	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Compagnie des Ciments Belges France SAS (CCBF)	Villenueve d'Ascq (FR)	34,363,400	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Destek AS	Izmir (TR)	50,000	TRY		99.99 0.01	Cimentas AS Cimentas Foundation	Line-by-line

Annex 1 *(cont'd)*

Company name	Registered office	Share capital	Currency	Type of % Direct	Type of % Indirect	Investment held by Group companies	Method
De Paepe Beton NV	Gent (B)	500.000	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
ECOL Unicon Spzoo	Gdansk (PL)	1,000,000	PLN		49	Unicon A/S	Equity
Gaetano Cacciatore LLC	Branchburg N.J. (USA)	-	USD		100	Aalborg Cement Company Inc	Line-by-line
Globocem SL	Madrid (E)	3,007	EUR		100	Alfacem Srl	Line-by-line
Ilion Cimento Ltd	Izmir (TR)	300,000	TRY		100	Cimbeton AS	Line-by-line
Kars Cimento AS	Izmir (TR)	513,162,416	TRY		41.55 58.45	Cimentas AS Alfacem Srl	Line-by-line
Kudsk & Dahl A/S	Vojens (DK)	10,000,000	DKK		100	Unicon A/S	Line-by-line
Lehigh White Cement Company	West Palm Beach (USA)	-	USD		24.52 38.73	Aalborg Cement Company Inc White Cement Company LLC	Line-by-line
Neales Waste Management Ltd	Preston (GB)	100,000	GBP		100	NWM Holdings Ltd	Line-by-line
NWM Holdings Ltd	Preston (GB)	5,000,001	GBP		100	Recydia AS	Line-by-line
Quercia Ltd	Preston (GB)	5,000,100	GBP		100	NWM Holdings Ltd	Line-by-line
Recybel SA	Liegi-Flemalle (B)	99,200	EUR		25.5	Compagnie des Ciments Belges SA	Equity
Recydia AS	Izmir (TR)	759,544,061	TRY		67.39 23.72 8.89	Kars Cimento AS Cimentas AS Aalborg Portland Holding	Line-by-line
Sinai White Portland Cement Co. SAE	Cairo (ET)	350,000,000	EGP		71.11	Aalborg Portland Holding A/S	Line-by-line
Skane Grus AB	Ljungbyhed (S)	1,000,000	SEK		60	AB Sydsten	Line-by-line
Société des Carrières du Tournaisis SA	Gaurain (B)	12,297,053	EUR		65	Compagnie des Ciments Belges SA	Proportionate
Spartan Hive SpA	Rome (I)	300,000	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Sureko AS	Izmir (TR)	43,443,679	TRY		100	Recydia AS	Line-by-line
Svim 15 Srl	Rome (I)	400,000	EUR	100		Cementir Holding NV	Line-by-line
Unicon A/S	Copenaghen (DK)	150,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Unicon AS	Oslo (N)	13,289,100	NOK		100	Unicon A/S	Line-by-line
Vianini Pipe Inc	Branchburg N.J. (USA)	4,483,396	USD		99.99	Aalborg Portland US Inc	Line-by-line
White Cement Company LLC	Branchburg N.J. (USA)	-	USD		100	Aalborg Cement Company Inc.	Line-by-line

Rome, 28 July 2020

Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.