INTERIM FINANCIAL REPORT
31 MARCH 2020

cementirholding
GRUPPO CALTAGIRONE

Corporate bodies

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

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

BLANK PAGE

Introduction

The Interim Financial Report refers to the consolidated financial statements of the Cementir Group as of 31 March 2020. The statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union, and with Part 9 of Book 2 of the Dutch Civil Code.
Financial statements of Cementir Group have been prepared on the basis of the going concern assumption.
It is noted that this Interim financial report is unaudited.

GROUP PROFILE

Cementir Holding N.V. (hereinafter "Cementir Holding or "Company") is a multinational group with registered office in the Netherlands operating in the building materials sector. Through its subsidiaries in 18 countries, the Cementir Group is world leader in white cement and is specialised in producing and distributing grey cement, ready-mixed concrete, aggregates, concrete products. The Group is also in urban and industrial waste processing.
The company was incorporated in 1947 and is part of the Caltagirone Group. It has been listed on the Milan Stock Exchange since 1955 and is currently included in the STAR segment.

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

With about 3.3 million tons of installed capacity, Cementir Group is the world leader in the white cement segment; It is also leader in the production of cement and ready-mixed concrete in Scandinavia, it is the third producer in Belgium and one of the main international producers of cement in Turkey.
The company pursues a strategy which aims to achieve both geographical and product diversification and a growing integration of its operations.

GROUP PERFORMANCE

The consolidated income statement for the first three months of 2020 is reported below, with comparative figures provided for the same period of 2019.

Financial Highlights

(EUR'000)	1st Quarter 2020	1st Quarter 2019	Change %
REVENUE FROM SALES AND SERVICES	**266,933**	**264,418**	**0.9%**
Change in inventories	(1,011)	2,906	-134.8%
Increase for internal work and other income	4,120	4,355	-5.4%
TOTAL OPERATING REVENUE	**270,042**	**271,679**	**-0.6%**
Raw materials costs	(102,788)	(105,537)	-2.6%
Personnel costs	(49,181)	(47,469)	3.6%
Other operating costs	(85,902)	(84,969)	1.1%
TOTAL OPERATING COSTS	**(237,871)**	**(237,975)**	**-0.0%**
EBITDA	**32,171**	**33,704**	**-4.6%**
EBITDA Margin %	*12.05%*	*12.75%*	
Amortisation, depreciation, impairment losses and provisions	(27,043)	(25,907)	4.4%
EBIT	**5,128**	**7,797**	**-34.2%**
EBIT Margin %	*1.92%*	*2.95%*	
Share of net profits of equity-accounted investees	(282)	(199)	-41.7%
Net financial income (expense)	(9,861)	(7,928)	-24.4%
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED	**(10,143)**	**(8,127)**	**-24.8%**
PROFIT (LOSS) BEFORE TAXES OF THE PERIOD	**(5,015)**	**(330)**	**n.s.**

Sales volumes

(EUR'000)	1st Quarter 2020	1st Quarter 2019	Change %
Grey, White cement and Clinker (metric tons)	2,037	1,819	11.9%
Ready-mixed concrete (m^3)	904	902	0.2%
Aggregates (metric tons)	2,185	2,238	-2.4%

Group employees

	31-03-2020	31-12-2019	31-03-2019
Number of employees	3,045	3,042	3,063

In the first three months of 2020, cement and clinker volumes reached 2.0 million tons, up 11.9% thanks to the 50% increase in Turkey.

Ready-mixed concrete sales volumes reached 0.5 million cubic metres, down by 1.3%, mainly due to a reduction in Belgium balanced by a 15% increase in Turkey. Aggregates sales volumes reached 2.1 million tons, down 2.4% compared to previous year.

Group revenue reached EUR 266.9 million, up 0.9% compared to EUR 264.4 million in in the first quarter 2019. At constant 2019 exchange rates, revenue would have reached EUR 269.6 million, up by 1.9% on the previous year.

Operating costs totalled EUR 237.9 million, in line with the same period of 2019.

The **cost of raw materials** decreased to EUR 102.9 million (EUR 105.5 million in the first quarter of 2019), due to savings in the cost of raw materials, mainly fuel. **Personnel costs** amounted to EUR 49.2 million up 3.6% compared to EUR 47.4 million in the first quarter of 2019 due to one off layoff cost.

Other operating costs were EUR 85.1 million (compared to EUR 84.9 million in the first quarter of 2019), including EUR 2.5 million as per the following paragragh.

EBITDA reached EUR 32.2 million, down 4.4% on EUR 33.7 million in the first quarter of 2019. EBITDA was marginally down from the same period of 2019 mainly because of a one-off legal settlement linked to past transactions (EUR 2.5 million). Covid-19 impact was marginal, mainly in the month of March and confined to Belgium, France and, to a lesser extent, to China and Malaysia.The EBITDA margin was 12.1% down from 12.7% in the first three months of 2019.

At constant exchange rates with previous year 2019, EBITDA would have been EUR 31.8 million, down by 5.6% compared to 2019.

Taking into account EUR 27.0 million of amortisation, depreciation, write-downs and provisions (EUR 25.9 million in the first quarter of 2019), **EBIT** reached EUR 5.1 million compared to EUR 7.8 million in the previous year. Amortisation and depreciation due to IFRS16 application was EUR 6.5 million compared to EUR 5.9 million in the same period of 2019.

At constant exchange rates with 2019, EBIT would have been EUR 4.6 million, down by 40.5% compared to 2019.

The **share of net profits of equity-accounted investees** was a loss of EUR 0.3 million (loss of EUR 0.2 million in the first quarter of 2019).

Net financial expense was EUR 9.9 million (expense of EUR 7.9 million in the same period of the previous year)The 2020 figure includes a negative exchange rate net impact of EUR 4.7 million (negative EUR 1.5 million in 2019), being the remainder due to financial expenses for EUR 4.7 million (EUR 5.0 million in 2019) and to the impact of the valuation of derivatives.

Loss before taxes was EUR 5.0 million (loss of EUR 0.3 million in the first quarter of 2019).

Financial highlights

(EUR'000)	31-03-2020	31-12-2019	31-03-2019
Net Capital Employed	1,483,169	1,421,196	1,545,552
Total Equity	1,160,844	1,181,567	1,129,174
Net financial debt[1]	322,325	239,629	416,378

Net financial debt as at 31 March 2020 was EUR 322.3 million, a decrease of EUR 94.0 million compared to EUR 416.4 million as at 31 March 2019. These figures include EUR 88.2 million due to IFRS 16 compared to EUR 78.9 million as at 31 March 2019.

Negative variance versus net financial debt as at 31 December 2019 – EUR 82.6 million – is due to the seasonality of the business in the first quarter of the year, net working capital dynamics and annual plant maintenance, as weel as the mentioned settlement.

Total equity as at 31 March 2019 amounted to EUR 1,160.8 million (EUR 1,181.6 million as at 31 December 2019).

Financial indicators

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

PERFORMANCE INDICATORS	31-03-2020	2019	31-03-2019	COMPOSITION
Return on Capital Employed	10.1%	10.7%	10.0%	EBIT/(Equity + Net financial debt)

FINANCIAL INDICATORS	31-03-2020	2019	31-03-2019	COMPOSITION
Equity Ratio	49.3%	51.8%	51.8%	Adjusted Equity/Total Assets
Net Gearing Ratio	27.8%	20.4%	36.9%	Net financial debt/ Adjusted Equity
Liquidity Ratio	1.57	1.35	1.12	Cash + Receivables / Current Liabilities
Cash Flow	-0.05	0.46	-0.08	Operating Cash Flow / Total Financial Debt
Finance Needs	322.3	239.6	416.4	Net Financial Position

Financial Indicators overall show the first quarter seasonality effect and the impact of Covid19 on quarter results.

[1] Net financial debt has been calculated in accordance with Consob Communication DEM/6064293 of 28 July 2006.

PERFORMANCE BY GEOGRAPHICAL SEGMENT

Nordic and Baltic

(EUR'000)	1st Quarter 2020	1st Quarter 2019	Change %
Revenue from sales	127,884	128,566	-0.5%
Denmark	*88,169*	*83,327*	*5.8%*
Norway / Sweden	*39,723*	*45,133*	*-12.0%*
Other (1)	*12,449*	*11,971*	*4.0%*
Eliminations	*(12,457)*	*(11,875)*	
EBITDA	24,651	19,844	24.2%
Denmark	*21,782*	*16,170*	*34.7%*
Norway / Sweden	*2,412*	*3,371*	*-28.4%*
Other (1)	*457*	*303*	*50.8%*
EBITDA Margin %	19.3%	15.4%	
Investments	9,585	7,204	

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

Denmark

Revenue from sales in the first quarter 2020 reached EUR 88.2 million, up 5.8% compared to EUR 83.3 million in 2019, mainly due to the increase in cement sales of Aalborg Portland and ready-mixed concrete volume in Denmark due to market activity increase and favourable weather conditions.

Average selling prices in the domestic market rose with inflation, due to new sales contracts and to the favourable product mix, particularly in the grey segment.

Export white cement sales volume suffered a slight decrease, as a result of timing difference in shipments to the US compared to the previous year, partially compensated by higher sales to other countries. Exports of grey cement are in line with the first quarter of 2019.

Ready mixed concrete volumes in Denmark were in line with the cement trend.

EBITDA in the first quarter 2020 amounted to EUR 21.8 million (EUR 16.2 million in 2019), an increase of EUR 5.4 million with respect to 2019. This increase was largely driven by the cement business, benefitting from higher sales volumes and prices, lower fuel costs (partially offset by the unfavourable exchange rate trend against the US dollar), production efficiencies and lower general expenses.

Total investments amounted to EUR 7.8 million, of which EUR 7.2 million in the cement sector mainly for extraordinary maintenance and efficiency improvements projects. Investments included EUR 0.4 million accounted according to IFRS16.

Norway and Sweden

In **Norway**, ready mixed concrete sales volumes fell by more than 10% compared to previous year. The country suffered a decline in public and private residential and non-residential activity; in particular, in March the situation worsened as the activity was partially affected by the Covid19 impact, resulting in a 30% volume decrease. The price trend outpaced inflation due to product mix, customer mix and extra services invoiced.
It is important to underline that Norwegian krone lost 7.5% against the euro compared to 2019 average three months exchange rate.

In **Sweden**, ready-mixed concrete volumes remained unchanged compared to the previous year, while aggregates sales were higher than 2019 (+6%). In the first three months of 2020, the sector benefited from favourable weather conditions and robust construction market trend as some projects started earlier than expected.
Average ready-mixed concrete prices suffered a decrease due to a different sales mix compared to 2019, as well as aggregates prices were down due to the product/project mix.
The Swedish krona lost 2.5% against the euro compared to 2019 average three-months exchange rate.

In the first three months of 2020, sales revenue in Norway and Sweden reached EUR 39.7 million (EUR 45.1 million in 2019), while EBITDA decreased to EUR 2.4 million (EUR 3.4 million in the same period of 2019); the decrease is primarily attributable to Norway, affected by lower sales volume in Norway and negative exchange rates.
Investments in this area reached EUR 1.8 million in the first three months of 2020; in Sweden they mainly concerned a machinery for the extraction of aggregates. Investments accounted according to IFRS 16 led to the recognition of EUR 0.6 million included in the EUR 1.8 million.

Belgium

(EUR'000)	1st Quarter 2020	1st Quarter 2019	Change %
Revenue from sales	56,735	59,680	-4.9%
EBITDA	5,184	9,372	-44.7%
EBITDA Margin %	9.1%	15.7%	
Investments	10,231	4,903	

In the first quarter of 2020 grey cement sales volumes were down-2% on 2019, mainly due to the negative performance in the month of March caused by the Covid19 effects on all activities in the area (March monthly volumes down 25%), particularly affecting the Belgian and French markets. Until February volume trend was positive thanks to the good level of activity in Belgium (ready-mixed concrete segment) and in France on all segments besides the good weather conditions in the area. Average prices showed an upward trend in line with inflation in both domestic and exports markets.

Ready-mixed concrete sales volumes decreased in Belgium and France by more than 10% in the first three months of 2020 as a consequence of the Covid19, which caused, in the month of March, a decrease in sales volume of about 50%. Lockout of the governments occurred around the middle of the month with the subsequent RMC Federation recommendation to close plants. In both countries, most plants were closed. . In the first two months, the sales trend was largely positive versus previous year due to few important projects started late 2019 and still going on.

In Belgium selling prices were stable as compared to 2019 where competition from local companies was growing in all regions while in France they are slightly decreasing due to the slowdown of activities.

Aggregates sales volumes were down -8% versus the corresponding months of 2019 , particularly in the export market. in March volume declined by 28% due to the Covid19 crisis, heavily hitting the second part of the month with the complete lock down in France, limited activity in Belgium. However, in the first two months of the year, volumes were boosted by good weather conditions and growth in the building activity, prefabricated elements and ready-mix volume.

The price of aggregates outpaced inflation, both locally and exports, due primarily to the product, customer and destination mix (lower sales on the road and asphalt building channel - base products), despite an increase in competition from local quarries.

Overall in the first quarter of 2020, sales revenue of CCB (Compagnie des Ciments Belges) totalled EUR 56.7 million (EUR 59.7 million in the same period of 2019) and EBITDA reached EUR 5.2 million (EUR 9.4 million in the previous year).

In the cement business, EBITDA was impacted by lower volumes and anticipated maintenance, while in the aggregates and ready-mixed concrete business, the decrease was the consequence of lower sales volumes.

Investments in the first three months of 2020 amounted to EUR 10.2 million and mostly concerned the cement plant in Gaurain. Investments recognized as a result of IFRS 16 came to EUR 6.4 million.

North America

(EUR'000)	1st Quarter 2020	1st Quarter 2019	Change %
Revenue from sales	36,429	36,095	0.9%
EBITDA	4,795	3,609	32.9%
EBITDA Margin %	13.2%	10.0%	
Investments	698	1,091	

In the United States, white cement sales volumes declined slightly because of lower sales in Florida due to spread of Covid19 and to a delay in start-up of some relevant projects.

The subsidiary LWCC recorded stable revenue versus the corresponding three months of 2019 whilst EBITDA reached EUR 4.9 million (EUR 3.7 million in 2019) thanks to higher average sales prices, savings in variable costs, in particular raw materials, and overhead efficiencies.

The other US subsidiaries, which produce concrete products and operate the Florida terminal in Tampa, saw an EBITDA of EUR 0.08 million, stable in comparison to the previous year.

Total sales revenue in United States reached EUR 36.4 million (EUR 36.1 million in the first three month of 2019), with an EBITDA of EUR 4.8 million (EUR 3.6 million in 2019).

Investments in the first quarter 2020 amounted to EUR 0.7 million, including the portion recognized in accordance with IFRS 16 (0.25 million).

Turkey

(EUR'000)	1st Quarter 2020	1st Quarter 2019	Change %
Revenue from sales	26,326	21,545	22.2%
EBITDA	(3,447)	(4,725)	27.0%
EBITDA Margin %	-13.1%	-21.9%	
Investments	5,171	1,051	

Revenue reached EUR 26.3 million, an increase of 22% compared to the first three months of 2019 (EUR 21.5 million), despite the devaluation of the Turkish lira against the euro (-10% compared with the average exchange rate in the first quarter 2019) and the general economic situation.

The increased demand led to a 50% increase in local-currency cement revenue and to a 60% increase in cement and clinker sales volumes. Sales volumes in the domestic market increased by 35%. despite the earthquake which hit the Elazig area on January 24th, causing the stoppage of many infrastructure projects. In other regions, daily activities were restricted due to Covid19 epidemic and some projects have been postponed. Exports of cement and clinker significantly increased by about the same amount.
Average cement prices in local currency were somewhat lower than in 2019, with very different trends at the various plants, due to a severe price competition from all players creating price tension in the market.

Ready-mixed concrete volumes increased by 13% compared to the first quarter of 2019, with positive trend in local-currency prices. Sales volume increase was due to some big scale projects start-up and to the opening of new plants in 2020, even if some new projects will be postponed due to Covid19 epidemic.

In the *Waste Management* business, the subsidiary Sureko, which process industrial waste, booked lower revenue with respect to 2019, due to volume decrease in the landfilled waste and materials trading business, while the volumes of waste collected for the preparation of refuse-derived fuel (RDF) and the sale of RDF were at the level of previous year.
Hereko division, which process Istanbul's municipal solid waste, enjoyed slightly higher revenues due to growth in solid-recovered fuel sales (SRF), while the other materials (plastics, glass, ferrous and non-ferrous metals) were in line with 2019; the sudden decrease in plastic prices after the crisis in global petrol market had a negaitve impact on Hereko revenues.
UK subsidiary Quercia reported slightly lower revenue due to lower waste delivery to plant than planned; in addition, the landfill tonnages suffered from three massive storms in UK.
EBITDA was a negative EUR 3.4 million with an improvement over previous year (negative EUR 4.7 million in 2019 first three months), due mainly to the higher sales volumes of cement and clinker, both domestic and export, and some costs savings.

Investments in the first three months of 2020 reached EUR 5.2 million mostly related to IFRS 16, which led to the recognition of EUR 3.9 million.

Egypt

(EUR'000)	1st Quarter 2020	1st Quarter 2019	Change %
Revenue from sales	10,233	8,475	20.7%
EBITDA	2,048	1,378	48.6%
EBITDA Margin %	20.0%	16.2%	
Investments	189	166	

Revenue from sales amounted to EUR 10.2 million (EUR 8.5 million in the first quarter of 2019), showing significant growth also thanks to the stabilised security situation in the Sinai Peninsula.
Despite lower white cement volumes sold in the domestic market especially in the month of March, when sales were down 30% due to the curfew from 7 pm till 6 am aiming to limit Covid19 spreading which led to the delay in deliveries to the customers,.overall sales held up thanks to higher export volumes, up by around 10% in all the main destinations, in particular in Russia; March export were damaged by the Covid19 limitations (limited time, for trucks, to move from the plant to the port and also in the ports, for the employees, to finish the handling and other port operations.

EBITDA rose to EUR 2.0 million (EUR 1.4 million in the first quarter of 2019), thanks also to a revaluation of the Egyptian pound versus Euro of around 13.5%.

Investments in the first quarter of 2020 amounted to EUR 0.2 million and concerned mainly improvements to the packaging section.

Asia Pacific

(EUR'000)	1st Quarter 2020	1st Quarter 2019	Change %
Revenue from sales	14,659	17,752	-17.4%
China	*6,684*	*9,508*	*-29.7%*
Malaysia	*7,975*	*8,244*	*-3.3%*
Eliminations	*-*	*-*	
EBITDA	2,532	3,175	-20.3%
China	*1,740*	*2,066*	*-15.8%*
Malaysia	*792*	*1,109*	*-28.6%*
EBITDA Margin %	17.3%	17.9%	
Investments	1,655	1,587	

China

Revenue from sales reached EUR 6.7 million (EUR 9.5 million in first quarter 2019), with a significant reduction compared to 2019 due to Covid19 outbreak. In the first three months of 2020, the company suffered a cement and white clinker sales volumes decrease of 35%. To be considered that the Company was closed between January 23rd and February 21st.

Many cities and provinces were locked down starting from the third week of January; Central China has been the region affected the most. Starting from March, the market has reopened and is recovering, with Southern and Eastern China leading the trend.

Selling prices in local currency rose faster than inflation, also due to favourable mix, notwithstanding tough competition. Export volumes remained marginal.

EBITDA dropped to EUR 1.7 million (EUR 2.1 million in the same period in 2019), mainly because of negative trend in volumes partially compensated by higher selling prices as well as lower variable costs for fuels and electricity.

Investments in the first three months of 2020 totalled EUR 0.5 million mainly related to efficiency improvements in the plant.

Malaysia

Sales revenue amounted to EUR 8.0 million (EUR 8.2 million in 2019 corresponding quarter). Domestic white cement volumes declined by around 15% due to a much negative trend in March (over -50%) due to restrictions imposed by the Malaysian Government on sales and production, effective from March 17th to April 14th, to curb the spreading of the Covid19. Average selling prices in local currency were on the rise also due to the customer and product mix.

On the other hand, total exports increased compared to 2019 by about 10%, with greater volumes of cement and stable volumes of clinker. Average foreign currency selling prices were on moderate rise due to country mix. Several export countries during this period implemented national lockdown and community quarantine to fight the worldwide virus.

At EUR 0.8 million, EBITDA declined compared to the first three months of 2019 (EUR 1.1 million). The most favourable factors were an improved sales mix (more cement) and higher selling prices, both in local and export markets. Negative factors consisted primarily in exchange effects on various exports sales, higher repair and maintenance and general and administrative costs (phasing compared with 2019).

In the first quarter of 2020 investments amounted to EUR 1.2 million.

Italy

(EUR'000)	1st Quarter 2020	1st Quarter 2019	Change %
Revenue from sales	21,253	14,204	49.6%
EBITDA	(3,592)	1,051	-441.8%
EBITDA Margin %	*-16.9%*	*7.4%*	
Investments	622	369	

This grouping includes the parent company, Cementir Holding, the trading company, Spartan Hive, and other minor companies. The increase in revenues in Spartan Hive (about +95%) is due to higher volume traded. EBITDA dropped to negative EUR 3.6 million (positive EUR 1.1 million in the first quarter of the previous year) also due to EUR 2.5 million impact of the payment in furtherance of a final settlement, closing claims relevant to previous transactions.

Investments

In the first quarter of 2020 the Group invested EUR 28.1 million EUR 19.5 million was spent on cement, EUR 5.8 million on ready mixed concrete, EUR 1.9 million on aggregates and EUR 0.9 million on others businesses.

SIGNIFICANT EVENTS DURING THE QUARTER

The outbreak of Covid19 started to bear its impact from the month of March, with a synchronous slow-down in key end-market demand as well as a lock down and restriction measures restricting supply in some operations. The most affected regions were China, Malaysia and Belgium.

In the period there was also the impact on EBITDA and net financial debt from the final settlement of certain claims related to previous transactions.

OTHER INFORMATION

Alternative performance indicators

The Cementir Group used some alternative performance indicators to enable better assessment of the performance of economic management and the capital and financial situation. In line with what is established in the ESMA/2015/1415 guidelines, here below please find the meaning and contents of those indicators.

- EBITDA: is an indicator of operating performance calculated by adding together "EBIT" (as per Financial Highlights shown on page 17 of this Report) and "Amortisation, depreciation, impairment losses and provisions";
- Net financial debt: an indicator of financial structure calculated according to Consob Communication 6064293/2006, as the sum of the items:
  - Current financial assets
  - Cash and cash equivalents
  - Current and non-current financial liabilities
- Net capital invested: is calculated by the overall amount of non-financial assets, net of non-financial liabilities.

Litigation

There are three separate proceedings in which the Group, although not a party to the dispute, is responsible for the management of the defense and may in abstract terms be subject to indemnification obligations against it, in the context of the "share purchase agreement" ("SPA") with Italcementi S.p.A. for the sale of the shares of Cementir Italia S.p.A. (now called Cemitaly S.p.A. from the new ownership), Cementir Sacci S.p.A. (now Italsacci S.p.A.) and Betontir S.p.A. which took place with effect from 2 January 2018.

Antitrust proceedings

On 7 August 2017, upon completion of an investigation, the Italian Antitrust Authority ("Authority") served Cemitaly S.p.A. ("Cemitaly") its final decision, imposing an administrative fine of EUR 5,090,000. The Authority found that the parties involved in the proceedings had a single, complex and ongoing arrangement to coordinate cement sales prices across Italy, also supported by a survey of the trend in their respective market shares that was carried out through an exchange of sensitive information facilitated by the industry association AITEC.

The decision was confirmed by the Lazio Regional Administrative Court and the Council of State.

On 9 January 2020, following a request by Italcementi S.p.A., Cementir Holding paid Cemitaly the sum of EUR 5,118,076, including accrued interest, as compensation under the terms of the administrative fine

Tax proceedings against Cemitaly (Eco-tax)

On 19 October 2016, despite the defence submitted by the Company, the Apulia Region Local Tax Service issued a notice to pay a total of EUR 1.3 million, by way of special tax for the disposal in landfill of solid waste ("Eco-tax"), relating to the slag stored and used in the Taranto plant.

With the decision of 14 December 2017, the Provincial Tax Commission of Bari rejected the appeal of the company against the served notice. To avoid a dispute with an objectively uncertain possible result, Cemitaly and the Apulia regional government therefore reached a full judicial settlement pursuant to the aforesaid Article 48, Legislative Decree 546/1992 and, on 28 June 2019, after having received the relevant amount from the Company as compensation due under the terms of the administrative fine, the matter was finally settled with Cemitaly paying the total agreed amount equal to EUR 538,320.17.

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

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

- Taranto plant, with order to immediately cease procuring ash from the Enel Produzione plant in Brindisi;
- remaining inventories stored in warehouses and/or other organisational units in Italy pertaining to Cemitaly of Portland cement (CEM V-B) produced using fly ash from the Enel Produzione plant in Brindisi.
- assets owned by the company in Taranto used to process Ilva slag, with order to manage the slag as waste and to characterise and possibly restore the areas used to store the slag.

According to investigator allegations, (i) the fly ash that Cemitaly bought from Enel Produzione, originating from the Federico II thermoelectric power plant in Brindisi, did not comply with applicable legislation, as traces of substances not derived solely from burning coal were found; (ii) the blast-furnace slag supplied by Ilva to Cemitaly should be qualified and treated as waste, due to its alleged "mechanical" impurities (presence of ferrous metals, crushed stone, debris, etc.).

Cemitaly was involved as a legal entity as the actions described above are alleged to have been committed by persons responsible for the direction and management of the plant in Taranto.

With the report deposited on 16 July 2018, experts appointed by the Court found (i) that the blast-furnace slag supplied by Ilva qualifies, for all purposes, is a by-product; (Ii) the fly ash that Cemitaly acquired from Enel Produzione, originating from the power plant in Brindisi, is materially compliant with laws applicable.

With a ruling of 31 July 2018, the Lecce Public Prosecutor ordered the release of all assets seized. On 15 April 2019, on the hearing for the technical report discussion, the experts appointed by the Preliminary Hearing Judge (GIP) were heard. At the outcome of the hearing, the Public Prosecutor notified the parties involved of the conclusion of the preliminary investigations pursuant to Article 415 bis of the Criminal Code and then requested the indictment of the company and the natural persons, limited exclusively to the allegation of ashes purchased from Enel Produzione, since the Public Prosecutor did not make any statement with reference to the slag purchased from Ilva, which is therefore expected to be dropped.

The preliminary hearing has been set for 8 April 2020.

Other information

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

Related-party transactions

Regarding related-party transactions, as defined by IAS 24, the Group did not conduct any atypical and/or unusual transactions. All transactions, both financial and commercial, took place on an arm's length basis.

The Group did not conduct any significant or material transactions concerning related-party transactions

Treasury shares

As at 31 March 2020, the parent and its subsidiaries did not hold, either directly or indirectly, shares or units of the ultimate parent. They did not purchase or sell such shares during the year.

Management and coordination

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

Protection of personal data

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

SIGNIFICANT EVENTS AFTER THE CLOSING OF THE QUARTER AND OUTLOOK 2020

The combined impact of the slow-down in demand and the lockdown imposed by several governments in response to the coronavirus (Covid-19) pandemic, will determine some further contraction in Group sales volumes in Western Europe, Turkey and the United States in the second quarter of 2020. We expect Northern Europe to remain relatively unscathed by the general slowdown with the exception of Norway where the lower oil price is taking its toll on the overall economy. On the contrary, both in China and Malaysia operations restarted and are progressing towards a normalization.
Given the unprecedented level of uncertainty surrounding the length, breadth and severity of the coronavirus pandemic, we are withdrawing our previously-issued full-year 2020 guidance and we will expect to provide an update after first half 2020 results.

Today our top priority today is to preserve the health and safety of our employees, their families and all our stakeholders. We are undertaking all necessary measures to minimize contagion risks while ensuring the continuity of our business and services. We are also implementing comprehensive mitigating actions to reduce costs, preserve cash and restrict capital expenditure. In particular, we are postponing all non-necessary capex by a few quarters, up to 30 milion and we are constantly monitoring inventories and receivables dynamics in order to maximize cash generation.

Thanks to our wide geographical spread of operations, strong balance sheet - with Net Financial Debt to EBITDA of 0,9x as of 31 December 2019 - and diversified product offering, we are confident to be able overcome these challenging times and we believe to be well positioned for the recovery in our markets.

Rome, 13 May 2020

Chairman of the Board of Directors
signed: Francesco Caltagirone Jr.