

VIOHALCO

INTERIM REPORT

FOR THE SIX-MONTH PERIOD
ENDED 30 JUNE 2020



CONTENTS

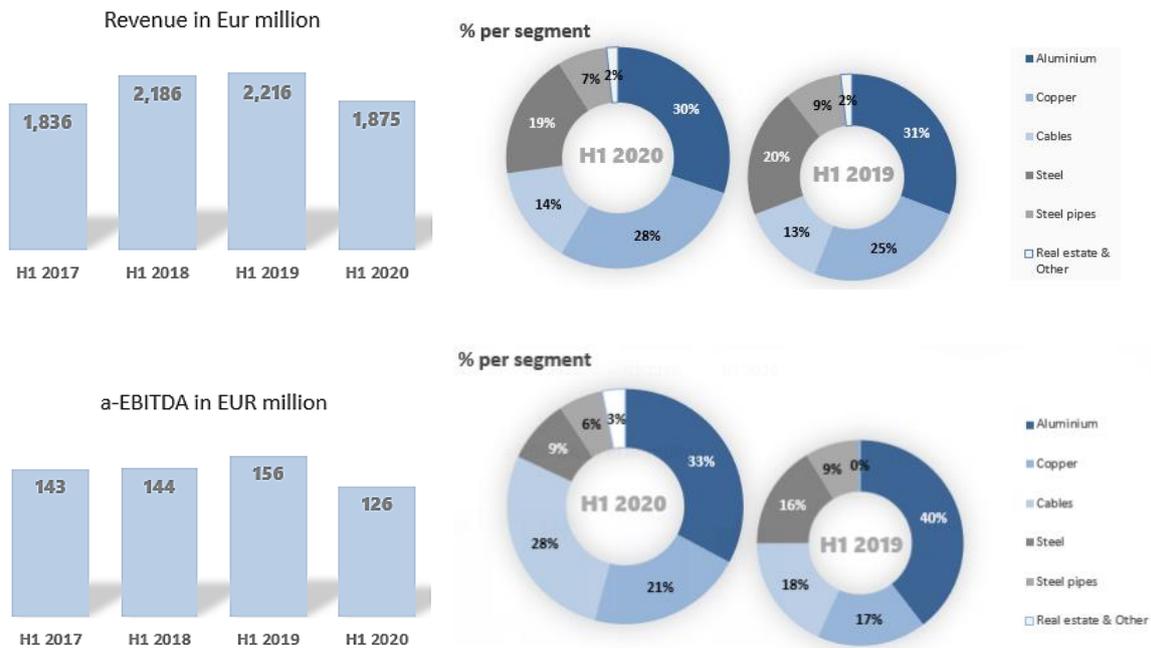
Interim management report	3
Condensed Consolidated Interim Financial Statements	13
Condensed Consolidated Statement of Financial Position	14
Condensed Consolidated Statement of Profit or Loss	15
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	16
Condensed Consolidated Statement of Changes in Equity	17
Condensed Consolidated Statement of Cash Flows	18
Notes to the Condensed Consolidated Interim Financial Statements	19
Statutory auditor's report on the Condensed consolidated interim financial statements.....	40
Appendix- Alternative Performance Measures (APMs)	41

This section focuses on Viohalco’s business performance for the period ended 30 June 2020. Interim financial statements, prepared in accordance with IAS 34, are presented on pages 13 to 39.

Resilient performance despite challenging market conditions

H1 2020 highlights

- **Solid financial performance despite the COVID-19 outbreak;**
 - **Consolidated revenue** of EUR 1,875 million (H1 2019: EUR 2,216 million);
 - **Consolidated adjusted EBITDA (a-EBITDA)** amounted to EUR 126 million (H1 2019: EUR 156 million), while consolidated EBITDA, which includes the effect of metal prices, stood at EUR 108 million (H1 2019: EUR 137 million).
- **Swift action taken to ensure operational resilience throughout the COVID-19 pandemic, while ensuring the health and safety of companies’ employees and other stakeholders;**
- **Investment programmes to drive operational efficiency improvements and leverage market opportunities remain on track across all segments.**



Overview

During H1 2020, Viohalco’s financial performance remained solid due to the resilience and swift response of the Viohalco companies to market developments, despite the profound impact of the COVID-19 pandemic on global markets throughout the period.

In the aluminium segment, Viohalco companies successfully maintained market share, despite the adverse effects of the pandemic, increased competition and the deterioration in metal prices which affected profitability.

The copper segment managed to increase market share and maintain profitability, against the broader adverse market conditions. Production facilities remained unaffected throughout the period and the segment was able to successfully capitalize on the reactivation of European markets, continuing to serve its long-standing business partners and also establishing new relationships.

In the steel segment, demand and selling prices declined throughout H1 2020 as the COVID-19 pandemic added further challenges to an already difficult market environment. Accordingly, the segment adjusted production levels in an effort to manage costs. Furthermore, a decline in international spreads was recorded in SBQs, plates, wire rods and rebars, as a result of the intensive international competition, affecting the profitability of the segment.

Meanwhile, the cables segment saw steady growth in its projects business during H1 2020, reinforcing the segment's financial performance. As expected, the COVID-19 pandemic had a negative impact on the products business, the part of the segment which serves the construction sector, after a solid start in the first quarter of 2020. Despite the challenges experienced throughout the first half of the year, the cables segment recorded high capacity utilisation rates across all production units.

Global energy markets experienced difficult conditions during the first half of 2020, as the steep decline in oil and gas prices was coupled with the postponement or cancellation of many projects due to the pandemic. That said, Corinth Pipeworks was only mildly affected, supported by a strong order backlog and swift reaction to new conditions ensuring uninterrupted production.

Finally, in the real estate segment, the COVID-19 pandemic and the associated lockdown measures significantly affected the hospitality and retail sectors during H1 2020. In addition, measures imposed by the Greek government, reducing rents between March and June 2020, compounded these challenges. Nevertheless, the diversity of the real estate segment's portfolio, the financial strength of tenants and effective asset management enabled the segment to avoid arrears in rent or service charge in the period.

Financial overview

Summary consolidated statement of profit or loss

<i>Amounts in EUR thousands</i>	H1 2020	H1 2019
Revenue	1,875,389	2,216,242
Gross profit	152,414	176,543
EBITDA*	107,751	137,460
a-EBITDA*	126,306	155,990
EBIT*	41,598	68,350
a-EBIT*	60,153	86,881
Net finance cost	-46,717	-51,063
Profit/ Loss (-) before tax	-7,474	17,282
Profit/ Loss (-) for the period	-15,257	3,761
Profit / Loss (-) attributable to owners of the Company	-17,474	462

**APM definitions have been slightly changed compared to 31/12/2019. For further details refer to Appendix.*

Viohalco's consolidated revenue for H1 2020 decreased by 15% year-on-year to EUR 1,875 million (H1 2019: EUR 2,216 million), mainly due to the decrease in metal prices during the months March-May, at the peak of the COVID-19 pandemic.

Consolidated a-EBITDA decreased by 19% to EUR 126 million in H1 2020 (H1 2019: EUR 156 million).

Net finance cost decreased to EUR 47 million (H1 2019: EUR 51 million), mainly as a result of credit spread reductions implemented gradually across all Viohalco companies in recent years.

Viohalco's **consolidated loss before income tax** for the period amounted to EUR 7 million, compared to profit of EUR 17 million in H1 2019, affected by the decline in metal prices and the global slowdown due to the pandemic, especially in the aluminium and steel segments.

Summary consolidated statement of financial position

<i>Amounts in EUR thousands</i>	30/6/2020	31/12/2019
Fixed & intangible assets	2,197,908	2,152,103
Other non-current assets	70,030	67,296
Non-current assets	2,267,937	2,219,399
Inventory	1,033,500	1,060,009
Trade and other receivables (<i>inc. contract assets</i>)	598,585	559,919
Cash and cash equivalents	147,316	214,499
Other current assets	9,936	9,084
Current assets	1,789,337	1,843,511
Total assets	4,057,274	4,062,910
Equity	1,300,785	1,335,073
Loans and borrowings	961,899	943,522
Other non-current liabilities	221,417	212,302
Non-current liabilities	1,183,316	1,155,824
Loans and borrowings	851,788	830,455
Trade and other payables (<i>inc. contract liabilities</i>)	673,197	710,957
Other current liabilities	48,188	30,600
Current liabilities	1,573,173	1,572,012
Total equity and liabilities	4,057,274	4,062,910

Capital expenditure for the period amounted to EUR 124 million (H1 2019: EUR 123 million), largely driven by the completion of investment in the four-stand tandem aluminium hot finishing mill, while **depreciation and amortization** for the period reached EUR 68 million.

Working capital remained almost at the same levels as in year-end 2019.

Viohalco companies' **net debt** increased to EUR 1,721 million (2019: EUR 1,613 million).

Performance by business segment

<i>Amounts in EUR thousands</i>	Revenue		EBITDA		a-EBITDA		EBIT		EBT	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
Segments										
Aluminium	565,857	683,658	39,396	57,928	41,508	61,758	12,351	32,471	4,922	24,270
Copper	530,673	554,939	17,746	22,322	26,898	26,727	10,478	15,226	1,080	7,137
Steel	345,082	449,232	5,516	18,132	11,146	25,550	-10,348	-1,273	-23,597	-16,260
Cables	268,160	294,241	32,868	25,720	35,124	28,466	25,585	17,838	14,268	6,325
Steel pipes	134,923	195,458	7,674	13,171	7,674	13,316	3,338	8,208	-2,074	2,265
Real estate	6,270	4,248	3,754	2,885	3,754	2,885	1,264	673	-196	-628
Other activities	24,424	34,466	798	-2,699	201	-2,711	-1,069	-4,794	-1,878	-5,827
Total	1,875,389	2,216,242	107,751	137,460	126,306	155,990	41,598	68,350	-7,474	17,282

Aluminium

In H1 2020, the aluminium segment witnessed a 17% decrease in **revenue** to EUR 566 million. **Profit before income tax** amounted to EUR 5 million (H1 2019: EUR 24 million).

As a result of the COVID-19 pandemic, the aluminium rolling division observed a fall in economic activity, the temporary closure of customers' manufacturing plants and a sharp downturn in aluminium demand, particularly in the transportation and distribution markets. The fast growing packaging, and building and construction sectors were least affected by the pandemic, while signs of recovery were observed in the transportation sector at the end of the second quarter. It is against this backdrop that sales volumes declined by 8% year-on-year.

Despite the COVID-19-related lockdown restrictions, the installation of the new four-stand tandem rolling mill at the Oinofyta plant of Elval was completed, only slightly behind schedule, and the mill is expected to be fully productive in the fourth quarter of 2020. This important investment gives the segment the ability, along with additional investments (including a brand new 6-high aluminium cold rolling mill which is expected to be operational in 2022), to more than double the production capacity of final products, marking a new era for the aluminium segment and paving the way to explore opportunities in new markets. Capital expenditure in the first half of 2020 amounted to EUR 61 million.

In line with Elval's sustainability strategy, in July 2020 the aluminium rolling division became an Aluminium Stewardship Initiative Certified Production (ASI) and Transformation member. Elval certified its casthouse, rolling, coil coating and finishing operations and confirmed its strong commitment to the principles of environmental protection, social responsibility and responsible corporate governance.

Looking ahead, despite the volatile global economic environment, the challenges arising from the COVID-19 pandemic, the pending outcome of the antidumping duties in the USA, and the recently launched EU antidumping investigation in China, Elval remains confident that its diversified product portfolio and established longstanding relationships with blue-chip customers across all markets, will positively drive future performance.

Symetal successfully maintained its market share and profitability levels, despite a challenging first half characterized by the adverse effects of the COVID-19 pandemic, increased competition, and decline in aluminium raw material price. This is largely due to its success in adapting its product mix to market trends, focusing on pharmaceutical, converter, thick lidding foil and foil lacquered products. In H2 2020, Symetal intends to maintain stable volumes and prices, while continuing to exploit growing demand for flexible packaging foil and lacquered products. To support this, Symetal has invested in a new lacquer production plant in Mandra, which is expected to be operational by November 2020.

In H1 2020, the COVID-19 pandemic significantly impacted demand at Etem-Gestamp. As a result, inventory levels were reduced, longer payment terms negotiated, and Bulgarian state aid measures leveraged. The challenges experienced in H1 2020 are expected to continue throughout the year, although a recovery in sales volumes and overall demand in the automotive market is forecasted. There has been no impact to Etem-Gestamp's investment in the production of battery trays for electrical cars. As for Etem, the company witnessed a declining demand in the Greek architectural profile market, as a result of the COVID-19 pandemic, while at the Magoula plant, a second extrusion line and new thermobreak line commenced production.

Bridgnorth Aluminium was materially affected by the COVID-19 pandemic in H1 2020, with sales volumes down 28% year-on-year. The company swiftly adapted working arrangements to reduce the COVID-19 infection risk. At the same time, it adapted to lower demand levels, while ensuring the continuity of operations and deliveries to key sectors, such as food and pharmaceutical packaging, printing, and healthcare applications, throughout the period. Forthcoming trade agreement negotiations between the UK and the European Union are also expected to provide further clarity on trading arrangements from 2021.

Copper

Despite the COVID-19 pandemic and adverse market conditions, the copper segment delivered a resilient performance with no impact on its production facilities. This provided an advantage over European competitors. The copper segment was able to capitalize on the reactivation of European markets, serving not only its long-standing business partnerships, but also establishing new ones.

As a result, sales volumes in the copper segment remained broadly flat year-on-year. In H1 2020, **revenue** stood at EUR 531 million versus EUR 555 million in the prior year, while **profit before income tax** amounted to EUR 1 million (2019: EUR 7 million).

EUR 8 million was invested during the period, including a EUR 3 million investment in the copper tube production facility of ElvalHalcor and a EUR 5 million investment in flat rolled products and alloys produced by Sofia Med in Bulgaria. The copper tube plant is expected to operate at near 100% capacity and production of copper and copper alloy rolled products is expected to rise as Sofia Med seeks to increase its market share by capitalising on its improved product quality and expanded product range. Finally, investment in higher value-added products is expected to drive further product portfolio improvements and segment profitability.

Steel

In the steel segment, the COVID-19 pandemic placed significant additional negative pressure on an already challenging market environment in both Greece and internationally. Demand and selling prices declined during the period, resulting in production level cuts and excess capacity, and a significant decline in international spreads was observed, as prices for SBQs, plates, wire rods and rebars were suppressed, affecting the profitability of steel products. Consequently, **revenue** in the steel segment amounted to EUR 345 million in H1 2020 versus EUR 449 million in H1 2019. **Loss before income tax** amounted to EUR 24 million (2019: EUR 16 million).

Signs of recovery for rebars and mesh were apparent from May 2020, however, demand for quarto plates and SBQs remains low and pressure on prices continues, as a result of strong market competition. To help offset the decline in revenue, the steel segment implemented cost optimization initiatives, successfully reducing administrative expenses in all of its companies and plants, and is progressing development initiatives, such as the upgrading of the new rolling mill at the Stomana Industry plant.

In the second half of 2020, demand for steel products is expected to recover, as a result of increased commercial activity in local and regional markets. In the Greek market, due to already announced major projects, sales volume for rebars and mesh is expected to improve, while for SBQs and plates selling prices are expected to gradually recover from H1 2020 low levels, following the gradual recovery of the European automotive and mechanical engineering sectors.

Cables

In the first half of 2020, the performance of the cables segment was characterized by sustained financial resilience during the COVID-19 crisis, and steady growth in its projects business. As expected, the products business, which is partially linked to the performance of the construction sector, was impacted by the COVID-19 pandemic in the second quarter, following a promising start in Q1 2020. Despite the challenges faced in the first half of the year, the cables companies achieved high capacity utilisation levels across all production units, delivering **revenue** of EUR 268 million (H1 2019: EUR 294 million), and **profit before tax** of EUR 14.3 million in H1 2020 (H1 2019: EUR 6.3 million).

Notable highlights for the projects' business in H1 2020 included:

- Scottish and Southern Electricity Networks, UK awarded an order for 11 kV and 33 kV medium-voltage inter-array cables.

- 88km of high-voltage cables - for the connection of the Hollandse Kust Zuid ('HKZ') Alpha offshore platform to the onshore grid - were loaded during June 2020.
- The Hollandse Kust Zuid ('HKZ') Beta offshore platform and the Seagreen project progressed as scheduled.
- High-voltage submarine systems connecting the islands Paros and Naxos, as well as Naxos and Mykonos in the Aegean Sea, with the onshore high-voltage grid of ADMIE on the mainland were successfully installed during Q1 2020.
- Hellenic Cables was awarded a contract by the renewables business unit of Subsea 7, to supply 320km of 66 kV inter-array cables and accessories for the Seagreen offshore wind farm in the UK.

Despite a full production schedule, Hellenic Cables continued to pursue new business opportunities, participating in several tenders across a number of geographies and successfully securing several awards, especially in the inter-array market. Meanwhile, the products business units recorded reduced sales volumes for both low-voltage power and telecom cables (down 6% year-on-year), but succeeded in weighting the sales mix towards higher value-added products.

Looking ahead, the outlook for the cables segment remains positive for 2020, given strong forecasts for new projects, the current order backlog in the projects business, opportunities for expansion into new markets, and the growth potential of the offshore cables sector. The segment's focus remains the successful execution of existing projects and securing new ones, while optimising internal processes to better take advantage of new market opportunities as they arise.

Steel pipes

The first half of 2020 was particularly challenging for the steel pipes segment. Energy markets were heavily impacted by the decline in oil and gas prices in early March 2020, leading to the postponement or cancellation of many fossil fuel distribution projects. Subsequently, the COVID-19 pandemic further impacted energy demand due to extended lockdowns around the globe.

As a result of these adverse market conditions, **revenue** for the segment declined to EUR 135 million in H1 2020, down 31% year-on-year (H1 2019: EUR 195 million), and **loss before tax** amounted to EUR 2.1 million, compared to a profit of EUR 2.3 million in H1 2019.

Nonetheless, Corinth Pipeworks demonstrated resilience during this turbulent period and continued to strengthen its presence in new markets including Europe, the Americas, North Africa and Asia, as well as winning new projects (e.g. Baltic Pipe Lot3 in Denmark, Anglo American slurry pipeline in Chile, etc.). Above all, Corinth Pipeworks implemented measures to ensure the health and safety of its employees during the COVID-19 pandemic, while securing uninterrupted production for all its current projects.

During the first six months of the year, Corinth Pipeworks successfully completed:

- A further three reel-lay projects in the North Sea.
- The Tolmount gas export pipeline for Premier Oil in the UK, installed by Saipem in June 2020.
- The first deliveries of 32" and 36" pipes with CWC to Denmark for the Baltic Gas offshore project.

Corinth Pipeworks is currently executing the interconnection project between Greece and Bulgaria (the 'ICGB project'), with 155 km of 32" pipes, and has also been awarded the following:

- The Baltic Pipe Lot3 onshore project with 140km of 32", 36" and 40" pipes in Denmark;
- 35 km of 24" LSAW pipes in heavy wall thickness to be used in a slurry pipeline in the Andean Mountains in Chile for Anglo American Sur S.A.
- 200 km of HFI pipes for Snam in Italy as part of an ongoing agreement for its onshore gas network maintenance.

While the global economic environment remains volatile, Corinth Pipeworks has shown significant strength despite the challenging conditions, with uninterrupted production and fulfilment of all its contractual

obligations. The segment's focus remains on the successful execution of existing projects, together with the award of new ones in the global onshore and offshore markets. The outlook remains positive, supported by a considerable number of secured orders in Europe, the Americas, North Africa and Asia which will continue to drive high capacity utilisation levels at the Thisvi plant.

Real estate

It has been a challenging first half for the real estate segment, due to COVID-19 pandemic and the associated lockdown measures, with the hospitality and retail sectors seeing the biggest impact. Furthermore, measures imposed by the Greek government, which reduced rents between March and June 2020 compounded these challenges. **Revenue** amounted to EUR 6.3 million (H1 2019: EUR 4.2 million), while **loss before tax** to EUR 0.2 million, versus EUR 0.6 million in H1 2019.

The diversity of the real estate segment's portfolio, the financial strength of its tenants and its effective asset management however, allowed Noval Property to respond resiliently and it recorded practically no arrears in rent or service charge in the period. Noval Property also implemented measures to safeguard the company's liquidity and the financing of development activities.

Despite the challenges faced as a result of the pandemic, occupancy of the River West | IKEA Shopping Center and the Mare West Retail Park has been maintained at 100%. Expansion works at River West, for the construction of an additional retail and entertainment building with a gross buildable area ('GBA') of c.25,000 sqm, continued to progress in H1 2020, with the new building expected to be operational in 2021. It is worth noting that the office properties are also fully tenanted. While the hotels in the property portfolio had a strong start to 2020, they had to close in March due to lockdown measures, and remained closed until the end of H1 2020.

In April 2020, Noval Property initiated a merger with Metem S.A. (through the absorption of Metem by Noval Property). Subject to the necessary regulatory approvals, the merger is expected to complete at the end of October 2020, giving Noval Property full control of the River West and IKEA properties.

Noval Property continues to evolve and mature its captive pipeline of properties, including the conversion of the former industrial property at 252 Pireos Street in Athens into a mixed-use development, the conversion of former industrial properties into logistics outlets, and the development of a new apartment hotel in the Mets neighbourhood of Athens.

Looking ahead, the full impact of the COVID-19 pandemic and the global economic outlook remain uncertain, however, economic assistance measures implemented at national and EU level (including the Recovery Effort under Next Generation EU and the Multiannual Financial Framework) should support and accelerate recovery following the pandemic.

Other activities

Other activities mainly encompass expenses incurred by the parent (holding) company, along with the results of companies which operate in the Technology and R&D segment and in ceramic trade activities (Vitruvit). **Loss before income tax** amounted to EUR 1.9 million.

In addition, the Resource recovery segment is no longer a reportable segment when considering both qualitative and quantitative criteria. More specifically, Viohalco management ceased to monitor the figures of the former Resource recovery segment as a distinct segment. In addition, the former Resource recovery segment does not meet the quantitative criteria as its reported figures are below the provisioned thresholds. Thus, it is reported within the other activities segment and for comparability purposes the corresponding items of segment information for the prior period have been represented.

Outlook

Looking ahead, the global nature of the COVID-19 pandemic and uncertainty around its progression, severity, and duration, will continue to have an impact throughout the remainder of the year. However, while uncertainty will undoubtedly persist and market conditions will likely vary by segment, business conditions are expected to improve in the second half.

Strategic investment in higher value-added products across the Viohalco subsidiaries is expected to drive further product portfolio improvements. All companies remain focused on their long-term growth strategy to strengthen market positions through ongoing investment programmes, technological innovation and cost and operational efficiency improvements.

Furthermore, enhanced health and safety measures implemented across the Viohalco companies remain in place to minimise risk of infection and safeguard all employees and customers.

STATEMENT ON THE TRUE AND FAIR VIEW OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION AND THE FAIR OVERVIEW OF THE INTERIM MANAGEMENT REPORT

Evangelos Moustakas, Jacques Moulaert, Efstratios Thomadakis, Panteleimon Mavrakis, members of the Executive Management certify, on behalf and for the account of the company, that, to their knowledge:

- a)** the Condensed Consolidated Interim Financial Statements which have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of the company, and the entities included in the consolidation as a whole;
- b)** the interim management report includes a fair overview of the information required under Article 13, §§ 5 and 6 of the Royal Decree of 14 November, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Viohalco's share capital is set at EUR 141,893,811.46 divided into 259,189,761 shares without nominal value. The shares have been issued in registered and dematerialised form. All the shares are freely transferable and fully paid up. The Company has not issued any other category of shares, such as non-voting or preferential shares. All the shares representing the share capital have the same rights. In accordance with the articles of association of the company, each share entitles its holder to one vote.

Viohalco's shares are listed under the symbol "VIO" with ISIN code BE0974271034 on the regulated market of Euronext Brussels and on the main market of the Athens Exchange with the same ISIN code and with the symbol VIO (in Latin characters) and BIO (in Greek characters).

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement of Financial Position

<i>Amounts in EUR thousands</i>	Note	30 June 2020	31 December 2019
ASSETS			
Property, plant and equipment	12	1,911,235	1,878,221
Right of use assets		40,026	42,652
Intangible assets and goodwill	12	35,518	36,226
Investment property	13	211,129	195,003
Equity-accounted investees	10	36,581	37,742
Other investments	17	7,483	5,829
Deferred tax assets		18,720	17,618
Derivatives	17	881	1
Trade and other receivables	11	6,257	6,023
Contract assets	11	24	-
Contract costs		84	84
Non-current assets		2,267,937	2,219,399
Inventories		1,033,500	1,060,009
Trade and other receivables	11	501,701	438,734
Contract assets	11	96,884	121,186
Contract costs		531	512
Derivatives	17	4,512	1,522
Other investments	17	13	-
Current tax assets		3,599	2,826
Cash and cash equivalents		147,316	214,499
Assets held for sale	14	1,282	4,223
Current assets		1,789,337	1,843,511
Total assets		4,057,274	4,062,910
EQUITY			
Share capital		141,894	141,894
Share premium		457,571	457,571
Translation reserve		-29,329	-21,711
Other reserves		426,178	426,607
Retained earnings		162,966	184,854
Equity attributable to owners of the Company		1,159,279	1,189,214
Non-controlling interests	15	141,505	145,859
Total equity		1,300,785	1,335,073
LIABILITIES			
Loans and borrowings	16	961,899	943,522
Lease liabilities	16	43,975	42,518
Derivatives	17	2,026	185
Deferred tax liabilities		77,511	82,317
Employee benefits		37,805	37,362
Grants		34,131	35,409
Provisions		1,736	2,777
Trade and other payables		16,684	4,183
Contract liabilities		7,549	7,551
Non-current liabilities		1,183,316	1,155,824
Loans and borrowings	16	851,788	830,455
Lease liabilities	16	10,953	10,903
Trade and other payables		610,474	649,981
Contract liabilities		62,723	60,975
Current tax liabilities		24,642	14,962
Derivatives	17	12,203	4,100
Provisions		391	636
Current liabilities		1,573,173	1,572,012
Total liabilities		2,756,489	2,727,837
Total equity and liabilities		4,057,274	4,062,910

The notes on pages 19 to 39 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Profit or Loss

				For the six months ended 30 June	
<i>Amounts in EUR thousands</i>	Note	2020	2019		
Revenue	6	1,875,389	2,216,242		
Cost of sales		-1,722,975	-2,039,698		
Gross profit		152,414	176,543		
Other income	7	8,850	6,379		
Selling and distribution expenses		-37,325	-39,532		
Administrative expenses		-66,579	-65,479		
Impairment loss on trade and other receivables, including contract assets		-2,581	-606		
Other expenses	7	-13,180	-8,954		
Operating result		41,598	68,350		
Finance income	8	607	1,892		
Finance cost	8	-47,324	-52,955		
Net finance income/cost (-)		-46,717	-51,063		
Share of profit/loss (-) of equity-accounted investees	10	-2,356	-5		
Profit/Loss (-) before income tax		-7,474	17,282		
Income tax expense (-)	9	-7,783	-13,521		
Profit/Loss (-)		-15,257	3,761		
Profit/Loss (-) attributable to:					
Owners of the Company		-17,474	462		
Non-controlling interests		2,217	3,299		
		-15,257	3,761		
Earnings per share (in Euro per share)					
Basic and diluted		-0.067	0.002		

The notes on pages 19 to 39 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>Amounts in EUR thousands</i>	For the six months ended 30 June	
	2020	2019
Profit/Loss (-)	-15,257	3,761
Items that will never be reclassified to profit or loss:		
Equity investments in FVOCI - net change in fair value	-869	229
Remeasurements of defined benefit liability	-1	1
Related tax	1	244
Total	-870	474
Items that are or may be reclassified to profit or loss:		
Foreign currency translation differences	-9,935	405
Changes in fair value of cash flow hedges –effective portion	2,379	2,077
Changes in fair value of cash flow hedges - reclassified to profit or loss	-7,715	4,678
Related tax	1,379	-1,351
Total	-13,891	5,809
Total other comprehensive income / expense (-) after tax	-14,761	6,283
Total comprehensive income / expense (-) after tax	-30,018	10,044
Total comprehensive income attributable to:		
Owners of the Company	-28,785	5,654
Non-controlling interests	-1,233	4,390
Total comprehensive income / expense (-) after tax	-30,018	10,044

The notes on pages 19 to 39 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Changes in Equity

<i>Amounts in EUR thousands</i>	Note	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2020		141,894	457,571	426,607	-21,711	184,854	1,189,214	145,859	1,335,073
Total comprehensive income									
Profit/loss (-)		-	-	-	-	-17,474	-17,474	2,217	-15,257
Other comprehensive income		-	-	-3,672	-7,618	-21	-11,311	-3,450	-14,761
Total comprehensive income		-	-	-3,672	-7,618	-17,495	-28,785	-1,233	-30,018
Transactions with owners of the Company									
Loss of Control/Disposal of subsidiary		-	-	-33	-	33	-	-	-
Transfer of reserves		-	-	3,224	-	-3,224	-	-	-
Dividends		-	-	-	-	-	-	-2,013	-2,013
Total		-	-	3,191	-	-3,191	-	-2,013	-2,013
Changes in ownership interests:									
Acquisition of NCI	15	-	-	-	-	-1,144	-1,144	-1,113	-2,257
Other changes in ownership interests		-	-	52	-	-58	-5	5	-
Balance as at 30 June 2020		141,894	457,571	426,178	-29,329	162,966	1,159,279	141,505	1,300,785

<i>Amounts in EUR thousands</i>	Note	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2019		141,894	457,571	404,370	-26,227	196,142	1,173,749	130,875	1,304,624
Total comprehensive income									
Profit/loss (-)		-	-	-	-	462	462	3,299	3,761
Other comprehensive income		-	-	4,872	320	-	5,192	1,091	6,283
Total comprehensive income		-	-	4,872	320	462	5,654	4,390	10,044
Transactions with owners of the Company									
Share capital increase of subsidiary		-	-	-	-	-	-	9,500	9,500
Transfer of reserves		-	-	2,804	-	-2,804	-	-	-
Dividends		-	-	-	-	-	-	-2,120	-2,120
Total		-	-	2,804	-	-2,804	-	7,380	7,380
Changes in ownership interests:									
Acquisition of NCI		-	-	512	-	158	670	-2,320	-1,650
Other changes in ownership interests		-	-	-2	-2	8	4	-4	-
Balance as at 30 June 2019		141,894	457,571	412,557	-25,910	193,966	1,180,077	140,321	1,320,398

The notes on pages 19 to 39 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Cash Flows

<i>Amounts in EUR thousands</i>	Note	For the six months ended 30 June	
		2020	2019
Profit / loss (-)		-15,257	3,761
<i>Adjustments for:</i>			
Income tax expense / credit (-)	9	7,783	13,521
Depreciation of PP&E		58,884	62,518
Depreciation of right of use assets		4,215	4,427
Depreciation of intangible assets		2,963	2,262
Depreciation of investment property		1,610	1,837
Impairment / (Reversal of Impairment) and write off of PP&E		646	752
Profit (-) / loss from sale of PP&E and intangible assets		358	-217
Amortization of grants		-1,519	-1,934
Finance cost	8	47,324	52,955
Finance income	8	-607	-1,892
Impairment loss on trade and other receivables, including contract assets		2,581	606
Share of profit of equity accounted investees	10	2,356	5
		111,336	138,601
Changes			
Decrease / increase (-) in inventories		26,509	48,135
Decrease / increase (-) in receivables	11	-62,794	10,393
Decrease / increase (-) in contract assets	11	24,278	-55,229
Decrease / increase (-) in contract costs		-18	1,259
Decrease (-) / increase in liabilities		-22,531	22,829
Decrease (-) / increase in employee benefits liability		441	707
Decrease (-) / increase in provisions		-1,286	-98
Decrease (-) / increase in contract liabilities		1,886	-10,004
		-33,516	17,992
Cash generated from operating activities		77,820	156,592
Interest charges and related expenses paid		-43,934	-46,403
Income tax paid		-4,726	-1,367
Net cash flows from operating activities		29,160	108,823
Cash flows from investing activities			
Acquisition of PP&E and intangible assets	12	-107,177	-93,901
Acquisition of investment property	13	-12,502	-8,746
Proceeds from sale of PP&E and intangible assets		992	674
Acquisition of associates	10	-8,385	-16
Share of NCI in subsidiary's share capital increase		-	9,500
Acquisition of other investments		-90	-52
Proceeds from sale of other investments		-	1,163
Interest received		163	160
Dividends received		110	363
Cash outflow from division spin off/loss of control of subsidiary		-93	-394
Net cash flows from investing activities		-126,983	-91,248
Cash flows from financing activities			
Proceeds from borrowings	16	168,550	111,316
Repayment of borrowings	16	-129,290	-131,282
Principal elements of lease payments	16	-5,899	-4,830
Dividends paid to non-controlling interest		-1,119	-1,119
Proceeds from collection of grants		243	169
Acquisition of NCI	15	-1,257	-1,650
Net cash flows from financing activities		31,227	-27,396
Net decrease (-)/ increase in cash and cash equivalents		-66,597	-9,821
Cash and cash equivalents at beginning of period		214,499	163,676
Foreign exchange effect on cash and cash equivalents		-586	305
Cash and cash equivalents at the end of period		147,316	154,160

The notes on pages 19 to 39 are an integral part of these Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. Reporting entity

Viohalco S.A. (hereafter referred to as “the Company” or “Viohalco S.A.”) is a Belgian Limited Liability Company. The Company’s registered office is located at 30 Avenue Marnix, 1000 Brussels, Belgium. The Company’s Condensed Consolidated Interim Financial Statements include those of the Company and its subsidiaries (together referred to as “Viohalco”), and Viohalco’s interest in associates accounted for using the equity method.

Viohalco S.A. is the holding company and holds participations in approximately 100 subsidiaries, two of which are listed, one on Euronext Brussels and the other on Athens Exchange. With production facilities in Greece, Bulgaria, Romania, North Macedonia and United Kingdom, Viohalco subsidiaries specialise in the manufacture of steel, copper and aluminium products. In addition, Viohalco owns substantial real estate properties in Greece and redeveloped some of its properties as real estate development projects. Its shares are traded on Euronext Brussels and has since February 2014 its secondary listing on the Athens Stock exchange (trading ticker “VIO”).

These interim financial statements were authorised for issue by the Company’s Board of Directors on 24 September 2020.

The Company’s electronic address is www.viohalco.com, where the Condensed Consolidated Interim Financial Statements have been posted.

2. Basis of preparation

Statement of compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. They do not include all information and disclosures required for the annual Consolidated Financial Statements and should be read in conjunction with the annual Consolidated Financial Statements for the year ended 31 December 2019, which can be found on Viohalco’s website. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in Viohalco’s financial position and performance since the last annual Consolidated Financial Statements as at and for the year ended 31 December 2019.

Functional and presentation currency

The functional and presentation currency of the parent Company is Euro. All amounts in the Condensed Consolidated Interim Financial Statements are rounded to the nearest thousand, unless otherwise indicated. As such, due to rounding, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

Use of estimates and judgements

Preparing Financial Statements in line with IFRS requires that Management takes decisions, makes assessments and assumptions and determines estimates which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by Management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements for the year ended 31 December 2019.

3. Significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in Viohalco' consolidated financial statements as at and for the year ended 31 December 2019.

A. Standards and interpretations effective for the current financial year

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2020. The Viohalco evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

IFRS 3 (Amendments) 'Definition of a business'

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.

IAS 1 and IAS 8 (Amendments) 'Definition of material'

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRSs.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform'

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

B. Standards and Interpretations effective for subsequent periods

IFRS 16 (Amendment) 'COVID-19-Related Rent Concessions' (effective for annual periods beginning on or after 1 June 2020)

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications. The amendment has not yet been endorsed by the EU.

IFRS 4 (Amendment) 'Extension of the Temporary Exemption from Applying IFRS 9' (effective for annual periods beginning on or after 1 January 2021)

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 'Insurance Contracts' from applying IFRS 9 'Financial Instruments', so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023. The amendment has not yet been endorsed by the EU.

IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use' (effective for annual periods beginning on or after 1 January 2022)

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities. The amendment has not yet been endorsed by the EU.

IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that,

before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU.

IFRS 3 (Amendment) 'Reference to the Conceptual Framework' (effective for annual periods beginning on or after 1 January 2022)

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been endorsed by the EU.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2023)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 2022)

The amendments set out below include changes to three IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 9 'Financial instruments'

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

IFRS 16 'Leases'

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

IAS 41 'Agriculture'

The amendment has removed the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41.

4. Business and Operational Risk Management

There were no changes in Viohalco subsidiaries business and operational risk management objectives and policies during the first half of 2020.

Viohalco companies follows closely and continuously both international and domestic developments and timely adapt their business strategy and risk management policies in order to minimize the operational impact of macroeconomic conditions.

Impact of COVID-19

While the COVID-19 pandemic continued to have a profound impact on global financial markets throughout H1 2020, Viohalco companies demonstrated resilience and reacted swiftly to market developments.

In the aluminium segment, Viohalco companies maintained their market share, despite the adverse effects of the COVID-19 pandemic and the deterioration in metal prices, which affected profitability.

The copper segment demonstrated a resilient performance in the period, against the broader adverse impact of the COVID-19 pandemic. Production facilities remained unaffected throughout the period and the segment was able to successfully capitalize on the reactivation of European markets, continuing to serving its long-standing business partners and establishing new ones as well.

In the steel segment, demand and selling prices declined throughout H1 2020, as the COVID-19 pandemic added further challenges to an already difficult market environment. Accordingly, the segment lowered production levels in an effort to manage costs. Furthermore, a decline in international spreads was recorded as SBQs, plates, wire rods and rebars prices remained low, affecting the profitability of steel products.

The COVID-19 pandemic has had a limited impact on the financial performance of the cables segment, during the first half of 2020, while the steel pipes segment experienced a negative sway, mainly due to the large oil and gas prices fall and the subsequent drop in demand of steel pipes products.

Finally, in the real estate segment, the COVID-19 pandemic and the associated lockdown measures significantly impacted the hospitality and retail sectors during H1 2020. Furthermore, measures imposed by the Greek government which reduced rents between March and June 2020 compounded these challenges, despite certain tax credits provided by the government to help mitigate the impact. Nevertheless, the diversity of the real estate segment's portfolio, the financial strength of tenants and the company's effective asset management, enabled the segment to avoid arrears in rent or service charge in the period.

As far as health and safety of the employees is concerned, Viohalco companies have put in place an action plan to mitigate negative effects and focusing on the following pillars:

- Workforce protection, to avoid production interruptions;
- Operational stability and customer engagement;
- Continuity of the supply chain;
- Sufficient liquidity;
- Commercial resilience (both sales & orders).

The measures introduced were successfully implemented at all sites, and until now all production plants are in undisrupted operation.

The expenses related to COVID 19 measures applied during the first six months of 2020 amounted to EUR 2.8 million. Such expenses concerned mainly protective equipment supply, employee benefits, nursery staff and transportation costs (additional shuttle buses and employees personal vehicle).

In the context of uncertainty caused by the pandemic, Viohalco subsidiaries have also taken the following, more detailed actions to anticipate any negative financial impact:

- Secure the subsidiaries' liquidity position through a close monitoring of operating cash flows coupled to confirming sufficient unutilised credit lines.
- Review the capital expenditures plans and suspend any non-strategic and/or non-essential outlays.
- Put in place a cost savings plan for 2020 onwards, without jeopardizing the projected growth of all segments.
- Investigate the extent to which subsidiaries may apply for and receive government assistance in the countries they operate.

Given the present economic downturn and besides the aforementioned actions, Viohalco companies have re-examined non-financial and financial assets for possible impairment.

For interim publication purposes, an impairment test was performed for Cash Generating Units (further CGUs) that indications of impairment loss existed as at 30 June 2020. The identified indications of impairment concerned steel segment companies due to the losses incurred by certain steel CGUs over the last years. For the calculation of recoverable amount per CGU, cash flow projections based on a period of five years were used. The results of this test concluded that the property, plant and equipment used by these CGUs were not impaired at 30 June 2020, since the recoverable amount of each CGU exceeded the respective carrying amount.

Regarding intangible assets with indefinite useful life, related to the offshore cables business unit "Fulgor" and the copper CGU "Reynolds", management concluded there are no indications of impairment for the time being. This is grounded on (a) the observation that demand in these sectors seems unaffected by the downturn, (b) the fact that operating profitability for 2020 of the business units is in line with expectations and (c) the sufficient headroom of EUR 345 million and EUR 4.5 million respectively, based on the latest impairment test, disclosed in 2019 Annual Report.

For trade and other receivables allowances, Viohalco subsidiaries reviewed their dunning procedures, ageing receivables and coverages by credit insurance, updated their assumptions in calculating Expected Credit Loss rates and recognized the respective amount of allowance in statement of Profit or Loss, when the recoverability of the receivables was not possible.

Additionally, a reassessment of the recoverability of deferred tax assets was performed by Viohalco subsidiaries based on forecasted taxable profits and when necessary they proceeded with deferred tax assets write-off.

Under the terms of the loan agreements, subsidiaries of steel segment must comply with certain conditions (including financial covenants) and such compliance is tested on an annual basis for majority of the loans. Management has considered the measures that need to be taken to mitigate the risk relating to these potential breaches and expects that in the event that these covenants are breached, they will request waivers to overcome these breaches. Management is confident that the waivers which may be requested from the banks that relate to the loans amounted to EUR 318.4 million will be provided. These covenants, which may be breached, relate to loan agreements from Greek banks with which Viohalco companies have many years of excellent cooperation and have in the past provided waivers on all occasions.

Regarding Cenergy Group, subsidiaries will make every effort to obtain a waiver from their banking partners at the next measurement date (December 31st, 2020) in view of the covenants which may be breached. In the unlikely event that no waivers will be obtained, existing credit lines will cover any obligations that may arise from such breaches.

During this challenging situation, governments, both in Greece and Bulgaria have introduced supportive measures for companies operating in sectors that have been seriously affected by the Covid-19 crisis. Subsidiaries in both countries have been eligible and have benefited from relief and support measures in order to improve their financial position. More specifically, steel segment companies both in Greece and Bulgaria have requested and awarded capital repayments relief and have postponed capital instalments due in 2020 to 2021 and 2023.

Additionally, the real estate segment experienced significant fall in its economic operations due to lockdown measures with the hospitality and retail sectors witnessing the greatest impact. So, subsidiaries were also able

to defer to 2021 all scheduled capital repayments of 2020 of one bond loan facility.

Finally, subsidiaries of aluminium segment operating in automotive and extrusion sectors had been also benefited from relief measures in order to improve their financial position, by extending the repayments of long term loans from 2020 to 2021.

Our analysis and our projections confirm our confidence that the subsidiaries can mitigate the decline in the profitability, overcome any emerging operational issues that may arise ensuring the availability of raw materials for smooth operation during the forthcoming months. In addition, the available cash of Viohalco subsidiaries, their operating cash flows and the unutilized credit lines, will provide the necessary liquidity for the following twelve months.

The management concludes that although COVID-19 has a significant impact on Viohalco subsidiaries' operations in 2020, such impact will be absorbed and will not affect their long-term viability.

Brexit

Concerning potential implications from Brexit, Viohalco closely monitors relevant developments and takes measures to mitigate any potential disruptions. The current negotiations have not produced an agreement on the future trade relationship between the EU and UK. Given that the transitory period after the onset of Brexit expires on December 31st 2020, it is likely that no such trade deal will be agreed by then. However, given the importance of trade for both parties, we do not anticipate a disruptive no deal scenario.

Nonetheless, Viohalco does not expect its financial position to be significantly vulnerable with regard to Brexit. Exports to the United Kingdom accounted for approximately 5% of total revenues for the first half of 2020 (H1 2019: 6 %) while most of direct competitors in the cables and steel pipes segments operate within the Eurozone. Thus, it is likely they will react to currency fluctuations in a similar way as Viohalco companies. The analysis performed up to date shows that Brexit is not expected to have any material adverse effect on the operations of Viohalco companies.

Anti-dumping

On March 12nd 2020, the subsidiary ElvalHalcor announced the commencement of investigations and initiation of preliminary phase antidumping (AD) and countervailing duty (CVD) investigation by the United States International Trade Commission (USITC) to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of common alloy aluminum sheet from Greece and seventeen other countries (Bahrain, Brazil, Croatia, Egypt, Germany, India, Indonesia, Italy, Korea, Oman, Romania, Serbia, Slovenia, South Africa, Spain, Taiwan and Turkey). The preliminary investigation was triggered in response to a petition filed by US domestic producers versus the said eighteen exporting countries. ElvalHalcor participates in the AD investigation as a producer of common alloy aluminum sheet in Greece, cooperates with the audit authorities and will keep the investment community informed about the progress of the investigations and the potential impact on its financial results. The preliminary decision by the authorities is expected on the October 6th 2020.

5. Operating segments

Revenue and profitability per segment for the 6 months ended 30 June 2020 were as follows:

<i>Amounts in EUR thousands</i>	Aluminum	Copper	Cables	Steel	Steel pipes	Real estate	Other activities*	Total
Total revenue per segment	675,705	569,210	405,400	491,978	164,299	6,270	60,002	2,372,864
Inter-segment revenue	-109,848	-38,537	-137,240	-146,895	-29,376	0	-35,578	-497,475
Revenue from external customers	565,857	530,673	268,160	345,082	134,923	6,270	24,424	1,875,389
Gross profit	45,096	31,783	37,647	15,283	10,264	4,520	7,820	152,414
Operating result	12,351	10,478	25,585	-10,348	3,338	1,264	-1,069	41,598
Finance income	161	22	11	105	75	3	230	607
Finance cost	-7,595	-7,259	-11,328	-13,030	-5,611	-1,463	-1,039	-47,324
Share of profit/ loss (-) of equity-accounted investees	5	-2,160	-	-324	124	-	-	-2,356
Profit/Loss (-) before income tax expense	4,922	1,080	14,268	-23,597	-2,074	-196	-1,878	-7,474
Income tax expense	-1,218	140	-3,465	-557	-324	-1,563	-795	-7,783
Profit/Loss (-)	3,704	1,220	10,803	-24,154	-2,398	-1,759	-2,673	-15,257

Other information per segment for the 6 months ended 30 June 2020 were as follows:

<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Other activities*	Total
Equity-accounted investees	7,646	9,412	-	4,882	14,641	-	-	36,581
Other assets	1,236,161	593,161	579,020	791,717	349,020	336,245	135,370	4,020,694
Total assets	1,243,807	602,573	579,020	796,600	363,661	336,245	135,370	4,057,274
Liabilities	695,164	449,219	520,118	682,986	236,195	92,649	80,159	2,756,489
Capital expenditure	60,845	8,279	21,616	6,327	7,301	18,351	1,166	123,884
Depreciation and amortisation	-27,891	-7,376	-7,669	-16,024	-4,337	-2,489	-1,887	-67,672

Revenue and profitability per segment for the 6 months ended 30 June 2019 were as follows:

<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Other activities*	Total
Total revenue per segment	1,048,208	831,421	526,704	783,088	254,763	5,812	111,060	3,561,057
Inter-segment revenue	-364,550	-276,482	-232,463	-333,856	-59,305	-1,564	-76,594	-1,344,815
Revenue from external customers	683,658	554,939	294,241	449,232	195,458	4,248	34,466	2,216,242
Gross profit	66,240	34,662	29,398	20,062	15,992	1,830	8,360	176,543
Operating result	32,471	15,226	17,838	-1,273	8,208	673	-4,794	68,350
Finance income	323	80	1,147	138	3	-	199	1,892
Finance cost	-8,890	-8,071	-12,660	-14,548	-6,251	-1,302	-1,232	-52,955
Share of profit/loss (-) of equity-accounted investees	366	-98	-	-578	305	-	-	-5
Profit/Loss (-) before tax	24,270	7,137	6,325	-16,260	2,265	-628	-5,827	17,282
Income tax expense	-9,466	-898	-2,160	1,498	-1,481	97	-1,110	-13,521
Profit/Loss (-)	14,804	6,239	4,165	-14,762	784	-532	-6,937	3,761

Other information per segment for the comparative period were as follows:

<i>Amounts in EUR thousands</i>	Aluminum	Copper	Cables	Steel	Steel pipes	Real estate	Other activities*	Total
<i>for the year ended 31 December 2019</i>								
Equity-accounted investees	8,234	11,555	-	5,207	12,745	-	-	37,742
Other assets	1,203,625	559,710	599,175	830,723	378,440	315,586	137,909	4,025,168
Total assets	1,211,859	571,265	599,175	835,930	391,186	315,586	137,909	4,062,910
Liabilities	626,273	437,235	544,439	700,963	264,240	70,779	83,908	2,727,837
<i>for the 6 months ended 30 June 2019</i>								
Capital expenditure	68,643	9,381	21,610	8,560	3,621	9,122	1,779	122,716
Depreciation and amortization	-26,398	-7,204	-8,268	-19,848	-4,963	-2,212	-2,151	-71,044

*"Resource recovery" segment has been aggregated to "Other activities".

Operating segments aggregation

Resource recovery segment is no longer a reportable segment considering both qualitative and quantitative criteria. More specifically, Viohalco management ceased to monitor the figures of formerly Resource recovery segment as a distinct segment. In addition, formerly Resource recovery segment does not meet the quantitative criteria as its reported figures are below the provisioned thresholds. Thus, it is reported within the other activities segment and for comparability purposes the corresponding items of segment information for the prior period have been represented.

6. Revenue

Viohalco's subsidiaries' operations and main revenue streams are those described in the last annual financial statements. Revenue is derived from contracts with customers and from investment property rental income.

<i>Amounts in EUR thousands</i>	<i>For the six months ended 30 June</i>	
	2020	2019
Rental income from investment property	6,270	4,248
Revenue from contracts with customers	1,869,119	2,211,994
Total	1,875,389	2,216,242

Disaggregation of revenue

In the following table revenue from contract with customers is disaggregated by primary geographical market and timing of revenue recognition. The table includes a reconciliation with the Viohalco's reportable segments (see Note 5).

<i>for the 6 months ended 30 June 2020:</i>							
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Other activities*	Total
Primary geographical markets							
Greece	46,299	24,733	121,701	81,694	9,371	10,027	293,825
Other EU countries	377,026	370,024	126,268	193,510	89,105	5,708	1,161,641
Other European countries	39,298	54,789	2,246	67,499	4,779	579	169,191
Asia	30,128	35,746	17,330	393	-	7,806	91,404
America	67,500	28,043	242	-	31,086	92	126,962
Africa	5,008	16,744	374	1,987	581	23	24,717
Oceania	597	593	-	-	-	189	1,379
Total	565,857	530,673	268,160	345,082	134,923	24,424	1,869,119
Timing of revenue recognition							
Revenue recognised at a point in time	563,315	529,322	156,129	342,468	13,309	15,258	1,619,802
Products transferred over time	2,012	-	109,875	-	121,553	736	234,176
Services transferred over time	530	1,351	2,156	2,615	60	8,429	15,141
Total	565,857	530,673	268,160	345,082	134,923	24,424	1,869,119
<i>for the 6 months ended 30 June 2019:</i>							
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Other activities*	Total
Primary geographical markets							
Greece	45,606	23,538	107,185	90,801	5,519	13,459	286,110
Other EU countries	436,533	410,020	157,102	284,165	116,366	8,857	1,413,043
Other European countries	40,128	45,644	1,737	67,927	77	1,069	156,583
Asia	32,496	34,694	23,342	1,716	-	10,540	102,789
America	123,884	24,400	1,087	-	73,496	291	223,158
Africa	4,696	14,674	3,732	4,622	-	73	27,797
Oceania	314	1,968	55	-	-	177	2,515
Total	683,658	554,939	294,241	449,232	195,458	34,466	2,211,994
Timing of revenue recognition							
Revenue recognised at a point in time	669,674	553,163	179,945	443,932	13,201	24,795	1,884,711
Products transferred over time	13,901	-	112,780	421	182,257	-	309,359
Services transferred over time	83	1,775	1,517	4,878	-	9,671	17,924
Total	683,658	554,939	294,241	449,232	195,458	34,466	2,211,994

*"Resource recovery" segment has been aggregated to "Other activities".

7. Other income/expense

Net Other income/expenses amounted to loss of EUR 4.3 million compared to loss EUR 2.6 million during H1 2019. This variation is mainly attributed to the restructuring plan of Stomana Industry S.A., Bulgarian subsidiary of Viohalco operating in steel segment. More specifically, the aim of the announced a business restructuring plan was to address the continuously declining trend in sales volume and profit margins of steel industry. In response to these challenging circumstances, Stomana Industry S.A. downsized its operations and proceeded to a respective personnel reduction.

8. Net finance cost

The credit spread reductions that have been implemented gradually in all short and long term facilities to Viohalco companies during the last years led to a EUR 4.3 million decrease of interest expense on consolidated level.

9. Income Tax

Income tax expense was calculated based on management's estimate of the average annual tax rate that is expected to apply for the full financial year.

<i>Amounts in EUR thousands</i>	<i>For the 6 months ended 30 June</i>	
	2020	2019
Current tax	-12,010	-13,481
Deferred tax	4,227	-40
Total	-7,783	-13,521

The consolidated effective tax rate for the six month period ended 30 June 2020 was 104% (six months ended 30 June 2019: 78%). The effective tax rate increase, is the result of the following:

- Some loss-making subsidiaries of Viohalco, especially in steel segment, did not recognize deferred tax assets equal to EUR 3 million relating to tax losses of the current year. Management of these subsidiaries decided to defer this recognition until the end of the year, in order to reassess the possibility of their recoverability.
- After reviewing their tax plan, some subsidiaries of Viohalco, mainly in steel segment, derecognized deferred tax assets equal to EUR 1 million, which relate to tax losses from previous years, that it is not probable they can be offset against future taxable profits.

10. Equity accounted investees

Reconciliation of carrying amount of associates and joint ventures:

<i>Amounts in EUR thousands</i>	30 June 2020	31 December 2019
Opening balance	37,742	32,066
Share of profit / loss (-) net of tax	-2,356	-343
OCI profit (loss) for the period	-27	-
Dividends received	-594	-701
Effects on movement in exchange rates	-1,470	1,137
Additions	3,285	16
Share capital increase	-	106
Reclassifications	-	-28
Division spin off	-	7,278
Share capital reduction	-	-1,788
Closing balance	36,581	37,742

During January 2020, Viohalco subsidiary CPW America acquired an interest of 20% of Bellville Tube Company based in Texas, USA in exchange of USD 3.3 million. Bellville Tube Company manufactures steel tubular products for the local market.

Based on the purchase agreement the shareholders of Bellville Tube Company granted CPW America with a call option to purchase 100% of the outstanding capital stock of Bellville Tube Company held by them based on a predetermined formula regarding the calculation of the purchase price. The exercise period for the call option starts in 2022 and expires in 2025.

In addition, the purchase agreement prescribes that if CPW America does not exercise the call option described above, shall have the option ("put option"), but not the obligation, during the period 2022-2025 to require Bellville Tube Company to redeem all, but not less than all, of the shares of Bellville Tube Company then held by CPW America. The aggregate purchase price for the redeemed shares if the put option is exercised will be USD 3.3 million, i.e. equal to the amount initially disbursed.

The options described above were recognized on the statement of financial position upon valuation performed and as a result a gain of EUR 810 thousand, included in 'Other Income' in the statement of Profit or loss. Based on the inputs used in order to determine the fair value of the put and the call options, such options are categorized as Level 3.

The valuation of the call and put options was based on a widely acceptable pricing model methodology considering the complexity of the option plan.

The basic inputs that have been used in the valuation model are the following:

- expected turnover and EBITDA margins of the associate;
- future working capital needs;
- volatility, defined as the range of values for all inputs used in the valuation model.

For the fair values of the call and put options, reasonably possible changes at the reporting date to one of the significant unobservable inputs stated above, holding other inputs constant, would have the following effects:

- If turnover was higher by 1%, then the fair value of the options would be higher by EUR 80 thousand.
- If volatility was higher by 1%, then the fair value of the options would be higher by EUR 87 thousand.
- If working capital was higher by 1%, then the fair value of the options would be lower by EUR 20 thousand.

11. Trade receivables & Contract Assets

The increase in Trade and other receivables by EUR 63 million compared to 31 December 2019 is attributed mainly to invoicing of milestones for ongoing projects of Cenergy Group during the current period. However, this increase shall be seen in conjunction with the decrease of contract assets, i.e. receivables not yet invoiced for ongoing projects, by EUR 24.3 million.

Regarding the case against a former customer in the Middle-East of the subsidiary Corinth Pipeworks Industry S.A., there were no substantial developments during the first semester of 2020. As described in 2019 Annual Report, management has booked an impairment for the entire amount due (USD 24.8 million or EUR 22.2 million at 30 June 2020). However, the subsidiary will continue any and all actions required to collect the full amount of that receivable.

12. Property, plant and equipment & intangible assets

Property, Plant and Equipment

During the first half of 2020, Viohalco acquired assets of EUR 104 million (H1 2019: EUR 111 million).

Aluminium segment investments amounted EUR 61 million and they mainly related to the purchase and installation of the new four-stand tandem hot finishing mill, the core of the EUR 150 million investment program of ElvalHalcor which completed within H1 2020. In addition, a new lacquer production plant is in the phase of construction by Symetal, a new press installation by Etem Gestamp Extrusions as well as other machinery upgrades for the rest of the subsidiaries.

Capital expenditure in copper segment is equal to EUR 8 million mainly attributed to the installation of a new production line for Ecutherm products in ElvalHalcor's copper tube plant in Oinofyta and the installation of two new bell-shaped annealing furnaces in the subsidiary Sofia Med.

Regarding cables segment, capital expenditure in the first half of 2020 amounted to EUR 22 million which is largely attributable to the new investment plan in Fulgor's plant, aiming at expanding the inter-array cables production capacity in order to supply offshore wind developers worldwide, with a wide range of cables and support the growing offshore wind market. Additionally, investments for productivity and operational improvements took place at Thiva plant (Hellenic Cables) and Romanian plant (Icme Ecab) during this period.

In steel pipes segment, assets acquired for the first six months of 2020 amounted to EUR 7 million and mainly relate to existing production lines upgrade and to selected operational improvements in Thisvi plant (CPW).

Steel segment investments amounted to EUR 6 million during first half of 2020 and mainly concern of the strategic investment in the Meltshop Filters system in Bulgaria along with other operational investments related to plants' machinery upgrade.

Depreciation of property, plant and equipment for the six-month period amounted to EUR 59 million (EUR 63 million during first half 2019).

Change in estimate of useful lives

During first half of 2020, the subsidiaries of cables, steel pipes and steel segments conducted an operational efficiency review at all of its plants, which resulted in changes in the expected useful life of plants and production machinery.

The factors taken into account for this operational review were the following:

- the frequent and consistent maintenance of the machinery and plants;
- the level of capacity utilization of certain assets since their initial acquisition compared to industry's

standards; and

- technological developments and technical advances in production methods in the industries where the subsidiaries are operating.

As a result:

- in cables segment, the expected useful life of plants was extended by 7 years on average and the useful life of heavy machinery was extended by 6 years on average;

-in steel pipes segment, the expected useful life of plants was extended by 10 years on average and the useful life of heavy machinery extended by 9 years on average;

- In steel segment the expected useful life of plants was extended by 13 years on average and the useful life of machinery extended by 14 years on average.

Upon the application of the changes described above, the ranges of useful lives as described in the relative accounting policy remained unaffected.

The effect of these changes on annual depreciation expense, included in 'Cost of sales', was EUR 14.4 million for 2020 and approximately EUR 14.2 million for the following periods on an annual basis.

The effect recorded for the six-month period ended on 30 June 2020 was EUR 7.4 million.

Intangible Assets

Intangible assets of EUR 2.3 million were acquired during the first half of 2020 (H1 2019: EUR 1.2 million), mainly for purchased know-how regarding production methods and associated software programmes in the cables, steel pipes and steel subsidiaries. The useful lives for the know-how and associated software programmes purchased during H1 2020 is set to 10 years, while their amortization will start on July 1st 2020, when the intangible is ready for use.

Goodwill of amount EUR 1.6 million was derecognized due to the absorption of subsidiary Vianatt by Ecoreset S.A. No additional Goodwill has been recognized during H1 2020.

13. Investment property

During the first half of 2020, Viohalco invested an amount of EUR 17.7 million (H1 2019: EUR 8.7 million) for the acquisition and improvement of investment property that mainly refers to the completion of an office building and the construction works in progress for a retail development in Athens.

14. Assets held for sale

The amount of EUR 1.3 million Assets held for sale relate to the book value of machinery in the ElvalHalcor (copper division) and Etem-Gestamp Extrusions in the aluminium segment. Each company's management is implementing a plan for the assets sale which is expected to be materialized within 2020.

15. Non-controlling interests

On April 1st 2020, Viohalco's subsidiary ElvalHalcor acquired, the ownership of 1,610,000 common registered shares, issued by the company under the trade name 'Viomal S.A.- Aluminium Industry' which represent the 25% of its paid-up share capital, in consideration of EUR 2.2 million. Following the aforementioned purchase, ElvalHalcor's participation in Viomal's paid up share capital amounts to 75%.

16. Loans and borrowings

<i>Amounts in EUR thousands</i>	30 June 2020	31 December 2019
Non-current liabilities		
Secured bank loans	188,879	202,474
Unsecured bank loans	77,124	65,895
Secured bond issues	536,736	551,446
Unsecured bond issues	159,161	123,707
Loans and borrowings – Long term	961,899	943,522
Lease Liabilities – Long term	43,975	42,518
Total Long-term debt	1,005,874	986,040
Current liabilities		
Secured bank loans	166,689	147,841
Unsecured bank loans	551,928	535,240
Current portion of secured bank loans	45,068	42,843
Current portion of unsecured bank loans	9,970	6,962
Current portion of secured bond issues	61,838	74,336
Current portion of unsecured bond issues	16,294	23,234
Loans and borrowings – Short-term	851,788	830,455
Lease Liabilities – Short-term	10,953	10,903
Total Short-term debt	862,741	841,358
Total loans and borrowings	1,868,615	1,827,398

The maturities of non-current loans are as follows:

<i>Amounts in EUR thousands</i>	30 June 2020	31 December 2019
Between 1 and 2 years	354,385	195,511
Between 2 and 5 years	526,254	656,661
Over 5 years	125,236	133,868
Total	1,005,874	986,040

The effective weighted average interest rates at the reporting date (as per contract) are as follows:

	30 June 2020	
	Carrying amount	Interest rate
Bank loans (non-current*) - EUR	319,698	3.08%
Bank loans (non-current*) - USD	258	1.00%
Bank loans (current) - EUR	681,967	4.14%
Bank loans (current) - USD	5,315	3.70%
Bank loans (current) - GBP	23,117	2.26%
Bond issues - EUR	774,029	4.14%
	31 December 2019	
	Carrying amount	Interest rate
Bank loans (non-current*) -EUR	307,069	3.21%
Bank loans (current)-EUR	650,849	3.94%
Bank loans (current)-USD	9,299	3.16%
Bank loans (current)-GBP	15,546	2.79%
Bond issues-EUR	772,723	4.04%

*Including current portion

The majority of Viohalco companies' loans are Euro denominated.

During the first half of 2020, Viohalco subsidiaries obtained new bank loans amounting to EUR 169 million and repaid bank loans of EUR 129 million maturing within 2020. The new loans were mainly new drawdowns from existing revolving credit facilities for project financing purposes, or new ones with similar terms and conditions.

More specifically, during the first half of 2020, the most significant events related to the companies financing were the following:

Aluminium and Copper segment:

In June 2020, ElvalHalcor signed a new EUR 25 million bond loan with a major Greek bank, with a maturity of three years.

In May 2020, ElvalHalcor signed a EUR 20 million bond loan with another Greek bank, with a maturity of two years.

Steel segment:

The subsidiaries both in Greece and Bulgaria were eligible for the COVID-19 relief measures and proceeded to the prolongation of existing loans.

No other significant events, related with the financing of subsidiaries occurred during the period.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

<i>Amounts in EUR thousands</i>	Loans and Borrowings	Lease Liabilities	Total
Balance at 1 January 2020	1,773,978	53,420	1,827,398
Changes from financing cash flows			
Proceeds from loans and borrowings	168,550	-	168,550
Repayment of borrowings & lease liabilities	-129,290	-5,899	-135,189
Total change from financing cash flows	39,259	-5,899	33,360
Other changes			
New leases	-	9,324	9,324
Interest expense	34,105	474	34,580
Interest paid*	-32,751	-1,002	-33,753
Capitalised borrowing costs	2,113	-	2,113
Terminations/modifications of lease contracts	-	-587	-587
Loss of Control/Disposal of subsidiary	-1,482	-797	-2,279
Effect of changes in foreign exchange rates	-1,536	-5	-1,542
Total other changes	450	7,407	7,856
Balance at 30 June 2020	1,813,687	54,928	1,868,615

*Interest paid reported in Cash Flow Statement, includes bank charges and other finance costs.

<i>Amounts in EUR thousands</i>	Loans and Borrowings	Lease Liabilities	Total
Balance at 1 January 2019	1,774,232	25,129	1,799,361
Changes from financing cash flows			
Proceeds from loans and borrowings	302,364	-	302,364
Repayment of borrowings & lease liabilities	-298,820	-12,137	-310,957
Total change from financing cash flows	3,544	-12,137	-8,593
Other changes			
Change in accounting policy – IFRS 16 adoption	-	25,726	25,726
New leases	-	13,867	13,867
Interest expense	75,182	2,645	77,826
Interest paid*	-73,290	-855	-74,145
Capitalised borrowing costs	3,209	-	3,209
Terminations/Modifications	-6,659	-879	-7,537
Division spin off	-3,594	-21	-3,615
Effect of changes in foreign exchange rate	1,353	-54	1,299
Total other changes	-3,799	40,429	36,631
Balance at 31 December 2019	1,773,978	53,420	1,827,398

*Interest paid reported in Cash Flow Statement, includes bank charges and other finance costs,

The average interest rate of the outstanding bank loans as at 30 June 2020 was 3.9% (3.8% as at 31 December 2019).

Property, plant and equipment and inventories of some subsidiaries carry mortgages for a total amount of EUR 1,508 million, as collaterals for long term loans and syndicated loans. For the bank loans of Viohalco companies, there are clauses of change of control that provide the lenders with an early redemption clause.

17. Financial instruments

A. Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy.

30 June 2020					
<i>Amounts in EUR thousands</i>	Carrying amount	First Level	Second Level	Third Level	Total
Other investments	7,496	4,129	-	3,367	7,496
Derivative financial assets	5,393	3,601	995	797	5,393
	12,889	7,730	995	4,164	12,889
Derivative financial liabilities	-14,229	-13,823	-406	-	-14,229
	-1,340	-6,093	588	4,164	-1,340
31 December 2019					
<i>Amounts in EUR thousands</i>	Carrying amount	First Level	Second Level	Third Level	Total
Other investments	5,829	4,998	-	830	5,829
Derivative financial assets	1,523	1,020	503	-	1,523
	7,352	6,019	503	830	7,352
Derivative financial liabilities	-4,284	-3,729	-555	-	-4,284
	3,068	2,290	-52	830	3,068

The various levels are as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.
- Level 2: Inputs that are observable either directly or indirectly.
- Level 3: Unobservable inputs for assets and liabilities.

The fair value of the following financial assets and liabilities measured at amortised cost approximates their carrying amount:

- Trade and other receivables;
- Cash and cash equivalents;
- Trade and other payables;
- Loans and borrowings;
- Lease liabilities.

Specifically, the carrying amount of loans and borrowings is considered as a good approximation of their fair value, as 97% of consolidated Loans and borrowings concern floating-rate debt, which is a very good approximation of current market rates.

On January 1st, 2020, Viohalco subsidiary Vianatt was absorbed by Ecoreset S.A. in which an investment of 2.5 million was recognised and classified as third level in Other investments.

The following table shows reconciliation between opening and closing balances for Level 3 financial assets:

<i>Amounts in EUR thousands</i>	Other investments	Derivative financial assets
Balance as at 1 January 2020	830	-
Additions	2,536	797
Balance as at 30 June 2020	3,367	797
Balance as at 1 January 2019	2,819	-
Additions	129	-
Disposals	-1,238	-
Fair value adjustment through OCI	-842	-
Reclassifications	-37	-
Balance as at 31 December 2019	830	-

Other Investments analysis

Other investments mainly represent equity securities which Viohalco intends to hold for strategic purposes, therefore they have been classified as FVOCI investments.

The analysis of equity securities is presented below:

<i>Amounts in EUR thousands</i>	30 June 2020	31 December 2019
<u>Listed securities</u>		
-Greek equity instruments	2,574	128
-International equity instruments	3,361	4,228
-Mutual funds	641	643
<u>Unlisted securities</u>		
-Greek equity instruments	501	424
-International equity instruments	399	386
-Other	20	20
Total	7,496	5,829

Derivatives

The following table sets out the carrying amount of derivatives:

<i>Amounts in EUR thousands</i>	30 June 2020	31 December 2019
Non-current assets		
Future contracts	84	1
Other	797	-
Total	881	1
Current assets		
Forwards	995	503
Future contracts	3,517	1,019
Total	4,512	1,522
Non-current liabilities		
Forwards	11	13
Interest rate swap contracts	898	172
Future contracts	1,117	0
Total	2,026	185
Current liabilities		
Forwards	656	543
Future contracts	11,547	3,557
Total	12,203	4,100

Hedge accounting

Viohalco's companies hold derivative financial instruments for cash flow and fair value hedges.

The abovementioned derivative financial instruments cover risks from:

- Changes in the prices of metals; and
- Fluctuations of foreign exchange rates.

The maturity and the nominal value of derivatives held by Viohalco companies match the maturity and nominal value of the underlying assets / liabilities (hedged items).

Derivatives held by Viohalco companies concerns mainly:

- Future contracts to hedge the risk from the change of the price of metals listed in LME (London Metal Exchange) and used in production of Viohalco companies (i.e. mainly copper, aluminum and zinc), Such hedges are designated as cash flow hedges.
- F-X Forward and F-X swaps to hedge the risk from the change in exchange rate of US Dollar and British Pound (i.e. currencies to which Viohalco companies are mainly exposed). Such hedges are either designated as fair value or cash flow hedges depending on the item hedged. F-X Forwards and F-X swaps when used for hedging F-X risk on outstanding receivables and suppliers denominated in foreign currency these instruments are designated under fair value hedging. F-X forwards when used for hedging F-X risk on the forecasted sales of goods or purchase of materials executed in foreign currency F-X forward is hedging instruments designated under the cash flow method.

Derivatives are recognised when Viohalco companies enter into the transaction in order either to hedge the fair value of receivables, liabilities or commitments (fair value hedges) or highly probable transactions (cash flow hedges).

The change in fair value recognized in equity under cash flow hedging as of 30 June 2020 will be recycled to the consolidated statement of profit or loss during the next years, as some of the hedged events are expected to occur (the forecasted transactions will take place or the hedged items will affect Profit or Loss statement) within 2020 and some others at a later stage.

B. Measurement of fair values

(a) Valuation techniques and significant unobservable inputs

During the period there were no changes in valuation processes compared to those described in the last annual Consolidated Financial Statements.

(b) Transfers between Levels 1 and 2

There were no transfers from Level 2 to Level 1 or from Level 1 to Level 2 in first half of 2020 or in 2019.

18. Guarantees

Viohalco companies have provided guarantees in favor of customers and suppliers, mainly in order to secure that certain conditions of contracts will be fulfilled according to agreed terms, relating to products or services.

An analysis of guarantees is provided below:

<i>Amounts in EUR thousands</i>	30 June 2020	31 December 2019
Guarantees to secure liabilities to suppliers	74,530	29,054
Guarantees for securing the good performance of contracts with customers	198,332	199,134
Guarantees for securing the good performance of contracts with suppliers	379	305

19. Related parties

(a) Transactions and balances with equity-accounted investees and other related parties

<i>Amounts in EUR thousands</i>	For the six months ended 30 June	
	2020	2019
Sales of goods / services		
Associates	28,545	40,477
Joint ventures	10,917	7,901
	39,462	48,378
Purchases of goods / services		
Associates	3,079	3,261
Joint ventures	1,813	2,257
	4,892	5,518
Purchase of property, plant and equipment		
Associates	273	466
	273	466

<i>Amounts in EUR thousands</i>	30 June 2020	31 December 2019
Receivables from related parties		
Associates	35,033	35,861
Joint ventures	2,944	3,040
	37,977	38,901
Contract assets from related parties		
Associates	35	-
	35	-
Liabilities to related parties		
Associates	4,531	3,660
Joint ventures	530	823
	5,061	4,483
Contract liabilities from related parties		
Joint ventures	33	288
	33	288

(b) Transactions with key management

The remuneration paid during the six months period ended 30 June 2020 to the Board members and the executive management for the execution of their mandate amounted to EUR 2,089 thousand (H1 2019: EUR 2.595 thousand).

The fees to directors and executive management are fixed compensation. No variable compensation, post-employment benefits or share-based benefits were paid during the period.

20. Subsequent events

- On July 1st 2020, the increase of share capital of the subsidiary Anoxal was decided, by EUR 2.0 million with cash, by increase of the nominal value of the existing shares by 16 EUR per share. Therefore, the share capital of Anoxal amounts to EUR 4,505,256 divided to 125,146 shares of nominal value EUR 36 each.
- On July 13rd 2020, Viohalco Board of Directors decided to propose to the Ordinary General Shareholders' meeting the approval of a gross dividend of EUR 0.01 per share. The company's Annual Ordinary General Shareholders' Meeting was held on Wednesday, September 2, 2020.
- On July 14th 2020, the subsidiary ElvalHalcor participated in the capital increase of NedZink B.V. by the amount of EUR 4 million and the participation of ElvalHalcor remained at 50%.
- On September 16th 2020, Viohalco announced that one of its major shareholders, Mr. Evangelos Stasinopoulos, donated 49,210,892 shares of Viohalco, representing 18.99 % approximately of the total share capital and voting rights to the Social and Cultural Affairs Welfare Foundation (KIKPE Foundation). As a result of the above donation, the percentage of voting rights held by Mr. Evangelos Stasinopoulos decreased to 23.46% approximately of the company's total voting rights.

There are no other subsequent events affecting the consolidated financial information.



To the Board of Directors
Viohalco S.A.

STATUTORY AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Viohalco S.A. and its subsidiaries as of 30 June 2020, the related condensed consolidated statement of profit or loss and condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity." A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Sint-Stevens-Woluwe, 24 September 2020

The statutory auditor
PwC Reviseurs d'Entreprises SRL / Bedrijfsrevisoren BV
Represented by

Marc Daelman
Registered auditor

APPENDIX- ALTERNATIVE PERFORMANCE MEASURES (APMS)

Introduction

Viohalco management has adopted, monitors and reports internally and externally P&L alternative performance measures ('APMs'), namely EBITDA, EBIT, adjusted EBITDA (a-EBITDA) and adjusted EBIT (a-EBIT) on the basis that they are appropriate measures reflecting the underlying performance of the business. These APMs are also key performance metrics on which Viohalco prepares, monitors and assesses its annual budgets and long-term (5 year) plans. However, it must be noted that adjusted items should not be considered as non-operating or non-recurring items.

Relating to balance sheet items, Viohalco management monitors and reports the net debt measure.

General Definitions

APM definitions have been slightly changed, compared to those applied as at 31 December 2019. The changes are minor and have been made in order to simplify the definitions, align the calculations of EBIT/EBITDA and a-EBIT/a-EBITDA, and assist in reflecting business performance more accurately. Comparatives have been restated.

The changes are the following:

- Exclusion of Associates' EBIT and EBITDA, in order to reflect more accurately the performance of core Viohalco companies. The current definitions of APMs are as follows:

EBIT

EBIT is defined as profit for the period before:

- income taxes ;
- Share of profit/loss of equity-accounted investees, net of tax ;
- net finance cost.

a-EBIT

a-EBIT is defined as EBIT, excluding :

- metal price lag ;
- impairment / reversal of impairment of fixed and intangible assets ;
- impairment / reversal of impairment of investments ;
- gains/losses from sales of fixed assets, intangible assets and investments ;
- exceptional litigation fees and fines ;
- other exceptional or unusual items.

EBITDA

EBITDA is defined as profit for the period before:

- income taxes ;
- Share of profit/loss of equity-accounted investees, net of tax ;
- net finance cost ;
- depreciation and amortization.

a-EBITDA

a-EBITDA is defined as EBITDA excluding the same line items as a-EBIT.

Detailed reconciliation between APMs as published in H1 2019 and comparatives of this press release, is presented in the Reconciliation tables' section.

Net Debt

Net Debt is defined as the total of:

- Long term borrowings;
- Short term borrowings;

Less:

Cash and cash equivalents.

Metal Price Lag

Metal price lag is the P&L effect resulting from fluctuations in the market prices of the underlying commodity metals (ferrous and non-ferrous) which Viohalco subsidiaries use as raw materials in their end-product production processes.

Metal price lag exists due to:

1. the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to customers,
2. the effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the amount reported as cost of sales, due to the costing method used (e.g, weighted average),and
3. certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs.

Most of **Viohalco** subsidiaries use back to back matching of purchases and sales, or derivative instruments in order to minimize the effect of the Metal Price Lag on their results. However, there will be always some impact (positive or negative) in the P&L, since inventory in the non-ferrous segments (i.e. aluminum, copper and cables) is treated as being held on a permanent basis (minimum operating stock), and not hedged, in the ferrous segments (i.e. steel and steel pipes), no commodities hedging occurs.

Reconciliation Tables

EBIT and EBITDA

H1 2020								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
EBT (as reported in Statement of Profit or Loss)	4,922	1,080	14,268	-23,597	-2,074	-196	-1,878	-7,474
Adjustments for:								
Share of profit/loss (-) of Associates	-5	2,160	-	324	-124	-	-	2,356
Net Finance Cost	7,434	7,237	11,316	12,925	5,536	1,460	809	46,717
EBIT	12,351	10,478	25,585	-10,348	3,338	1,264	-1,069	41,598
Add back:								
Depreciation & Amortization	27,046	7,268	7,283	15,864	4,337	2,489	1,867	66,153
EBITDA	39,396	17,746	32,868	5,516	7,674	3,754	798	107,751

H1 2019								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
EBT (as reported in Statement of Profit or Loss)	24,270	7,137	6,325	-16,260	2,265	-628	-5,827	17,282
Adjustments for:								
Share of profit/loss (-) of Associates	-366	98	-	578	-305	-	-	5
Net Finance Cost	8,567	7,991	11,513	14,409	6,248	1,302	1,033	51,063
EBIT	32,471	15,226	17,838	-1,273	8,208	673	-4,794	68,350
Add back:								
Depreciation & Amortization	25,457	7,096	7,882	19,404	4,963	2,212	2,096	69,110
EBITDA	57,928	22,322	25,720	18,132	13,171	2,885	-2,699	137,460

H1 2019 EBIT Restatement Reconciliation								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Other activities	Total
As reported H1 2019	32,961	15,317	17,838	-1,849	8,596	673	-4,794	68,743
Adjustments for:								
EBIT of Associates	491	91	-	-576	388	-	-	393
Restated figure H1 2019	32,471	15,226	17,838	-1,273	8,208	673	-4,794	68,350

H1 2019 EBITDA Restatement Reconciliation								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Other activities	Total
As reported H1 2019	58,479	22,786	25,720	17,821	13,643	2,885	-2,699	138,637
Adjustments for:								
EBITDA of Associates	551	464	-	-310	472	-	-	1,177
Restated figure H1 2019	57,928	22,322	25,720	18,132	13,171	2,885	-2,699	137,460

a-EBIT and a-EBITDA

H1 2020								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
EBT (as reported in Statement of Profit or Loss)	4,922	1,080	14,268	-23,597	-2,074	-196	-1,878	-7,474
Adjustments for:								
Net finance cost	7,434	7,237	11,316	12,925	5,536	1,460	809	46,717
Metal price lag	1,763	9,170	2,257	4,497	-	-	-	17,686
Share of profit/ (loss) of equity investees, net of tax	-5	2,160	-	324	-124	-	-	2,356
Impairment/ Reversal of Impairment (-) on fixed assets	-77	-6	-	-	-	-	-	-82
Gains (-) /losses from sales of fixed assets and intangibles	426	-11	-	-10	-	-	-597	-193
Other exceptional or unusual income (-) /expenses	-	-	-	1,144	-	-	-	1,144
a-EBIT	14,463	19,630	27,841	-4,717	3,338	1,264	-1,666	60,153
Add back:								
Depreciation & Amortization	27,046	7,268	7,283	15,864	4,337	2,489	1,867	66,153
a-EBITDA	41,508	26,898	35,124	11,146	7,674	3,754	201	126,306

H1 2019								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
EBT (as reported in Statement of Profit or Loss)	24,270	7,137	6,325	-16,260	2,265	-628	-5,827	17,282
Adjustments for:								
Net finance cost	8,567	7,991	11,513	14,409	6,248	1,302	1,033	51,063
Metal price lag	3,890	4,492	2,746	7,454	-	-	-	18,583
Share of profit/ (loss) of equity investees, net of tax	-366	98	-	578	-305	-	-	5
Impairment/ Reversal of Impairment (-) on fixed assets	-2	-	-	-	-	-	-	-2
Exceptional litigation fees and fines / income (-)	29	-	-	-	139	-	-	167
Gains (-) /losses from sales of fixed assets and intangibles	-87	-87	-	-36	6	-	-13	-217
a-EBIT	36,301	19,631	20,584	6,146	8,353	673	-4,807	86,881
Add back:								
Depreciation & Amortization	25,457	7,096	7,882	19,404	4,963	2,212	2,096	69,110
a-EBITDA	61,758	26,727	28,466	25,550	13,316	2,885	-2,711	155,990

H1 2019 a-EBIT Restatement Reconciliation								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Other activities	Total
As reported H1 2019	36,791	19,721	20,584	5,569	8,741	673	-4,807	87,274
Excluding:								
EBIT of Associates	491	91	-	-576	388	-	-	393
Restated figure H1 2019	36,301	19,631	20,584	6,146	8,353	673	-4,807	86,881

H1 2019 a-EBITDA Restatement Reconciliation								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Other activities	Total
As reported H1 2019	62,309	27,191	28,466	25,239	13,788	2,885	-2,711	157,167
Excluding:								
EBITDA of Associates	551	464	0	-310	472	-	-	1,177
Restated figure H1 2019	61,758	26,727	28,466	25,550	13,316	2,885	-2,711	155,990

Segmental Information

H1 2020	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
Revenue	565,857	530,673	268,160	345,082	134,923	6,270	24,424	1,875,389
Gross profit	45,096	31,783	37,647	15,283	10,264	4,520	7,820	152,414
Operating profit	12,351	10,478	25,585	-10,348	3,338	1,264	-1,069	41,598
Net finance cost	-7,434	-7,237	-11,316	-12,925	-5,536	-1,460	-809	-46,717
Share of profit/loss (-) of Associates	5	-2,160	-	-324	124	-	-	-2,356
Profit/Loss (-) before tax	4,922	1,080	14,268	-23,597	-2,074	-196	-1,878	-7,474
Income tax	-1,218	140	-3,465	-557	-324	-1,563	-795	-7,783
Profit/Loss (-)	3,704	1,220	10,803	-24,154	-2,398	-1,759	-2,673	-15,257

H1 2019	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
Revenue	683,658	554,939	294,241	449,232	195,458	4,248	34,466	2,216,242
Gross profit	66,240	34,662	29,398	20,062	15,992	1,830	8,360	176,543
Operating profit	32,471	15,226	17,838	-1,273	8,208	673	-4,794	68,350
Net finance cost	-8,567	-7,991	-11,513	-14,409	-6,248	-1,302	-1,033	-51,063
Share of profit/loss (-) of Associates	366	-98	-	-578	305	-	-	-5
Profit/Loss (-) before tax	24,270	7,137	6,325	-16,260	2,265	-628	-5,827	17,282
Income tax	-9,466	-898	-2,160	1,498	-1,481	97	-1,110	-13,521
Profit/Loss (-)	14,804	6,239	4,165	-14,762	784	-532	-6,937	3,761

Net Debt

Amounts in EUR thousands	As at	
	30 June 2020	31 December 2019
Long term		
Loans & borrowings	961,899	943,522
Lease liabilities	43,975	42,518
Short term		
Loans & borrowings	851,788	830,455
Lease liabilities	10,953	10,903
Total Debt	1,868,615	1,827,398
Less:		
Cash and cash equivalents	-147,316	-214,499
Net Debt	1,721,299	1,612,899