

Interim financial report 30/06/20

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Obligation regarding periodical information as a consequence of the European transparency regulations. Statement regarding the information given in this interim financial report over 6 months 30/06/20

Financial results

During the first semester of 2020 Campine achieved a revenue of 82,7 mio € (2019: 102,9 mio €). Profit after taxes amounted to 103 K€ (2019: 2,33 mio €). The reduction in sales and profit is entirely related to the impact of the Corona pandemic. Volumes as well as metal prices were on average substantially lower compared to the same period in 2019.

Strict cost control and some ambitious initiatives helped Campine to navigate quite well through this crisis. "The company saved 1,5 mio € in expenses in the first semester and seized several opportunities to limit the volume loss." explains CEO De Vos "We also managed to advance our yearly maintenance shutdown and carry it out with more own personnel. With strict cash management and a better spread of our investments, we managed to retain our strong 2019 year-end balance sheet" he concludes. With a solvency ratio of 54%, Campine does not expect financing problems in the near future.

To minimise the Covid-19 contagion risks for its employees, Campine implemented a large number of measures. Campine used several government measures, such as temporary unemployment, to counterbalance the lower market demands. The different manufacturing units were alternately closed to keep the efficiency as high as possible. Several expenses were avoided or delayed whenever possible. All planned investments will be carried out, but some will be rescheduled in time. Some investment projects were delayed because some subcontractors were unable to continue their work seen the Covid pandemic.

Performances per division

Division Specialty Chemicals

Market and Operations

- The first effects of the Covid pandemic were experienced early February when antimony metal prices started to rise due to fears of shortages on the world market. The centre of the antimony production is found in China's Hunan province, which is adjacent to Wuhan (Hubei province) where the pandemic originated. Fear for shortages helped the antimonytrioxide demand to remain at normal levels during the first quarter. Only early May the impact became clear in our Specialty Chemicals division, with customers in some market segments reducing their demand by 30 to 40%. This decrease in demand ultimately lead to a fast price decline of antimony raw materials.
- Sales revenue decreased to 34,2 mio € (-22% versus 2019) as a result of lower volumes (-10% compared to 2019) and lower sales prices of our antimony products.
- Thanks to cost savings and better operational efficiency, a positive operational result of 1.077 K€ was reached (compared to a break-even results of 10 K€ in 2019).

More detailed information can be found in note 3 Operational segments.



Division Metals Recycling

Market and Operations

- We experienced the impact of the Corona crisis immediately from early March onwards in our lead unit, where more than 80% of our products are being used for batteries, with the automotive sector as largest segment. The shutdown of many assembly lines throughout Europe caused the demand for lead to drop dramatically. Volume reductions at some industrial customers of 50 to 60% were no exception. Despite this we were able to keep sales volumes on decent levels thanks to seizing new opportunities at new customers and with different metal traders. By the end of April the supply chain of our main raw material – scrap batteries – dried up completely; due to forced closures of car workshops and scrap dealers, scrap batteries no longer reached our suppliers. We therefore decided to bring forward our yearly maintenance shutdown from July to May.
- The Metals Recovery activities, in which we recycle other metals, was not impacted by the Covid pandemic.
- Sales revenue decreased to 54,2 mio € (-19% tov 2019) as a result of lower volumes (-12% compared to 2019) and lower LME lead prices, which are the basis of our lead products sales prices. The average LME lead prices during the first half of 2020 were substantially lower than in the first semester of last year: 1.597 €/ton versus 1.735 €/ton in 2019.
- The operational result was a loss of -970 K € in comparison with a profit in 2019 of 3.168 mio €. Beside lower volumes and lower sales prices, we additionally had the shift of the full maintenance shutdown expenses into our first year half in 2020.

More detailed information can be found in note 3 Operational segments.

Outlook 2020

Making a prognosis for the full year 2020 remains very difficult considering the volatile and uncertain market conditions. If however raw material prices retain their rise, we expect to close the year with profit.

Demand for our Specialty Chemicals products is restoring very slowly. We expect to reach pre-Covid levels only by the last quarter of 2020. Antimony metal prices are on the rise since early August, mainly related to some shortages on the antimony ore markets.

In our Metals Recycling division we reached normal demand levels since July. This is potentially related to temporary shutdowns at some of our regional competitors. LME lead prices increased substantially during the summer months from a level below 1.500 €/ton mid-May to above 1.650 €/ton and fluctuates around a level of 1.600 €/t in the meantime.



Condensed consolidated income statement

'000 €	Notes	30/06/20	30/06/19
Revenue	3	82.733	102.950
Other operating income	4	517	666
Raw materials and consumables used		-69.724	-85.410
Employee benefits expense		-6.660	-7.292
Depreciation and amortisation expense		-1.530	-1.530
Changes in restoration provision		-	-
Other operating expenses	4	-5.229	-6.206
Operating result (EBIT)		107	3.178
Investment revenues		-	-
Hedging results:	11	209	337
- <i>Closed hedges</i>		585	266
- <i>Change in open position</i>		-376	71
Finance costs		-119	-185
Net financial result		90	152
Result before tax (EBT)		197	3.330
Income tax expense	5	-94	-997
Result for the period (EAT)		103	2.333
Attributable to:			
Equity holders of the parent		103	2.333
Non-controlling interest		-	-
RESULT PER SHARE (in €)			
Basic & diluted		0,07	1,56

Condensed consolidated overview of the total result for the period

'000 €	Notes	30/06/20	30/06/19
Result for the period		103	2.333
Other comprehensive income:			
Comprehensive income to be reclassified to the profit or loss statement in the future		-	-
Comprehensive income not to be reclassified to the profit or loss statement in the future (actuarial results of retirement benefit obligations)		-	-
Total result for the period		103	2.333
Attributable to:			
Equity holders of the parent		103	2.333
Non-controlling interest		-	-



Condensed consolidated balance sheet

'000 €	Notes	30/06/20	31/12/19
ASSETS			
Non-current assets			
Property, plant and equipment	7	14.909	12.978
Right-of-use assets	12	375	355
Intangible assets	8	150	170
Deferred tax assets		459	93
Cash restricted in its use		-	-
		15.893	13.596
Current assets			
Inventories	9	28.576	25.942
Trade and other receivables	10 / 14	15.939	15.231
Derivatives	11 / 14	22	291
Cash and cash equivalents	14	207	2.685
		44.744	44.149
TOTAL ASSETS		60.637	57.745
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		4.000	4.000
Translation reserves		-	-
Retained earnings		28.879	31.491
- <i>Legal reserves</i>		965	965
- <i>Other reserves and retained results</i>		27.914	30.526
Equity attributable to equity holders of the parent		32.879	35.491
Total equity		32.879	35.491
Non-current liabilities			
Retirement benefit obligation		1.162	1.215
Deferred tax liabilities			
Bank loans	12	1.875	2.625
Obligations under leases	12	245	232
Provisions	15	1.090	1.090
		4.372	5.162
Current liabilities			
Retirement benefit obligation		63	101
Trade and other payables	13	15.601	15.105
Derivatives	11	107	-
Current tax liabilities		245	143
Obligations under leases	12	130	123
Bank overdrafts and loans	12	2.605	1.620
Advances on factoring	12	4.635	-
Provisions		-	-
		23.386	17.092
Total liabilities		27.758	22.254
TOTAL EQUITY AND LIABILITIES		60.637	57.745



Condensed consolidated cash-flow statement

'000 €	Notes	30/06/20	30/06/19
OPERATING ACTIVITIES			
Result for the period		103	2.333
Adjustments for:			
Other gains and losses (investment grants)		-	-
Investment revenues		-	-
Other gains and losses (hedging results)	11	-209	-337
Finance costs		119	185
(Deferred) tax expenses of the total result	5	94	997
Depreciation of property, plant and equipment		1.530	1.530
Gain on disposal of property, plant and equipment		-	-
Change in provisions (incl. retirement benefit)		-91	-25
Change in inventory value reduction		-41	360
Change in trade receivables value reduction		-	-
Others		-	-
Operating cash-flows before movements in working capital		1.505	5.043
Change in inventories		-2.593	-1.051
Change in receivables		-708	-2.726
Change in trade and other payables		496	2.906
Cash generated from operations		-1.300	4.172
Hedging results		585	266
Interest paid		-119	-185
Income taxes paid		-358	-4.440
Net cash (used in) / from operating activities		-1.192	-187
INVESTING ACTIVITIES			
Interest received		-	-
Proceeds on disposal of property, plant and equipment		-	-
Purchases of property, plant and equipment	7	-3.381	-1.791
Purchases of intangible assets	8	-	-41
Net cash (used in) / from investing activities		-3.381	-1.832
FINANCING ACTIVITIES			
Dividends and tantièmes paid	6	-2.715	-1.935
Repayments of borrowings	12	-1.345	-900
Repayments of obligations under leases	12	-60	-59
New bank loans raised		1.700	5.850
Change in cash restricted in its use		-	275
Change in bank overdrafts	12	-120	-1.859
Change in advances on factoring	12	4.635	739
Net cash (used in) / from financing activities		2.095	2.111
Net change in cash and cash equivalents		-2.478	92
Cash and cash equivalents at the beginning of the year		2.685	121
Effect of foreign exchange rate changes		-	-
Cash and cash equivalents at the end of the period		207	213



Condensed consolidated statement of changes in equity

'000 €	Share capital	Retained earnings	Attributable to equity holders of the parent	Total
Balance on 31/12/18	4.000	25.529	29.529	29.529
Total result of the period	-	2.333	2.333	2.333
Dividends and tantièmes	-	-1.935	-1.935	-1.935
Balance on 30/06/19	4.000	25.926	29.926	29.926
Total result of the period	-	5.565	5.565	5.565
Dividends and tantièmes	-	-	-	-
Balance on 31/12/19	4.000	31.491	35.491	35.491
Total result of the period	-	103	103	103
Dividends and tantièmes (see note 6)	-	-2.715	-2.715	-2.715
Balance on 30/06/20	4.000	28.879	32.879	32.879

Notes to the condensed consolidated financial statements

1. Notes to the condensed consolidated financial statements

The condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the EU.

2. Significant accounting policies

The condensed interim financial report applies the same valuation rules and presentation and calculation methods as those applied for the annual accounts of the Group for the financial year ending on 31/12/19. The application of new international accounting standards that have become applicable as from 01/01/20 do not have a material impact. For the already approved new standards or interpretations which will become applicable afterwards, the management does not expect a material impact on the figures.

3. Segment information

Geographical information

The Group's manufacturing operations are located in Belgium.

The following table provides an analysis of the Group's sales by geographical market.

The income from recovery of waste is no longer integrated in 'other operating revenue' but in 'ordinary operating revenue'. On 30/06/20 the turnover from recovery of waste amounted to 885 K€ (2019: 1.031 K€).



	30/06/2020		30/06/2019	
	'000 €	%	'000 €	%
Belgium	2.801	3,4%	4.254	4,1%
Germany	28.572	34,5%	33.727	32,8%
Switzerland	6.444	7,8%	15.747	15,3%
Italy	6.256	7,6%	9.217	9,0%
France	4.306	5,2%	5.093	4,9%
Romania	3.148	3,8%	4.754	4,6%
The Netherlands	2.871	3,5%	4.297	4,2%
United Kingdom	413	0,5%	1.003	1,0%
Other European countries	4.149	5,0%	5.978	5,8%
North America	7.193	8,7%	8.385	8,1%
Asia	16.128	19,5%	8.315	8,1%
Others	451	0,5%	2.180	2,1%
	82.732	100%	102.950	100%

There were two customers in Metals Recycling Division who represents more than 10% of the Group's turnover (together 32,86%).

73% of the turnover of Metals Recycling Segment was realised in Europe whereas 69% of the turnover of Specialty Chemicals was achieved in Europe.

Business divisions

Campine has two operational divisions. The main activities are:

- **Specialty Chemicals** hosts all businesses which serve end-markets with chemical products and derivatives. The manufacturing of antimony trioxide (used as flame-retardant, polymerization catalyst and pigment reagent) and the production of different types of polymer and plastic masterbatches. The Specialty Chemicals Division comprises the BU Antimony and BU Plastics.

Turnover in '000 €	BU Antimony	BU Plastics	Total
30/06/20	22.442	11.786	34.228
30/06/19	28.758	14.896	43.654
Δ	-22%	-21%	-22%

The turnover of the Specialty Chemicals Division represents a volume of 6.709 ton (30/06/19: 7.445 ton) (-10%).

- **Metals Recycling** hosts the businesses in which metals are being recovered from industrial and post-consumer waste streams. The main activity is the manufacturing of lead alloys. To this business is added the growing activity of the recycling of other metals such as antimony and tin. This Division now comprises the BU Lead and BU Metals Recovery

Turnover in '000 €	BU Metals Recovery	BU Lead	Total
30/06/20	4.149	50.004	54.153
30/06/19	4.936	61.628	66.564
Δ	-16%	-19%	-19%

The turnover of the Metals Recycling Division represents a volume of 30.021 ton (30/06/19: 34.177 ton) (-12%).



'000 €	Specialty Chemicals 30/06/20	Metals Recycling 30/06/20	Eliminations / Unallocated 30/06/20	Total 30/06/20
REVENUE				
External sales	34.228	48.505	-	82.733
Cross-business unit sales in the same segment	-	5.648	-5.648	0
Total revenue	34.228	54.153	-5.648	82.733
RESULT				
Segment operating result	1.077	-970	-	107
Investment revenues				-
Hedging results		209		209
Other gains and losses				-
Finance costs			-119	-119
Result before tax				197
Income tax expense				-94
Result for the period				103
OTHER INFORMATION				
Capital additions (incl right-of-use assets)	857	1.961	643	3.461
Depreciation and amortisation (incl right-of-use assets)	449	772	309	1.530
BALANCE SHEET				
Assets				
Fixed assets (incl right-of-use assets)	3.908	8.450	3.076	15.434
Deferred tax	-	-	459	459
Stocks	15.266	10.908	2.402	28.576
Trade and other receivables	7.678	7.530	731	15.939
Derivatives	-	22	-	22
Cash and cash equivalent	-	-	207	207
Total assets	26.852	26.910	6.875	60.637



'000 €	Specialty Chemicals 30/06/19	Metals Recycling 30/06/19	Eliminations / Unallocated 30/06/19	Total 30/06/19
REVENUE				
External sales	43.654	59.296	-	102.950
Cross-business unit sales in the same segment	-	7.268	-7.268	-
Total revenue	43.654	66.564	-7.268	102.950
RESULT				
Segment operating result	10	3.168	-	3.178
Investment revenues				-
Hedging results		337		337
Other gains and losses				-
Finance costs			-185	-185
Result before tax				3.330
Income tax expense			-997	-997
Result for the period				2.333
OTHER INFORMATION				
Capital additions (incl right-of-use assets)	452	1.210	484	2.146
Depreciation and amortisation (incl right-of-use assets)	385	864	281	1.530
BALANCE SHEET				
Assets				
Fixed assets (incl right-of-use assets)	2.852	6.738	1.744	11.334
Deferred tax	-	-	15	15
Stocks	13.732	12.451	2.248	28.431
Trade and other receivables	12.464	12.297	598	25.359
Derivatives	-	14	-	14
Cash and cash equivalent	-	-	213	213
Total assets	29.048	31.500	4.818	65.366



4. Other operating expense and income

'000 €	30/06/20	30/06/19
OTHER OPERATING EXPENSE		
Office expenses & IT	368	327
Fees	804	873
Insurances	169	217
Interim personnel	88	219
Expenses related to personnel	70	49
Carry-off of waste	1.559	1.515
Travel expenses	76	139
Transportation costs	1.013	1.422
Other purchase and sales expenses	260	334
Expenses on operational hedges	143	196
Trade receivables value reduction	-	-
Research and development	28	172
Renting	95	67
Subscriptions	253	234
Advertising - publicity	40	51
Other taxes (unrelated to the result)	73	29
Financial costs (other than interest)	126	206
Others	64	156
	5.229	6.206

The 'carry-off of waste' cost is reduced by the recovery of waste streams and often only a toll conversion fee is charged.

Some of these waste streams are now also sold externally. Consequently the carry-off cost increases while on the other hand these external sales generate additional income.

'000 €	30/06/20	30/06/19
OTHER OPERATING INCOME		
Operating hedge results	162	185
Finance income (other than interest)	-	-
Production Assets - own constructions	197	-
Claims	52	285
Subsidies	94	172
Others	12	24
	517	666

The income from recovery of waste is no longer integrated in 'other operating revenue' but in 'ordinary operating revenue'.

On 30/06/20 the turnover from recovery of waste amounted to 885 K€ (2019: 1.031 K€). Due to this transfer the other operating income the income from recovery of waste reached only 666 K€ on 30/06/19 (in stead of 1.697 K€).



5. Income tax expense

'000 €	30/06/20	30/06/19
Current tax	-460	-875
Deferred taxes	366	-122
Income tax expense for the period	-94	-997

Domestic income tax is calculated at 25% (30/06/19: 29,58%) of the estimated assessable result for the year.

6. Dividend paid during the period

In 2020 a total dividend of 2,625 mio € was distributed related to the financial year 2019 (as well as a tantième related to the financial year 2019 of 0,09 mio €).

7. Property, plant and equipment

'000 €	Land & buildings	Properties under construction	Fixtures & equipment	Total
COST OR VALUATION				
On 31/12/19	14.385	1.045	68.935	84.365
Additions	177	1.639	1.565	3.381
Transfers	-	-522	522	0
Disposals	-	-	-	-
On 30/06/20	14.562	2.162	71.022	87.746
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
On 31/12/19	12.816	-	58.572	71.388
Depreciation charge for the year	110	-	1.340	1.450
Eliminated on disposals	-	-	-	-
On 30/06/20	12.926	-	59.912	72.838
CARRYING AMOUNT				
On 31/12/19	1.569	1.045	10.364	12.978
On 30/06/20	1.636	2.162	11.111	14.909



8. Intangible assets

'000 €	Licences, patents & trademarks
COST	
On 31/12/19	1.926
Additions	-
On 30/06/20	1.926
ACCUMULATED DEPRECIATION AND AMORTISATION	
On 31/12/19	1.756
Charge for the year	20
On 30/06/20	1.776
CARRYING AMOUNT	
On 31/12/19	170
On 30/06/20	150

9. Inventories

'000 €	30/06/20	31/12/19
Raw materials	10.434	7.146
Work-in-progress	4.479	4.662
Finished goods	13.663	14.134
	28.576	25.942

The inventory per 30/06/20 includes a value reduction of 718 K€ (31/12/19: 759 K€) to value inventory at the lower of cost and net realisable value.



10. Trade and other receivables

'000 €	30/06/20	31/12/19
Amounts receivable from the sale of goods	15.208	14.254
Other receivables	731	977
	15.939	15.231

An allowance has been recorded for estimated irrecoverable amounts from the sale of goods of 1.011 K€ (31/12/19: 1.011 K€). This allowance has been determined on a case-by-case basis. The Board of Directors confirms that the carrying amount of trade and other receivables approximates their fair value as those balances are short-term.

The total amount from sales of goods of 15.208 K€ includes 9.170 K€ subject to commercial factoring by a credit institute. Based on these receivables, the credit institute deposits advances on the account of Campine (4.635 K€ per 30/06/20, see note 12. Bank borrowings) and afterwards collects the receivables itself. The credit risk stays at Campine and is covered by a credit insurance.

11. Derivatives

'000 €	Fair value of current instruments	Underlying open positions (tons)	Change in fair value in income statement
On 30/06/19	12	1.425	337
On 31/12/19	291	2.125	382
On 30/06/20	-85	1.400	209

The fair value of current instruments is included in the balance sheet in derivatives assets for an amount of 22 K€ and in derivatives liabilities for 107 K€.

The classification of the fair value of the hedge instruments is level 1 (unadjusted quoted prices in an active market for identical assets or liabilities) in the "fair value hierarchy" of IFRS 13.



12. Bank borrowings (lease obligations included)

'000 €	30/06/20	31/12/19
Bank loans - investment credit	3.375	4.125
Bank loans - tax financing	1.105	-
Bank overdrafts	-	120
Advances on factoring	4.635	-
	9.115	4.245
REPAYABLE BORROWINGS		
Bank loans after more than one year	1.875	2.625
Bank loans within one year	2.605	1.500
Bank overdrafts	-	120
Advances on factoring	4.635	-
	9.115	4.245
AVERAGE INTEREST RATES PAID		
Bank overdrafts	1,76%	2,47%
Advances on factoring	1,33%	1,42%
Bank loans - investment credit	1,50%	1,50%
Bank loans - tax financing	0,50%	0,50%

Campine entered into a financing for the prepayment of taxes over the fiscal year 2019, amounting to 1.700 K€. This tax financing will be fully repaid in 2020. The balance on 30/06/20 reached 1.105 K€.

After 30/06/20 Campine contracted new investment credits for an amount of 4.500 K€. The repayments will be spread over a period of 3 years with the first repayment in March 2021.

Bank loans are arranged at fixed interest rates. Other borrowings (bank overdrafts and advances on factoring for an amount of 4.635 K€ (31/12/19: 120 K€) are arranged at floating rates, thus exposing the Group to an interest rate risk.

Op 30/06/20 the Group had available 14.144 K€ of undrawn committed borrowing facilities (31/12/19: 22.720 K€).

The credit agreements with our bankers contain a number of covenants, based on equity, solvability and stock rotation. On 30/06/20 the Group complied adequately with all covenants:

- the equity (corrected for other assets and deferred taxes) amounted to 32.270 K€ as to a required minimum of 22.000 K€.
- the solvency ratio (54%) complied to the imposed ratio of 30 %.
- Campine complied to the stock rotation ratio.



Roll-forward of right-of-use assets	'000 €
On 31/12/19	355
Additions	80
Depreciation charge for the period	-60
Disposals	
On 30/06/20	375
The related lease liabilities on the balance sheet consist of:	
- Non-current lease liabilities	245
- Current lease liabilities	130

13. Trade and other payables

'000 €	30/06/20	31/12/19
Trade creditors and accruals	12.735	11.765
Other payables and accruals	2.866	3.340
	15.601	15.105

Trade creditors and accruals principally comprises amounts outstanding for trade purchases and ongoing costs. The Board of Directors considers that the carrying amount of trade payables approximates their fair value as those balances are short-term. There are no trade payables older than 60 days (with exception of disputes), hence an age analysis is irrelevant.

14. Financial instruments

The major financial instruments of the Group are financial and trade receivables and payables, investments, cash and cash equivalents as well as derivatives.

Categories in the overview of the financial instruments below correspond with the following financial instruments:

- Financial assets or liabilities (including receivables and loans) held until maturity, at the amortised cost.
- Investments held until maturity, at the amortised cost.
- Assets or liabilities, held at the fair value through the profit and loss account.



Overview of the financial instruments as on 30/06/20:

'000 €	Category	Book value	Fair value	Level
I. Fixed assets				
Financial fixed assets	C			2
Loans and receivables	A			2
II. Current Assets				
Trade and other receivables	A	15.939	15.939	2
Cash and cash equivalents	B	207	207	2
Derivatives	C	22	22	1
Total financial instruments on the assets side of the balance sheet		16.168	16.168	
I. Non-current liabilities				
Interest-bearing liabilities	A	1.875	1.875	2
Other non-current liabilities	A	-	-	2
Obligations under leases	A	245	245	2
Other financial liabilities	C	-	-	2
II. Current liabilities				
Interest-bearing liabilities	A	7.240	7.240	2
Current trade and other debts	A	15.601	15.601	2
Obligations under leases	A	130	130	2
Derivatives	C	107	107	1
Total financial instruments on the liabilities side of the balance sheet		25.198	25.198	



Overview of the financial instruments as on 31/12/19:

'000 €	Category	Book value	Fair value	Level
I. Fixed assets				
Financial fixed assets	C			2
Loans and receivables	A			2
II. Current Assets				
Trade and other receivables	A	15.231	15.231	2
Cash and cash equivalents	B	2.685	2.685	2
Derivatives	C	291	291	1
Total financial instruments on the assets side of the balance sheet		18.207	18.207	
I. Non-current liabilities				
Interest-bearing liabilities	A	2.625	2.625	2
Other non-current liabilities	A	-	-	2
Obligations under leases	A	232	232	2
Other financial liabilities	C	-	-	2
II. Current liabilities				
Interest-bearing liabilities	A	1.620	1.620	2
Current trade and other debts	A	15.105	15.105	2
Obligations under leases	A	123	123	2
Derivatives	C	-	-	1
Total financial instruments on the liabilities side of the balance sheet		19.705	19.705	

The aggregate financial instruments of the Group correspond with levels 1 and 2 in the fair values hierarchy. Fair value valuation is carried out regularly.

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities.
- Level 2: the fair value based on other information, which can, directly or indirectly, be determined for the relevant assets or liabilities.

The valuation techniques regarding the fair value of the level 2 financial instruments are the following:

- The fair value of the other level 2 financial assets and liabilities is almost equal to their book value:
 - either because they have a short-term maturity (like trade receivables and debts),
 - or because they have a variable interest rate.
- For fixed-income payables, the fair value was determined using interest rates that apply to active markets.



15. Provisions

Per 30/06/20 The provisions amounted to 1.090 K€ (31/12/19: 1.090 K€). These mainly relate to the soil sanitation obligation on and around the site of the Group and were determined in compliance with the requirements of OVAM – by an independent study bureau.

16. Related party transactions

All related party transactions are conducted on a business base and in accordance with all legal requirements and the Corporate Governance Charter.

Trading transactions

During the period, group entities entered into the following trading transactions with related parties that are not members of the Campine Group:

- Purchase of lead waste to Hempel Legierungsmetalle GmbH for 621 K€ (30/06/19: 480 K€).

Other transactions

The companies below passed through personnel and IT expenses to the Campine Group:

- Hempel Special Metals Asia: 19 K€ (30/06/19: 36 K€)
- F.W. Hempel Metallurgical: 121 K€ (30/06/19: 158 K€).
- F.W. Hempel & Co Erze und Metalle: 88 K€ (30/06/19: 89 K€).

The Campine Group passed through personnel and IT expenses to:

- F.W. Hempel & Co Erze und Metalle: 8 K€ (30/06/19: 8 K€).

17. Risks and uncertainties

Campine, together with all other companies, is confronted with a number of uncertainties as a consequence of worldwide developments. The management aims to tackle these in a constructive way.

The Covid-19-risks and uncertainties are mentioned in the Headlines – Financial results at the start of this document.

Major risks and uncertainties inherent to the sector

Campine pays particular attention to the company risks related and inherent to the sector:

- Fluctuations of the prices of raw materials and metal. Prices fluctuate as a result of a changing supply and/or demand of raw materials and end products, but also because of pure speculation.
- Fluctuations in availability and cost of the energy.
- Changes in regulations (Flemish, Belgian, European and global) in the field of environment and safety/health including legislation related to sale (REACH) and storage (SEVESO) of chemical products.
- Market risks include: interest risk, foreign exchange rate, price risk and credit risk.



18. Important events after balance sheet date

Between 30/06/20 and the date these interim financial statements were authorised for issue, no important events occurred.

19. Declaration true and fair view

The Board of Directors declares that to their knowledge

- The interim consolidated financial report for the period of 6 months, ending on 30/06/20, gives a true and fair view of the financial position, the financial results of Campine nv, including its consolidated subsidiary ("the Group").
- The interim financial report for the 6 months, ending on 30/06/20, gives a true and fair view of the legal and regulatory required information and corresponds with the condensed interim consolidated financial statements.

20. Approval of interim financial statements

The interim financial statements were approved and authorised for issue by the Board of Directors of 17/09/20.

This information is also available in Dutch. Only the Dutch version is the official version. The English version is a translation of the original Dutch version.

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Report on the review of the consolidated interim financial information of Campine NV for the six-month period ended 30 June 2020 (the original text of this report is in Dutch)

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the condensed consolidated balance sheet as at 30 June 2020, the condensed consolidated income statement, the condensed consolidated overview of the total result for the period, the condensed consolidated statement of changes in equity and the condensed consolidated cash-flow statement for the period of six months then ended, as well as selective notes 1 to 20.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Campine NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The condensed consolidated balance sheet shows total assets of 60,637 (000) EUR and the condensed consolidated income statement shows a consolidated profit (group share) for the period then ended of 103 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim 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 performed in accordance with the International Standards on Auditing (ISA) 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 on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Campine NV has not been prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Antwerp, 18 September 2020

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Luc Van Coppenolle*