HAL Trust

Report on the first half year 2020

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First half year net income of € 89 million (2019: € 192 million). Net asset value decreases by € 998 million.

Net income of HAL Holding N.V. for the first six months of 2020 amounted to € 89 million (€ 1.07 per share) compared to € 192 million (€ 2.30 per share) for the same period last year.
Due to the announced sale on July 31, 2019, of the ownership interest in GrandVision, this subsidiary has been classified as held for sale under IFRS. Accordingly, amortization, impairment and depreciation of non-current assets ceased effective that date. This had a positive effect on net income for the first half year of € 306 million. The comparable result for the first half year therefore amounted to a loss of € 217 million. The decrease in results is mainly due to lower results of GrandVision and Broadview Holding (effect € 239 million on a comparable basis) primarily as a result of the effect of the COVID-19 pandemic on the operations. In addition, impairments were recorded in the unquoted segment (€ 51 million) and the decrease in value of the liquid portfolio had a negative effect of € 70 million on the results compared to last year. In 2019 a capital gain of € 41 million on the sale of Intersafe was realized.

The net asset value based on the market value of the ownership interests in quoted companies and the liquid portfolio and on the book value of the unquoted companies, decreased by € 998 million during the first six months of 2020. This decrease is primarily due to the lower stock market value of GrandVision and Boskalis. After taking into account the purchase of treasury shares (€ 4 million), the net asset value amounted to € 12,692 million (€ 152.25 per share) on June 30, 2020, compared to € 13,694 million (€ 164.20 per share) on December 31, 2019. The net asset value is prior to distribution of the dividend over 2019 paid on July 24, 2020 (€ 5.80 per share of which 50% paid in cash and 50% paid in shares).

During the period from June 30, 2020, through August 21, 2020, the value of the ownership interests in quoted companies and the liquid portfolio decreased by approximately € 365 million (€ 4.38 per share based on the outstanding shares on June 30, 2020).

The information in this report has not been audited nor reviewed by an external auditor.

Quoted minority interests

At the end of June, the stock market value of HAL's interests in quoted minority interests (Koninklijke Vopak N.V., Koninklijke Boskalis Westminster N.V., Safilo Group S.p.A. and SBM Offshore N.V.) amounted to € 4.5 billion compared with € 5.0 billion at the end of 2019. The ownership interest in SBM Offshore increased from 16.8% at the end of 2019 to 20.81% at the end of June 2020.
The income from quoted minority interests amounted to € 28 million (2019: € 59 million). This decrease is primarily the result of lower earnings from Boskalis as a result of extraordinary charges of € 148 million (HAL's share € 65 million).

Optical retail

Revenues for the first half year amounted to € 1,453 million (2019: € 1,995 million) representing a decrease of 27.2%. Excluding the effect of acquisitions and changes in currency exchange rates, revenues decreased by 28.7%. The same-store sales, based on constant exchange rates, decreased by 29.1% during the first half year compared with the same period last year (2019: positive 3.8%). This decrease is due to the impact of COVID-19 as from the second half of March, which resulted in lower store traffic and temporary closure of stores. GrandVision reported operating income (earnings before interest, exceptional and non-recurring items, taxes and amortization of intangible assets but including amortization of software) for the first half year of negative € 24 million (2019: positive € 237 million).
As of June 30, 2020, the stock market value of HAL's 76.72% ownership interest in GrandVision amounted to € 4.9 billion (December 31, 2019: € 5.4 billion).
On July 31, 2019, it was announced that the closing of the acquisition by EssilorLuxottica of HAL's 76.72% interest in GrandVision would occur prior to July 31, 2021. Together with GrandVision and EssilorLuxottica, we are working on fulfilling all relevant requirements under the transaction documentation including obtaining the requisite regulatory approvals.
HAL has been informed of allegations by EssilorLuxottica that GrandVision would have materially breached obligations under the support agreement in relation to GrandVision's actions to mitigate the impact of COVID-19 on its business and of the commencement of summary legal proceedings against GrandVision and HAL to gain access to additional information in respect thereof. The demand of EssilorLuxottica to gain access to additional information was dismissed by the District Court in Rotterdam on August 24, 2020.
On July 30, 2020, HAL initiated arbitration proceedings against EssilorLuxottica in connection with the above envisaged transaction. HAL has commenced the arbitration proceedings to ensure that EssilorLuxottica complies with its obligations in respect of this transaction.

Unquoted companies

Revenues from the unquoted subsidiaries for the first half year amounted to € 1,476 million (2019: € 1,341 million), representing an increase of 10%. This increase is primarily due to the acquisition of Formica by Broadview in June 2019. Excluding the effect of acquisitions and changes in currency exchange rates, revenues from the unquoted companies decreased by 7.2%. Revenues for the second quarter of a number of subsidiaries such as Broadview Holding, Atlas Professionals, Koninklijke Ahrend, Sports Timing Holding and Flight Simulation Company were significantly impacted by the

consequences of the outbreak of COVID-19. On the other hand revenues of Timber and Building Supplies Holland and Coolblue (not consolidated) increased. The operating income of the unquoted companies (income before interest, exceptional and non-recurring items, taxes and amortization of intangible assets but including amortization of software) for the first half year amounted to € 80 million (2019: € 108 million). The decrease is primarily a result of lower earnings from Broadview Holding.
Impairments, primarily on goodwill, were recorded at Atlas Professionals and Sports Timing Holding for a total of € 48 million due to the potential long term effects of COVID-19 on the business operations.
The subsidiaries have taken measures to preserve the health and safety of their employees and customers and the operations of their businesses. Measures have been taken, when appropriate, to reduce operating costs and non-critical capital expenditures as well as to optimize working capital. Although operations and revenues started improving by the end of the second quarter, the evolution of the COVID-19 pandemic and the potential effects on business performance remains unpredictable.

Liquid portfolio and net debt

The corporate liquid portfolio at the end of June, 2020, amounted to € 1,080 million (December 31, 2019: € 1,376 million). As of June 30, 2020, the corporate liquid portfolio consisted for 91% of cash balances and fixed income instruments amounting to € 986 million (December 31, 2019: € 1,224 million) and for 9% of equities for an amount of € 94 million (December 31, 2019: € 152 million). This decrease is primarily due to the increase of the shareholding in SBM Offshore (€ 125 million), a subordinated loan provided to Safilo for acquisitions (€ 90 million) and investments in US real estate (€ 58 million). The corporate liquid portfolio provided a total return of -4.9% during the first half of 2020 compared to 0.8% for the same period last year. The decrease in the value of the equity and bond portfolios resulted in a loss of € 60 million for the first half year.
The consolidated net cash (excluding the net debt of Koninklijke Vopak, Safilo Group and GrandVision) as of June 30, 2020, as per the pro forma interim consolidated balance sheet in the supplemental information (defined as bank debt less cash and cash equivalents and marketable securities) amounted to € 751 million (December 31, 2019: net cash of € 815 million).
The 2019 cash dividend of € 242 million was paid on July 24, 2020.

Acquisitions and divestitures unquoted companies and real estate

On May 4, 2020 Broadview Holding completed the acquisition of Direct Online Services Holdings Ltd. (DOS). DOS is an eCommerce-led, multi-channel retailer of kitchen products based in Gloucestershire (United Kingdom). The company operates a number of brands, including Worktop Express®, the UK's leading online worktop supplier and also has a presence in Germany. DOS employs approximately 270 FTE and reported 2019 sales of € 44.5 million.

On June 3, 2020, HAL reached an agreement to acquire Van Wijnen Holding N.V. ('Van Wijnen'). The company is active in residential construction, utility construction, project development and renovation activities in the Netherlands. Van Wijnen has approximately 1,800 employees and reported 2019 revenues of € 962 million. The transaction was completed on August 20, 2020.

In January 2020, HAL entered into a joint venture agreement to acquire and renovate a 5-story, 13,500 m² office building in downtown Mercer Island, a suburb of Seattle.
In March 2020, HAL entered into a joint venture agreement to complete the development, construction and lease-up of a two-building 5,500 m² office project in Seattle's Fremont neighborhood.

On July 28, 2020 Broadview Holding completed the sale of its 43.3% stake in Molgas Energy Holding S.L. ('Molgas'). The sale resulted in a capital gain of € 27 million.

Risks

In the 2019 annual report, the Company included a description of risks associated with its strategy and its implementation such as, but not limited to: market value risk, interest rate risk, currency risk, credit risk, liquidity risk, concentration risk, acquisition risk, financial reporting risk and other risks. The descriptions of these risks are deemed to be incorporated in this report by reference. We expect that the above risk factors will continue to exist for the second half of 2020. In the Company's view, the nature of these risk factors has not materially changed in the first half of 2020. The uncertainties with respect to the effect of COVID-19 on the operations and profitability of the investee companies, as disclosed in the 2019 annual report, continue to persist. In the 2019 annual report we disclosed that, in view of the relatively low leverage ratio and available unused committed credit facilities, the liquidity risk is low. Barring unforeseen circumstances, we believe this is still the case.
We also refer to the statement on page 47 of this report.

Prospects

Due to the uncertainties with respect to the impact of COVID-19 and the fact that a significant part of the Company's net income is determined by the results of the quoted associates and potential capital gains and losses, we do not express an expectation as to the net income for 2020.

The Executive Board of HAL Holding N.V.

August 27, 2020

Financial calendar

Interim statement	November 24, 2020
Publication of preliminary net asset value	January 28, 2021
Publication of 2020 annual results	March 30, 2021
Shareholders' meeting HAL Trust and interim statement	May 19, 2021

This press release contains inside information relating to HAL Trust within the meaning of Article 7(1) of the EU Market Abuse Regulation and regulated information within the meaning of the Dutch Financial Markets Supervision Act.

Interim Consolidated Statement of Financial Position

As of June 30, 2020, and December 31, 2019

In millions of euro	Notes	**2020**	2019
Non-current assets			
Property, plant and equipment		**5,008.6**	5,008.1
Right-of-use assets	9	**1,016.7**	892.8
Investment properties		**33.4**	34.0
Intangible assets	5	**1,310.2**	1,179.7
Investments in associates and joint arrangements	6	**3,350.3**	2,889.5
Other financial assets	7	**217.4**	760.2
Derivatives		**29.8**	19.5
Pension benefits		**30.7**	40.5
Deferred tax assets		**96.9**	96.6
Total non-current assets		**11,094.0**	10,920.9
Current assets			
Inventories		**659.3**	664.3
Receivables		**695.7**	857.7
Marketable securities and deposits	8	**139.0**	222.6
Other financial assets	7	**16.5**	11.1
Derivatives		**5.5**	29.2
Other current assets		**460.5**	374.4
Cash and cash equivalents		**1,520.5**	1,558.6
Assets held for sale	3	**5,304.0**	5,118.6
Total current assets		**8,801.0**	8,836.5
Total assets		**19,895.0**	19,757.4
Equity			
Equity attributable to owners of parent		**7,805.4**	8,012.3
Non-controlling interest		**2,469.4**	2,536.3
Total equity		**10,274.8**	10,548.6
Non-current liabilities			
Deferred tax liabilities		**363.7**	386.5
Pension benefits		**138.1**	123.5
Derivatives		**12.6**	7.1
Provisions		**92.4**	105.2
Contract liabilities		**13.2**	13.0
Lease liabilities	9	**927.4**	849.5
Debt and other financial liabilities	10	**2,256.0**	2,130.5
Total non-current liabilities		**3,803.4**	3,615.3
Current liabilities			
Provisions		**47.8**	49.9
Contract liabilities		**74.4**	70.1
Accrued expenses		**596.5**	492.5
Income tax payable		**92.7**	57.5
Accounts payable		**779.0**	771.9
Derivatives		**42.5**	39.7
Lease liabilities	9	**142.5**	106.3
Debt and other financial liabilities	10	**634.5**	726.0
Liabilities related to assets held for sale	3	**3,406.9**	3,279.6
Total current liabilities		**5,816.8**	5,593.5
Total equity and liabilities		**19,895.0**	19,757.4

The notes on pages 18 to 46 form an integral part of the condensed interim consolidated financial statements.

Interim Consolidated Statement of Income

For the six months ended June 30

In millions of euro	Notes	**2020**	2019
Revenues	11	**2,373.7**	2,479.5
Income from marketable securities and deposits		**(60.0)**	9.3
Share of results from associates and joint ventures		**71.0**	78.7
Income from other financial assets		**1.9**	12.6
Income from real estate activities		**1.5**	(3.7)
Other income (net)		**41.6**	58.6
Total income		**2,429.7**	2,635.0
Usage of raw materials, consumables and other inventory		**773.3**	732.8
Employee expenses		**674.4**	645.9
Depreciation and impairment of property, plant, equipment and investment properties		**197.1**	214.3
Depreciation and impairment of right-of-use assets	9	**58.3**	54.2
Amortization and impairment of intangible assets	5	**90.7**	64.0
Other operating expenses		**519.2**	574.8
Total expenses		**2,313.0**	2,286.0
Operating profit		**116.7**	349.0
Financial expense		**(97.3)**	(85.3)
Other financial income		**26.0**	17.4
Profit before income tax		**45.4**	281.1
Income tax expense	13	**(19.2)**	(60.4)
Net profit from continuing operations		**26.2**	220.7
Net profit from discontinued operations	3	**203.0**	73.8
Net profit		**229.2**	294.5
Attributable to:			
Owners of parent		**89.3**	191.7
Non-controlling interest		**139.9**	102.8
		229.2	294.5
Average number of Shares outstanding *(in thousands)*		**83,393**	81,768
Earnings per Share for profit attributable to owners of parent during the period *(in euro)*			
- basic and diluted from continuing operations		**(0.65)**	1.69
- basic and diluted from discontinued operations		**1.72**	0.61
- basic and diluted		**1.07**	2.30

The notes on pages 18 to 46 form an integral part of the condensed interim consolidated financial statements.

Interim Consolidated Statement of Comprehensive Income

For the six months ended June 30

In millions of euro	Notes	**2020**	2019
Net profit		**229.2**	294.5
Other comprehensive income (OCI)			
Items that will not be reclassified to statement of income in subsequent periods			
Change in fair value of financial assets through OCI		**(89.6)**	133.5
Actuarial results on pension benefits obligations		**(17.7)**	(29.0)
Income tax on actuarial results		**3.5**	7.9
Associates and joint ventures - share of OCI, net of tax	6	**(0.4)**	-
		(104.2)	112.4
Items that may be reclassified to statement of income in subsequent periods			
Change in fair value of financial assets through OCI		**(3.3)**	3.0
Income tax on change in fair value		**-**	0.4
Effective portion of hedging instruments		**(14.7)**	(11.4)
Income tax related to hedging instruments		**(2.8)**	1.9
Translation of foreign subsidiaries, net of hedges		**(120.8)**	17.2
Other movements		**4.1**	-
Associates and joint ventures - share of OCI, net of tax	6	**(73.3)**	(13.9)
		(210.8)	(2.8)
Other comprehensive income for the half year, net of tax*		**(315.0)**	109.6
Total comprehensive income for the half year, net of tax		**(85.8)**	404.1
Total comprehensive income for the half year, attributable to:			
- Owners of parent		**(156.2)**	310.9
- Non-controlling interest		**70.4**	93.2
		(85.8)	404.1

* Of which € (245.6) million attributable to owners of parent (2019: € 119.2 million).

The notes on pages 18 to 46 form an integral part of the condensed interim consolidated financial statements.

	Attributable to owners of parent					
In millions of euro	Share capital	Retained earnings	Other reserves	Total	Non-controlling interest	**Total equity**
Balance on Dec. 31, 2018	1.6	7,469.8	40.8	7,512.2	2,397.8	**9,910.0**
Changes in accounting policy (IFRS 16)	-	(91.1)	-	(91.1)	(68.3)	**(159.4)**
Balance on January 1, 2019	1.6	7,378.7	40.8	7,421.1	2,329.5	**9,750.6**
Net profit for the half year	-	191.7	-	191.7	102.8	**294.5**
Other comprehensive income for the half year	-	(13.6)	132.8	119.2	(9.6)	**109.6**
Total comprehensive income for the half year	-	178.1	132.8	310.9	93.2	**404.1**
Dividend paid	0.1	(216.5)	-	(216.4)	(125.4)	**(341.8)**
Transactions with non-controlling interest	-	7.9	-	7.9	(47.0)	**(39.1)**
Share-based payment plans	-	(0.9)	-	(0.9)	(1.0)	**(1.9)**
Treasury shares	-	2.6	-	2.6	-	**2.6**
Other	-	(1.2)	-	(1.2)	0.2	**(1.0)**
Transactions with the owners of parent recognized directly in equity	0.1	(208.1)	-	(208.0)	(173.2)	**(381.2)**
Balance on June 30, 2019	1.7	7,348.7	173.6	7,524.0	2,249.5	**9,773.5**
Balance on January 1, 2020	1.7	7,836.8	173.8	8,012.3	2,536.3	**10,548.6**
Net profit for the half year	-	89.3	-	89.3	139.9	**229.2**
Other comprehensive income for the half year	-	(9.4)	(236.1)	(245.5)	(69.5)	**(315.0)**
Total comprehensive income for the half year	-	79.9	(236.1)	(156.2)	70.4	**(85.8)**
Acquisitions and disposals	-	-	-	-	41.5	**41.5**
Dividend paid and shares bought back	-	-	-	-	(126.1)	**(126.1)**
Transactions with non-controlling interest*	-	(51.0)	-	(51.0)	(51.8)	**(102.8)**
Reclassification**	-	113.2	(113.2)	-	-	**-**
Share-based payment plans	-	4.4	-	4.4	(0.6)	**3.8**
Treasury shares	-	(4.0)	-	(4.0)	-	**(4.0)**
Other	-	(0.1)	-	(0.1)	(0.3)	**(0.4)**
Transactions with the owners of parent recognized directly in equity	-	62.5	(113.2)	(50.7)	(137.3)	**(188.0)**
Balance on June 30, 2020	1.7	7,979.2	(175.5)	7,805.4	2,469.4	**10,274.8**

* Transactions with non-controlling interests include € (51.8) million related to options entered into by Safilo with the minority shareholders in Blenders and Privé Revaux (refer to note 4)

** Reclassification resulting from the reclassification of SBM Offshore from other financial assets to investments in associates and joint arrangements (refer to note 6)

The notes on pages 18 to 46 form an integral part of the condensed interim consolidated financial statements.

Interim Consolidated Statement of Cash Flows

For the six months ended June 30

In millions of euro	Notes	**2020**	2019
Cash flows from operating activities			
Profit before taxes from continuing operations		**45.4**	281.1
Profit before taxes from discontinued operations		**186.1**	132.4
Dividend from associates and joint ventures	6	**92.6**	70.8
Changes in working capital		**266.9**	(50.0)
Adjustments for non-cash items		**468.9**	605.9
Cash generated from operating activities		**1,059.9**	1,040.2
Other financial income received		**5.8**	8.8
Finance cost paid, including effect of hedging		**(83.6)**	(92.7)
Income taxes paid		**(33.7)**	(132.8)
Net cash from operating activities		**948.4**	823.5
Cash flows from investing activities			
Acquisition of associates, joint arrangements and subsidiaries, net of cash acquired	4	**(277.8)**	(949.0)
Proceeds from divestiture of associates, joint arrangements and subsidiaries		**242.9**	71.3
Proceeds from sale of/(acquisition of) other intangibles		**(41.7)**	(46.9)
Purchase of property, plant, equipment and investment properties		**(387.0)**	(414.8)
Proceeds from sale of property, plant, equipment and investment properties		**31.5**	5.5
Proceeds from/(acquisition of) other financial assets	7	**(158.8)**	(38.6)
Acquisition of marketable securities and deposits		**(6.0)**	(47.8)
Proceeds from marketable securities and deposits		**27.4**	90.0
Settlement of derivatives (net investments hedges)		**31.2**	12.8
Net cash from/(used in) investing activities		**(538.3)**	(1,317.5)
Cash flows from financing activities			
Proceeds from debt and other financial liabilities		**1,087.5**	722.6
Repayment of debt and other financial liabilities		**(523.7)**	(461.1)
Payments on lease liabilities		**(236.7)**	(234.3)
Net proceeds from/(repayments of) short-term financing		**(461.0)**	242.0
Other non-controlling interest transactions (including dividend paid)		**(131.5)**	(160.1)
Movement in treasury shares		**(4.0)**	2.6
Dividend paid		**-**	(216.4)
Net cash from/(used in) financing activities		**(269.4)**	(104.7)
Increase/(decrease) in cash and cash equivalents		**140.7**	(598.7)
Cash and cash equivalents at beginning of year		**1,558.6**	2,276.5
Cash and cash equivalents included in assets held for sale at beginning of year		**162.9**	-
Effect of exchange rate changes and reclassifications		**0.8**	(1.7)
Cash and cash equivalents retranslated at beginning of year		**1,722.3**	2,274.8
Net increase/(decrease) in cash and cash equivalents		**140.7**	(598.7)
Cash and cash equivalents at end of period		**1,863.0**	1,676.1
Cash and cash equivalents included in assets held for sale		**342.5**	-
Cash as included on the consolidated statement of financial position		**1,520.5**	1,676.1

The notes on pages 18 to 46 form an integral part of the condensed interim consolidated financial statements.

Basis of preparation

The condensed interim consolidated financial statements presented are those of HAL Trust (the 'Trust'), a Bermuda trust formed in 1977, and its subsidiaries as well as the interests in associates and joint arrangements. HAL Trust shares are listed and traded on Euronext in Amsterdam. For the periods presented, the Trust's only asset was all outstanding shares of HAL Holding N.V. (the 'Company'), a Curaçao corporation. Accordingly, the condensed interim consolidated financial statements of the Trust are identical to those of the Company.

The condensed interim consolidated financial statements of the Company were authorized for issue on August 27, 2020, and have been prepared in accordance with IAS 34, *Interim Financial Reporting.* The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2019. Certain amounts in prior periods have been reclassified to conform to the current year presentation. These reclassifications did not have any effect on net income, shareholders' equity or earnings per Share.

The condensed interim consolidated financial statements do not include all the information and disclosures as required in the annual financial statements and should therefore be read in conjunction with the annual financial statements for the year ended December 31, 2019, as published on March 26, 2020, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The condensed interim consolidated financial statements have not been audited nor reviewed by an external auditor.

The Company's strategy is focused on acquiring and holding significant shareholdings in companies, with the objective of increasing long-term shareholders' value. When selecting investment candidates, the Company emphasizes, in addition to investment and return criteria, the potential of playing an active role as a shareholder and/or board member. Given the emphasis on the longer term, the Company does not have a pre-determined investment horizon. HAL also has real estate investment activities, concentrated in the greater Seattle metropolitan area, with an emphasis on the development and rental of multi-family properties and office buildings.

Due to the nature of the Company's activities, investments and disposals can have a significant impact on net income and equity. Accordingly, the results for the first six months may not be representative of the results for 2020 as a whole.

Use of estimates and judgements

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported assets and liabilities and the disclosure on contingent assets and liabilities at the date of the condensed interim consolidated financial statements as well as the reported amounts of revenues and expenses during the reporting period. In preparing these condensed consolidated interim financial statements, the significant estimates and judgments made by management in applying the accounting policies and the key sources of estimation were the same as those applied in the consolidated financial statements as of December 31, 2019, except for those related to the adoption of new standards as noted below. Actual results ultimately may differ from those estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. Accordingly, it is reasonably possible that outcomes within the next financial period, that are different from the assumptions applied, could have an impact on the carrying amount of the asset or liability affected. Accounting policies that are critical to the condensed interim consolidated financial statements presentation and that require complex estimates or significant judgment are described below.

Deemed control over quoted minority interests

This is described in the consolidation section, below.

Useful life and residual value of property, plant and equipment

Property, plant and equipment of Vopak represent a substantial part of the total assets of the Company and the related depreciation forms a substantial part of the annual operating expenses. The useful life and residual value of these assets, determined by the Board of Vopak based on its estimations and assumptions, have a major impact on the measurement of property, plant and equipment.

Allowance for inventory obsolescence
Finished goods are regularly subjected to specific assessment tests to identify damaged, slow moving or obsolete inventory, taking into consideration past experience, historic results and the probability of sale under normal market conditions. Based on these analyses, management asserts judgement to determine the write-downs required to reduce the value of the inventory to its net realizable value.

Recognition of carry-forward losses and tax provisions
Deferred tax assets, including those arising from carry-forward losses, are recognized if it is likely that taxable profits will be available against which losses can be set off. Management exercises judgment to establish the extent to which expected future profits substantiate the recognition of a deferred tax asset.
Significant judgement is required in determining the worldwide provision for income tax, as subsidiaries are subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. Provisions for anticipated tax audit issues are recognized based on management's estimates of whether additional taxes will be due.

Assumptions pension benefits
The defined benefit obligation is determined on the basis of assumptions for future developments in variables such as salary increase, price index increase, life expectancy and discount rate. All assumptions are assessed at the reporting date. Changes in the assumptions may significantly affect the liabilities and pension costs under the defined benefit plans.

Estimated impairment of non-current assets
The recoverable amounts in impairment testing are determined based on the value in use and fair value less costs of disposal of the asset or cash-generating unit. The calculation of these values require the use of estimates.
Calculation of the value in use requires management to apply judgements around future cash flows, discount rates and growth rates. In calculating fair value less cost of disposal the selection of relevant market multiples is the primary judgement made by management. Where preliminary or indicative non-binding offers are used as inputs, management needs to assess that these offers are a good reflection of fair value. A change in one of these assumptions could potentially lead to a future impairment.
The primary impairment tests for the Company relate to annual goodwill impairment testing. These tests are carried out in the fourth quarter, unless there is reason to do so earlier. The economic downturn related to the COVID-19 pandemic has been considered as a potential triggering event for cash-generating units and individual assets in the Group. Additionally, the significant decline in oil prices, driven by multiple factors, was also considered as a potential trigger for impairment. As a result, impairment testing was performed on certain cash-generating units and individual assets, as described in note 12. Property, plant and equipment (i.e. terminals) as well as joint ventures are reviewed and, when required, tested. This primarily occurs at the level of Vopak whereby judgement is exercised by Vopak's management.

Assets held for sale and related liabilities
Based on the facts and circumstances at the reporting date, management needs to assess if the value of the assets will be recovered principally through a divestment transaction rather than through continuing use. These facts and circumstances may change and could result in a situation where assets are divested, which were not classified as held for sale at period-end. It could also result in a situation where assets classified as held for sale are ultimately not sold. Such a situation will have accounting consequences as amortization, impairment and depreciation of non-current assets will have to be adjusted retroactively. When classifying non-current assets as held for sale, management makes estimates of their value (sales price and expected costs of disposal). Depending on the nature of the non-current assets, the estimated fair value may be associated with uncertainty and possibly adjusted subsequently. Measurement of the fair value of non-current assets is categorized as level 3 in the fair value hierarchy as measurement is not based on observable market data.

Lease term
The lease term comprises of the non-cancellable period agreed in the lease contract and the periods covered by renewal or termination options that are reasonably certain to be exercised. Significant renewal and termination options primarily relate to the lease of real estate. Renewal and termination options are assessed at the lease commencement date and subsequently, if there is a change in circumstances within control of the Company. When assessing renewal and termination options, considerations include the quality and performance of the leased asset and the extent of leasehold improvements undertaken, potential relocation and termination expense including penalties and potential favorable extension terms.

Discount rate applied to lease contracts
In absence of interest rates implicit in the lease contracts, the Company applies the incremental borrowing rate (IBR) as the discount rate to determine the lease liabilities. The IBR is an approximation of the rate that a lessee would pay to attract the required funding to purchase the asset over a similar term, with similar security and in a similar economic

environment. The IBR is determined as the sum of a reference rate, a credit risk premium and a country risk premium. The calculation of the IBR takes into account the currency of the lease contract, the lease term, the type of leased asset, the country and the credit quality of the lessee. A single IBR may be applied to a portfolio of leases within a country, which are similar in nature and lease term.

Implications of COVID-19

The global spread of COVID-19 has had a significant impact on certain subsidiaries and affiliates. The subsidiaries have taken measures to preserve the health and safety of their employees and customers and the operation of their businesses. Measures have been taken, where appropriate, to reduce operating costs and non-critical capital expenditures as well as optimize working capital. Although operations and revenues started improving by the end of the second quarter, the evolution of the COVID-19 pandemic and the potential effects on business performance remains unpredictable.

Government grants

In the first half year of 2020 GrandVision recognized € 49.7 million in government grants for which it was reasonably certain that it would comply with the respective conditions. These conditions included, amongst others, the condition that employee staff contracts should not be terminated as a result of lower profitability due to the COVID-19 pandemic. The other subsidiaries recognized € 13.1 million in the same period, taking into account similar conditions, mainly as an offset to employee expenses.

Optical retail

GrandVision N.V. is classified as held for sale in accordance with IFRS 5. Reference is made to note 3. In compliance with governmental measures and health authority recommendations around the world, many of GrandVision's stores were fully closed or only partially open. GrandVision faced a negative revenue impact of 27% compared to the first half of 2019. By the end of June, the majority of the stores returned to full operation. GrandVision has secured additional funding from its bankers and currently does not believe that the impact of the COVID-19 pandemic will have a material adverse effect on its financial condition or liquidity.

Consolidated minority interests

Safilo's second-quarter and first half-year results were significantly affected by the severe disruption of sales activities in April and May (approximately -70% compared to the prior year two months), resulting in a significant operating deleverage and negative economic performance. In June, sales improved. Safilo defaulted on its debt covenants as of June 30, 2020. Accordingly, the outstanding amount of € 145 million has been classified as a current financial liability as at June 30, 2020. Safilo is in the final stages of negotiations with its key relationship banks for an additional term loan under the framework of the Italian Liquidity Decree (state guaranteed loans) and a new set of covenants, which would provide also for the cancellation of the covenant test relating to the debt as of June 30, 2020.

Vopak has observed a limited impact of COVID-19 on its operations and expects to manage its performance in line with its original business plan and unchanged strategy.

Other unquoted

Revenues for the second quarter of a number of subsidiaries such as Broadview Holding, Atlas Professionals, Koninklijke Ahrend, Sports Timing Holding and Flight Simulation Company were significantly impacted by the consequences of the outbreak of COVID-19. Impairments, primarily on goodwill, were recorded at Atlas Professionals and Sports Timing Holding for a total of € 48 million, due to the expected long-term effect of the consequences of COVID-19 on the business operations. Scenario analyses were prepared for each subsidiary to assess the effect of COVID-19 on liquidity and bank covenants. The conclusion was that, barring uneforeseen circumstances, the liquidity risk was limited also due to the availability, when required, of liquidity at the HAL parent level. As of June 30, 2020, one subsidiary defaulted on the covenants in its lease financing for an amount of € 39 million

Real Estate

So far, the real estate operations in the United States and the Netherlands were confronted with only a limited number of delinquent lessees. In Seattle, at the end of July, 5% of the lessees of apartment units had a delay in payment. In the Netherlands unpaid rent and delayed rent payments are not significant.

Quoted minority interests

The stock exchange value of Koninklijke Boskalis Westminster N.V. is 10.0% (€ 115.3 million) below the carrying value as at June 30, 2020 , whereas at December 31, 2019 the stock exchange value was 12% above the carrying value. We will continue to monitor the situation to consider if there is a prolonged decline in value that could be considered a trigger for impairment testing.

Recent accounting developments

New and amended standards and interpretations adopted
In May 2020, the International Accounting Standards Board (IASB) issued *COVID-19-Related Rent Concessions*, which amended IFRS 16, *Leases*. The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. Accordingly, these concessions will be recorded as a reduction of the lease liability through the current income statement and not amortized over the term of the lease. As permitted by the IASB, the Company has applied the amendment retrospectively to the full period covered by these half-year financial statements in view of the significant amount of rent reductions included, mainly in result from discontinued operations (refer to note 3).

In October 2018, the International Accounting Standards Board issued *Definition of a Business*, amendments to IFRS 3, *Business combinations*. The amendments narrowed and clarified the definition of a business. They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amendment became effective as of January 1, 2020, and did not have a significant impact on the condensed interim consolidated financial statements of the Company.

Amendments to References to the Conceptual Framework in IFRS were issued in 2018 and are effective for accounting periods beginning on or after January 1, 2020. The amendments were issued to align various standards to reflect the issue of the revised Conceptual Framework for Financial Reporting. In addition, the amendments clarify that the definitions of asset and liability applied in certain standards have not been revised, with the new definitions included in the new conceptual framework. These amendments did not have a significant impact on the condensed interim consolidated financial statements of the Company.

The amendments to IAS 1, *Presentation of Financial Statements*, and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, to align the definition of materiality throughout IFRS standards were issued in 2018 and are effective for accounting periods beginning on or after January 1, 2020. These amendments did not have significant impact on the condensed interim consolidated financial statements of the Company.

The amendments to IFRS 9 and IFRS 7 - Interest Rate Benchmark Reform were issued in 2019 and are effective for accounting periods beginning on or after January 1, 2020. Many interest rate benchmarks such as LIBOR (the London Inter-Bank Offered Rate) are in the process of being replaced. There will be financial reporting implications to this reform, with some effects arising even before a particular interest rate benchmark has been replaced (pre-replacement issues). The amendments provides relief from certain hedge accounting requirements in order to avoid unnecessary discontinuation of existing hedge relationships during the period of uncertainty over interest rate benchmark reform. These amendments did not have a significant impact on the condensed interim consolidated financial statements of the Company.

No other new or amended standards and interpretations had significant impact on the Company's condensed interim consolidated financial statements.

New standards, amendments and interpretations issued but not yet effective
There are no new standards, amendments to existing standards or new IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company.

Supplemental information

As a result of the 2014 implementation of IFRS 10, *Consolidated Financial Statements*, the Company consolidates the financial information of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo'). Supplemental information has been included on pages 39 through 46 whereby Vopak and Safilo are accounted for on an unconsolidated basis using the equity method as applied in the years until 2014. The inclusion of this information is considered appropriate and useful as the control model of the Company with respect to Vopak and Safilo is materially different than the model with respect to the other consolidated entities, where the Company's ownership interest exceeds 50%, and the effect of the inclusion of Vopak and Safilo in the consolidation has a significant effect on the financial statements. This information also preserves comparability with consolidated financial statements prior to 2014.

Consolidation

Critical accounting estimates and judgements

In the preparation of these financial statements, management has applied significant judgement to assess if the Company is deemed to have (de facto) control over entities where the Company's ownership interest does not exceed 50%. Although the Company's ownership interest in Vopak and Safilo is below 50%, IFRS requires these entities to be consolidated in these financial statements as the company is deemed to have control, as defined in IFRS 10 and more specifically in example 4 of the application guidance in appendix B of this standard, over these two entities. Vopak and Safilo are both publicly traded companies. Whereas HAL has board representation and, accordingly, may be considered to have significant influence over these entities, in the past neither operational nor strategic control was exercised. Moreover, Vopak and Safilo are, for example, not part of the Company's management reporting system which monitors the performance of the consolidated companies on a monthly basis. In addition, in view of its minority interest, the Company has no formal instruction rights with respect to Vopak and Safilo. The Company has set up a process to obtain information from Vopak and Safilo in order to prepare consolidated financial statements in accordance with IFRS. The Company does not, however, have access to the financial books and records, contracts and related information of Vopak and Safilo in order to independently verify that these are complete, valid and accurate.

Management performed an assessment with respect to the other minority-owned entities and asserted that (de facto) control was not deemed present for these entities.

1. Segmentation

The Company's reportable segments are defined as follows:

- Optical retail
- Unquoted
- Quoted minority interests
- Real estate
- Liquid portfolio

Operating income (for the purpose of this report defined as earnings before interest, exceptional and non-recurring items of the optical retail and other unquoted companies, taxes and amortization of intangible assets but including amortization of software) can be detailed as follows:

	2020	2019
Optical retail	**232.6**	236.5
Unquoted	**80.2**	108.0
Quoted minority interests	**209.2**	274.5
Real estate	**(0.3)**	(3.9)
Liquid portfolio	**(60.0)**	9.3
Total operating income	**461.7**	624.4
Reconciling items:		
- Discontinued operations (optical retail)	**(232.6)**	(236.5)
- Amortization and impairment of intangibles	**(90.7)**	(64.0)
- Other	**(21.7)**	25.1
Operating result as per the consolidated statement of income	**116.7**	349.0
Financial expense, net	**(71.3)**	(67.9)
Profit before tax as per the consolidated statement of income	**45.4**	281.1

The "other" reconciling items represent mostly corporate overhead and exceptional and non-recurring items (excluding those of Vopak, Safilo, Boskalis and SBM Offshore).

The composition of revenues by segment is as follows:

	2020	2019
Unquoted	**1,476.1**	1,340.9
Quoted minority interests	**897.6**	1,138.6
Total continuing operations	**2,373.7**	2,479.5
Discontinued operations (optical retail)	**1,452.5**	1,995.2
	3,826.2	4,474.7

2. Exceptional items

The summary of exceptional items is as follows:

	Notes	2020	2019
Impairment of goodwill and other intangibles unquoted segment	12	**(48.6)**	-
Gain on assets sold Royal Vopak N.V.		**33.0**	-
Restructuring*		**(11.4)**	(0.5)
Impairment related to Safilo Group S.p.A.		**-**	(65.2)
Gain on sale of Intersafe		**-**	41.0
Exceptional items Royal Boskalis Westminster N.V.	6	**(64.5)**	17.2
Gain on assets held for sale Royal Vopak N.V.		**-**	16.4
Other		**(12.9)**	(10.8)
Effect on operating profit		**(104.4)**	(1.9)
Impairment deferred taxes related to Safilo Group S.p.A.		**-**	(27.1)
Income tax		**1.8**	23.6
Effect on net profit from continuing operations		**(102.6)**	(5.4)
Exceptional items related to discontinued operations	3	**(10.2)**	(58.6)
Effect on net profit		**(112.8)**	(64.0)

* Restructuring expenses mainly relate to Safilo

Vopak - Yangpu terminal
In Q2 2020, Vopak recognized a € 33.0 million exceptional gain for the remaining consideration relating to the December 2019 divestment of its 49% equity share in the joint venture Vopak SDIC Yangpu Terminal in Hainan, China. This gain is included in other income.

The other exceptional items are disclosed separately in the notes when relevant in order to increase transparency.

3. Discontinued operations and assets and liabilities held for sale

On July 30, 2019, an agreement was signed, subject to certain terms and conditions, to sell the 76.72% ownership interest in the issued share capital of GrandVision N.V. to EssilorLuxottica. As of that date, the assets and liabilities of GrandVision are classified as held for sale and recognition of depreciation, amortization and impairment of non-current assets of GrandVision in the books of the Company has been discontinued. The effect of this classification is set out in this note. The net results related to GrandVision in both the current and prior period are presented in the statement of income as profit from discontinued operations as GrandVision represents a separate major line of business (it represents the entire optical retail segment). Detailed financial information relating to GrandVision is set out in this note.

In addition to GrandVision, at the reporting date the Company held € 8.6 million in property, plant and equipment and € 17.8 million in investments in associates classified as held for sale. The divestment of the associate was completed on July 28, 2020 (refer to note 17).

The composition of total assets held for sale and related liabilities is as follows.

	June 30, 2020	Dec. 31, 2019
Property, plant and equipment	**612.0**	722.7
Right-of-use assets	**1,694.6**	1,614.8
Intangible assets	**1,786.0**	1,792.4
Investments in associates and joint arrangements	**18.6**	1.0
Other non-current assets	**159.2**	146.1
Current assets	**1,033.6**	841.6
Total assets held for sale	**5,304.0**	5,118.6
Non-current liabilities	**2,032.4**	1,675.0
Current liabilities	**1,374.5**	1,604.6
Total liabilities related to assets held for sale	**3,406.9**	3,279.6
Total net assets held for sale	**1,897.1**	1,839.0

Vopak’s Algeciras terminal , which was held for sale as at December 31, 2019, (assets € 143.9 million, liabilities € 18.0 million) was divested in January 2020.

The results of GrandVision for the first half year included € (138.9) million in exceptional items that were not recognized in these financial statements due to application of IFRS 5. These exceptional items of GrandVision related mainly to impairments of goodwill on the activities of GrandVision in the United States (€ 39.3 million), Italy (€ 17.4 million), Colombia (€ 8.9 million) and Peru (€ 9.2 million). Also included were impairments of right-of-use lease assets (€ 20.9 million), impairments of property, plant and equipment (€ 8.6 million) and impairments of customer databases (€ 30.1 million) and other intangible assets (€ 4.5 million).

For informational purposes, the half year pro forma condensed interim consolidated income statement of the Company, would GrandVision not have been classified as a discontinued operation, is presented below.

In millions of euro	**2020**	Presentation*	Result impact**	2020 (adjusted)	2019 (adjusted)***
Revenues	**2,373.7**	1,452.5	-	3,826.2	4,474.7
Income from marketable securities and deposits	**(60.0)**	-	-	(60.0)	9.3
Share of results from associates and joint ventures	**71.0**	(0.8)	-	70.2	78.4
Income from other financial assets	**1.9**	-	-	1.9	12.6
Income from real estate activities	**1.5**	-	-	1.5	(3.7)
Other income	**41.6**	-	-	41.6	58.6
Total income	**2,429.7**	1,451.7	-	3,881.4	4,629.9
Usage of raw materials, consumables and other inventory	**(773.3)**	(396.0)	-	(1,169.3)	(1,240.2)
Employee expenses	**(674.4)**	(588.4)	-	(1,262.8)	(1,329.8)
Depreciation and impairment of property, plant, equipment and investment properties	**(197.1)**	-	(70.5)	(267.6)	(277.4)
Depreciation and impairment of right-of-use assets	**(58.3)**	-	(199.2)	(257.5)	(226.0)
Amortization and impairment of intangible assets	**(90.7)**	-	(145.1)	(235.8)	(149.4)
Other operating expenses	**(519.2)**	(249.1)	-	(768.3)	(900.0)
Total expenses	**(2,313.0)**	(1,233.5)	(414.8)	(3,961.3)	(4,122.8)
Operating profit	**116.7**	218.2	(414.8)	(79.9)	507.1
Financial expense	**(97.3)**	(33.1)	-	(130.4)	(113.3)
Other financial income	**26.0**	1.0	-	27.0	19.8
Profit before income tax	**45.4**	186.1	(414.8)	(183.3)	413.6
Income tax expense	**(19.2)**	16.9	-	(2.3)	(119.1)
Net profit from continuing operations	**26.2**	203.0	(414.8)	(185.6)	294.5
Net profit from discontinued operations	**203.0**	(203.0)	-	-	-
Total net profit	**229.2**	-	(414.8)	(185.6)	294.5
Net profit attributable to owners of parent	**89.3**	-	(306.0)	(216.7)	191.7
Net profit attributable to non-controlling interest	**139.9**	-	(108.8)	31.1	102.8
Total net profit	**229.2**	-	(414.8)	(185.6)	294.5
Comprehensive income attributable to owners of parent	**(156.2)**	-	(306.0)	(462.2)	310.9
Comprehensive income attributable to non-controlling interest	**70.4**	-	(108.8)	(38.4)	93.2
Total comprehensive income	**(85.8)**	-	(414.8)	(500.6)	404.1

* Reversal of the net presentation of the results of GrandVision (as required by IFRS 5)

** Reversal of the discontinuance of recognition of depreciation, amortization and impairments on non-current assets of GrandVision (as required by IFRS 5)

*** Presentation in line with the 2019 HAL half-year report

Details of the financial performance of GrandVision, standalone, for the half years presented are provided below. This is the financial information as reported by this company, including purchase price accounting adjustments made by the Company, intercompany eliminations and corporate goodwill.

	2020	IFRS 5 impact*	2020 (adjusted)	2019
Revenues	**1,452.5**	-	1,452.5	1,995.2
Depreciation, amortization and impairment	**-**	(414.8)	(414.8)	(320.3)
Other expenses	**(1,266.3)**	-	(1,266.3)	(1,542.5)
Profit before income tax	**186.2**	(414.8)	(228.6)	132.4
Income tax expense	**16.9**	-	16.9	(58.6)
Profit after income tax from discontinued operation	**203.1**	(414.8)	(211.7)	73.8
Other comprehensive income	**(35.4)**	-	(35.4)	(12.0)
Total comprehensive income (CI)	**167.7**	(414.8)	(247.1)	61.8
Net profit attributable to owners of parent	**143.1**	(306.0)	(162.9)	50.5
Net profit attributable to non-controlling interest	**60.0**	(108.8)	(48.8)	23.3
CI attributable to owners of parent	**117.9**	(306.0)	(188.1)	42.3
CI attributable to non-controlling interest	**49.8**	(108.8)	(59.0)	19.5

* From July 30, 2019, onwards no amortization, depreciation or impairment was recognized on the non-current assets of GrandVision

The cash flows presented in the consolidated statement of cash flows include the half-year cash flows of GrandVision. The cash flows from GrandVision can be specified as follows:

	2020	2019
Cash inflow from operating activities	**190.0**	147.8
Net cash (outflow) from investing activities	**(56.4)**	(68.8)
Net cash inflow/ (outflow) from financing activities	**46.1**	(50.8)
Exchange gains/ (losses) on cash and cash equivalents	**(0.1)**	(1.0)
Net increase/ (decrease) in cash generated by the discontinued operation	**179.6**	27.2
Dividend paid by GrandVision to GrandVision's non-controlling interest	**2.3**	13.1

The following assets and liabilities were classified as a disposal group, held for sale, in relation to GrandVision.

	June 30, 2020	Dec. 31, 2019
Non-current assets		
Property, plant and equipment	**603.5**	587.6
Right of use assets	**1,694.6**	1,601.8
Investments in associates and joint arrangements	**0.8**	1.0
Intangible assets	**1,786.0**	1,786.5
Deferred tax assets	**76.5**	62.1
Other non-current assets	**82.7**	83.5
Total non-current assets	**4,244.1**	4,122.5
Current assets		
Inventories	**365.3**	338.5
Receivables	**149.2**	149.2
Other financial assets	**3.0**	1.6
Other current assets	**173.6**	184.8
Cash and cash equivalents	**342.5**	162.9
Total current assets	**1,033.6**	837.0
Total assets	**5,277.7**	4,959.5
Non-current liabilities		
Deferred tax liabilities	**32.3**	43.2
Pension benefits	**133.6**	136.1
Provisions	**20.3**	18.2
Non-current lease liabilities	**952.1**	1,037.3
Long-term debt and other financial liabilities	**885.3**	416.1
Other non-current liabilities	**8.9**	8.0
Total non-current liabilities	**2,032.5**	1,658.9
Current liabilities		
Provisions	**30.3**	24.0
Accrued expenses	**482.2**	435.1
Income tax payable	**34.7**	40.0
Accounts payable	**187.8**	205.0
Current lease liabilities	**404.7**	373.3
Short term debt and other financial liabilities	**231.9**	519.2
Other current liabilities	**3.6**	6.1
Total current liabilities	**1,375.2**	1,602.7
Total liabilities	**3,407.7**	3,261.6
Net assets held for sale for GrandVision	**1,870.0**	1,697.9

4. Acquisitions

Direct Online Services
On May 4, 2020, Broadview Holding B.V. (97.4% HAL) completed the acquisition of Direct Online Services Holdings Ltd. (DOS). DOS is an eCommerce-led multi-channel retailer of kitchen products based in Gloucestershire (United Kingdom). The company operates a number of brands, including Worktop Express®, the UK's leading online worktop supplier and also has a presence in Germany. Founded in 2008, DOS employs approximately 270 FTE and reported 2019 sales of € 44.5 million. The allocation of the purchase price is provisional, only subject to final review procedures. Based on the procedures performed, management identified the following intangible assets to be recognized: brand names, customer relationships and the assembled workforce (subsumed in goodwill). The purchase price allocation will be completed before the year-end closing.

Safilo - Blenders
On June 1, 2020, Safilo Group S.p.A. (49.8% HAL) announced the acquisition of a 70.0% equity interest in the Californian eyewear company Blenders Eyewear, LLC ('Blenders'). Founded in 2012, Blenders built an advanced e-commerce platform with unique digital and social media skills, achieving fast and profitable growth. The brand has fueled its rapid growth through highly effective social marketing strategies, partnering with influencers, athletes, lifestyle enthusiasts, and product collaborations which have driven sales and brand awareness. The company generates approximately 95% of its current business through its proprietary direct-to-consumer e-commerce platform. In 2019, the company recorded net sales of USD 40.7 million with a 3-year cumulative average growth rate of 174%. The purchase price allocation procedures identified the trademark, distribution relationships, technology and a non-compete agreement to be recognized. Deferred tax liabilities were not recognized in relation to these assets, since their values have been recognized for tax purposes in the jurisdiction in which the acquisition was made. The purchase price allocation is provisional, with only minor details under discussion. The Company has recognized the non-controlling interest in Privé Revaux at the proportionate share of the acquired net identifiable assets.
Reciprocal put and call options were concluded with respect to the non-controlling interest, which can be exercised in 2023, 2024 and 2025 at a fixed multiple of EBITDA. Each option relates to one-third of the non-controlling interest. A liability was recognized in respect of these options for the amount of € 45.6 million, as a reduction to equity.

Safilo - Privé Revaux
On February 10, 2020, Safilo Group S.p.A. (49.8% HAL) announced the acquisition of a 61.34% equity interest in the Miami-based eyewear company Privé Goods, LLC ('Privé Revaux'). Privé Revaux was founded in 2017 with the goal of making premium, quality eyewear products accessible to everyone. The fast-growing US eyewear brand is fueled by a strategic celebrity ecosystem, merged in high-caliber social media engagement and strong digital marketing capabilities. In 2019, the Company recorded net sales of USD 20 million, an increase of approximately 90% compared to the previous year. The purchase price allocation procedures identified the trademark, distribution relationships and a non-compete agreement to be recognized. Deferred tax liabilities were not recognized in relation to these assets, since their values have been recognized for tax purposes in the jurisdiction in which the acquisition was made. The purchase price allocation is provisional, with only minor items under discussion. The Company has recognized the non-controlling interest in Privé Revaux at the proportionate share of the acquired net identifiable assets.
Reciprocal put and call options were concluded with respect to the non-controlling interest, which can be exercised in 2023, 2024 and 2025 at a fixed multiple of EBITDA. Each option relates to one-third of the non-controlling interest. A liability was recognized in respect of these options for the amount of € 58.3 million, as a reduction to equity.

There were no other individually significant acquisitions during the half year. Details on the acquisitions in this period are as follows:

	DOS	Privé Revaux	Blenders	Other	**Total**
Cash paid	44.2	61.6	57.5	4.0	**167.3**
Future consideration	-	1.8	-	0.1	**1.9**
Vendor loan	5.0	-	-	-	**5.0**
Fair value of net assets acquired	(19.8)	(64.2)	(68.3)	(1.1)	**(153.4)**
Non-controlling interest recognized	-	24.8	20.5	-	**45.3**
Goodwill	29.4	24.0	9.7	3.0	**66.1**

The goodwill on the DOS and "other" acquisitions is not expected to be deductible for tax purposes.

Details of the net asset values acquired are set out below:

	DOS	Privé Revaux	Blenders	Other	**Total**
Property, plant and equipment	9.8	0.1	0.7	0.2	**10.8**
Right-of-use assets	2.9	0.1	0.6	0.3	**3.9**
Intangible assets	15.3	58.9	63.1	1.0	**138.3**
Marketable securities and deposits	-	-	-	0.1	**0.1**
Cash	3.5	3.0	4.4	-	**10.9**
Non-current debt	(6.3)	-	-	-	**(6.3)**
Non-current provisions	-	(0.1)	(0.6)	-	**(0.7)**
Lease liabilities	(3.0)	-	-	(0.2)	**(3.2)**
Deferred tax liabilities	(2.9)	-	-	(0.3)	**(3.2)**
Accounts receivable	0.3	4.4	0.1	-	**4.8**
Inventories	7.7	5.0	4.5	0.1	**17.3**
Other current assets	0.9	0.7	3.4	0.1	**5.1**
Income tax payable	(1.0)	(0.2)	(2.4)	-	**(3.6)**
Accounts payable	(3.2)	(7.5)	(5.2)	(0.2)	**(16.1)**
Accrued expenses	(0.9)	-	-	-	**(0.9)**
Other current liabilities	(3.3)	(0.2)	(0.3)	-	**(3.8)**
Net working capital	0.5	2.2	0.1	-	**2.8**
Fair value of net assets acquired	19.8	64.2	68.3	1.1	**153.4**

The above acquisitions generated the following results:

	DOS	Privé Revaux	Blenders	Other	**Total**
Contribution to 2020 revenues	8.8	10.3	10.9	-	**30.0**
Contribution to 2020 operating income	1.7	(0.3)	2.0	-	**3.4**
Contribution to 2020 net income from continuing operations	1.6	(0.5)	2.0	-	**3.1**
Contribution to 2020 net income from discontinued operations	-	-	-	0.1	**0.1**
2020 first half year revenues	24.4	14.1	31.6	-	**70.1**
2020 first half year operating income	3.3	(1.0)	7.2	-	**9.5**
2020 first half year net income from continuing operations	2.5	(1.2)	7.0	0.1	**8.4**
2020 first half year net income from discontinued operations	-	-	-	0.1	**0.1**

Acquisition costs charged to the other operating expenses in the consolidated statement of income amounted to € 0.7 million related to DOS and € 0.6 million for the Safilo acquisitions.

Reconciliation to the interim consolidated statement of cash flows:

	Total
Cash paid for the above acquisitions	**167.3**
Cash acquired in the above acquisitions	**(10.9)**
Cash outflow due to acquisition of subsidiaries, net of cash acquired	**156.4**
Acquisition of associates and joint arrangements	**121.4**
Cash outflow due to acquisition of associates, joint arrangements and subsidiaries, net of cash acquired	**277.8**

5. Intangible assets

Intangible assets consist of:

	Goodwill	Software	Trade-marks	Customer relationships	Other	**Total**
Cost value	2,338.0	572.9	509.7	437.2	419.8	**4,277.6**
Accumulated amortization and impairments	(749.3)	(352.0)	(292.1)	(133.8)	(108.0)	**(1,635.2)**
Balance on January 1, 2019	1,588.7	220.9	217.6	303.4	311.8	**2,642.4**
Initial application IFRS 16	32.6	-	-	-	(212.9)	**(180.3)**
Balance on January 1, 2019	1,621.3	220.9	217.6	303.4	98.9	**2,462.1**
Investments	242.5	103.0	0.2	1.6	1.3	**348.6**
Consolidation	-	12.3	125.7	136.4	84.2	**358.6**
Disposals	-	(0.7)	-	-	(0.1)	**(0.8)**
Amortization and impairments continuing operations	(12.0)	(34.3)	(30.5)	(49.9)	(6.0)	**(132.7)**
Amortization and impairments discontinued operations	(50.7)	(19.9)	(6.2)	(10.6)	(4.1)	**(91.5)**
Reclassification	1.2	16.1	-	1.1	(8.8)	**9.6**
Reclassification to held for sale*	(1,320.0)	(144.9)	(121.5)	(138.0)	(73.1)	**(1,797.5)**
Exchange differences and other	12.5	1.2	2.0	6.7	0.9	**23.3**
Balance on December 31, 2019	494.8	153.7	187.3	250.7	93.2	**1,179.7**
Cost value	786.7	381.9	325.2	331.2	203.4	**2,028.4**
Accumulated amortization and impairments	(291.9)	(228.2)	(137.9)	(80.5)	(110.2)	**(848.7)**
Balance on December 31, 2019	494.8	153.7	187.3	250.7	93.2	**1,179.7**
Investments	66.1	41.2	-	0.1	0.8	**108.2**
Consolidation	-	3.8	104.6	16.9	13.0	**138.3**
Disposals	-	(0.4)	-	-	-	**(0.4)**
Amortization and impairments continuing operations	(30.5)	(19.1)	(11.0)	(26.6)	(3.5)	**(90.7)**
Reclassification	0.1	1.6	-	32.2	(32.1)	**1.8**
Reclassification to held for sale	14.0	(15.8)	1.9	1.3	(1.0)	**0.4**
Exchange differences and other	(17.0)	(1.9)	(3.6)	(3.5)	(1.1)	**(27.1)**
Balance on June 30, 2020	527.5	163.1	279.2	271.1	69.3	**1,310.2**
Cost value	850.9	397.1	428.0	444.4	114.0	**2,234.4**
Accumulated amortization and impairments	(323.4)	(234.0)	(148.8)	(173.3)	(44.7)	**(924.2)**
Balance on June 30, 2020	527.5	163.1	279.2	271.1	69.3	**1,310.2**

* Reclassification to held for sale mainly related to GrandVision

Impairment test
For information on impairment testing reference is made to note 12.

6. Investments in associates and joint arrangements

The movement of investments accounted for using the equity method is as follows:

	Associates	Joint ventures	**Total**
Share of net assets	1,485.7	810.9	**2,296.6**
Goodwill	270.2	66.1	**336.3**
Initial application IFRS 16	(11.1)	(21.1)	**(32.2)**
Balance on January 1, 2019	1,744.8	855.9	**2,600.7**
Investments	217.2	41.2	**258.4**
Disposals	(11.1)	(0.5)	**(11.6)**
Share of results - real estate	-	(4.6)	**(4.6)**
Share of results - discontinued operations	-	(0.7)	**(0.7)**
Share of results - other	102.0	91.5	**193.5**
Share of other comprehensive income	(22.3)	2.0	**(20.3)**
Dividends	(39.5)	(103.1)	**(142.6)**
Reclassification	(1.1)	(8.7)	**(9.8)**
Exchange differences and other	9.4	17.1	**26.5**
Balance on December 31, 2019	1,999.4	890.1	**2,889.5**
Share of net assets	1,701.7	824.0	**2,525.7**
Goodwill	297.7	66.1	**363.8**
Balance on December 31, 2019	1,999.4	890.1	**2,889.5**
Investments	24.0	97.4	**121.4**
Disposals	(2.1)	-	**(2.1)**
Share of results - real estate	-	(0.3)	**(0.3)**
Share of results - discontinued operations	-	(0.3)	**(0.3)**
Share of results - other	8.9	61.6	**70.5**
Share of other comprehensive income	(73.3)	(0.4)	**(73.7)**
Redemption of share capital	(85.2)	-	**(85.2)**
Dividends	(72.8)	(36.8)	**(109.6)**
Reclassification	577.9	0.6	**578.5**
Reclassification to held for sale	(17.8)	0.2	**(17.6)**
Exchange differences	(5.7)	(14.9)	**(20.6)**
Other	0.0	(0.2)	**(0.2)**
Balance on June 30, 2020	2,353.3	997.0	**3,350.3**
Share of net assets	2,015.2	930.3	**2,945.5**
Goodwill	338.1	66.7	**404.8**
Balance on June 30, 2020	2,353.3	997.0	**3,350.3**

The 2020 share of results from associates is substantially impacted by extraordinary charges at Boskalis of in total € 147.8 million, post-tax. These charges include non-cash impairments, with € 96.2 million relating to impairments on the carrying value of two of its joint ventures in the towage & salvage and offshore energy segments, € 15.9 million on own vessels that were taken out of service and € 26.8 million relating to vessels within Boskalis' towage & salvage joint ventures. The share of the Company in these extraordinary charges amounted to € 64.5 million and was included in the consolidated statement of income within the line share of results from associates and joint ventures.
The 2020 reclassification into associates relates to the reclassification of the shareholding in SBM Offshore from other financial assets, subsequent to the acquisition of additional shares in the open market (total 2020: € 125.2 million) through which the Company obtained significant influence. As at June 30, 2020, the Company holds a 20.81% interest in SBM Offshore. As part of the purchase price allocation procedures an amount of € 36.4 million was recognized as goodwill, which is part of the carrying value of the associate. Due to the reclassification of SBM Offshore from other financial assets (held at fair value through other comprehensive income) to investments in associates, a related revaluation reserve of € 113.2 million was released to retained earnings.

The Company's investment in Molgas Energy Holding S.L. was classified as held for sale and subsequently divested on July 28, 2020 (refer to note 17).

The difference between the market value of the Company's share in its publicly traded associates (Koninklijke Boskalis Westminster N.V., SBM Offshore N.V.) and the book value is as follows:

	June 30, 2020	Dec. 31, 2019
Market value	**1,579.7**	1,343.1
Book value	**1,685.2**	1,202.1
	(105.5)	141.0

The book value of the quoted associate is, as of June 30, 2020, based on unaudited, publicly available information. The increase in book value relates to the addition of SBM Offshore.

The carrying amount of joint ventures included in this note principally relates to Vopak and the Company's real estate activities in the United States. Guarantees and securities provided on behalf of joint ventures and associates of Vopak amounted to € 122.0 million (December 31, 2019: € 118.8 million). Commitments to provide debt or equity funding to joint ventures and associates of Vopak amounted to € 78.2 million (December 31, 2019: € 126.1 million) and for the Company's real estate activities in the United States € 29.5 million (December 31, 2019: € 48.5 million).

7. Other financial assets

The specification is as follows:

	June 30, 2020	Dec. 31, 2019
Non-current	**217.4**	760.2
Current	**16.5**	11.1
	233.9	771.3

	June 30, 2020	Dec. 31, 2019
Investments in quoted equity securities	**-**	553.0
Investments in unquoted equity securities	**36.6**	30.1
Loans to associates and joint ventures	**81.3**	75.7
Other loans	**58.2**	55.4
Other	**57.8**	57.1
	233.9	771.3

The decrease in investments in quoted securities relates to the reclassification of the shareholding in SBM Offshore to investments in associates and joint arrangements (refer to note 6).

8. Marketable securities

Marketable securities consist of equity securities amounting to € 94.2 million (December 31, 2019: € 151.6 million) and fixed income securities amounting to € 44.8 million (December 31, 2019: € 71.0 million).

9. Right of use assets and lease liabilities

Movements in the right-of-use assets are as follows:

	Land and buildings	Vessels	Terminal-related assets	Equipment and other	**Total**
Cost value	2,227.1	8.9	24.1	128.2	**2,388.3**
Accumulated depreciation and impairments	-	-	-	(24.6)	**(24.6)**
Balance on January 1, 2019	2,227.1	8.9	24.1	103.6	**2,363.7**
New lease contracts	153.8	78.1	-	22.9	**254.8**
Consolidation	35.4	-	-	15.3	**50.7**
Depreciation and impairments continuing operations	(72.4)	(10.1)	(0.7)	(27.5)	**(110.7)**
Depreciation and impairments discontinued operations	(198.6)	-	-	(3.0)	**(201.6)**
Reclassification	(0.6)	-	-	(0.3)	**(0.9)**
Reclassification to held for sale*	(1,706.3)	-	(17.3)	(10.9)	**(1,734.5)**
Reassessment and remeasurement	251.6	(2.0)	(0.2)	(1.2)	**248.2**
Exchange differences	22.4	(0.8)	0.1	1.4	**23.1**
Balance on December 31, 2019	712.4	74.1	6.0	100.3	**892.8**
Cost value	779.6	82.8	6.5	150.5	**1,019.4**
Accumulated depreciation and impairments	(67.2)	(8.7)	(0.5)	(50.2)	**(126.6)**
Balance on January 1, 2020	712.4	74.1	6.0	100.3	**892.8**
New lease contracts	100.0	-	-	14.0	**114.0**
Consolidation	2.8	-	-	1.1	**3.9**
Depreciation and impairments continuing operations	(34.9)	(7.7)	(0.2)	(15.5)	**(58.3)**
Reclassification	10.4	-	-	(0.1)	**10.3**
Reclassification to held for sale	(90.5)	-	-	(2.3)	**(92.8)**
Reassessment and remeasurement	188.6	(0.4)	-	0.4	**188.6**
Exchange differences	(41.5)	0.1	(0.1)	(0.3)	**(41.8)**
Balance on June 30, 2020	847.3	66.1	5.7	97.6	**1,016.7**
Cost value	945.7	82.3	6.4	161.4	**1,195.8**
Accumulated depreciation and impairments	(98.4)	(16.2)	(0.7)	(63.8)	**(179.1)**
Balance on June 30, 2020	847.3	66.1	5.7	97.6	**1,016.7**

* Reclassification to held for sale mainly related to GrandVision

Movements in the lease liabilities are as follows:

	Total
Balance on January 1, 2019	**2,398.3**
New lease contracts	**262.2**
Consolidation	**40.9**
Accrued interest continuing operations	**29.9**
Accrued interest discontinued operations	**30.3**
Payments	**(537.0)**
Reclassification to held for sale*	**(1,553.3)**
Reassessment and remeasurement	**257.3**
Exchange differences and other	**27.2**
Balance on December 31, 2019	**955.8**
Balance on January 1, 2020	**955.8**
New lease contracts	**114.0**
Consolidation	**3.2**
Accrued interest	**27.7**
Payments	**(236.7)**
Reclassification to held for sale	**53.8**
Reassessment and remeasurement	**195.2**
Exchange differences and other	**(43.1)**
Balance on June 30, 2020	**1,069.9**
Current lease liabilities	**142.5**
Non-current lease liabilities	**927.4**
Balance on June 30, 2020	**1,069.9**

* Reclassification to held for sale mainly related to GrandVision

10. Debt and other financial liabilities

	June 30, 2020	Dec. 31, 2019
Long-term debt	**2,087.5**	2,059.5
Other financial liabilities	**168.5**	71.0
	2,256.0	2,130.5
Short-term debt	**627.4**	704.5
Other financial liabilities	**7.1**	21.5
	634.5	726.0
Total debt and other financial liabilities	**2,890.5**	2,856.5

Due to the impact of the COVID-19 pandemic on its operational performance, Safilo did not meet the covenants related to its long-term bank loans at June 30, 2020. As a consequence, given the contractual provisions and in line with prevailing accounting standards, the € 145 million outstanding balance was classified as current. Safilo is in the final stages of negotiations with its key relationship banks for an additional term loan, under the framework of the Italian Liquidity Decree, and a new set of covenants, which would also provide for the cancellation of the covenant test in the current debt at June 30, 2020. This financing is subject to the credit approval process of the banks and the Italian export credit finance agency (SACE) over the coming weeks.

The increase in other financial liabilities primarily relates to reciprocal option agreements that Safilo has entered into with a view to acquiring the non-controlling interest in Blenders and Privé Revaux.

11. Revenues

Revenues for the first six months of 2020 are disaggregated as follows:

2020	Europe	USA & Canada	Asia	Other	**Total**	Optical retail	Quoted	Unquoted
Revenue from contracts with customers								
Sale of goods	1,220.4	282.4	109.2	33.3	**1,645.3**	-	308.3	1,337.0
Services	353.4	114.5	147.1	100.5	**715.5**	-	578.0	137.5
	1,573.8	396.9	256.3	133.8	**2,360.8**	-	886.3	1,474.5
Revenue from other sources								
Other revenue	6.0	1.4	2.7	2.8	**12.9**	-	11.3	1.6
Total revenue from continuing operations	1,579.8	398.3	259.0	136.6	**2,373.7**	-	897.6	1,476.1
Revenue from discontinued operations	1,353.3	27.9	-	71.3	**1,452.5**	1,452.5	-	-
Total revenue	2,933.1	426.2	259.0	207.9	**3,826.2**	1,452.5	897.6	1,476.1

Revenues for the first six months of 2019 are disaggregated as follows:

2019	Europe	USA & Canada	Asia	Other	**Total**	Optical retail	Quoted	Unquoted
Revenue from contracts with customers								
Sale of goods	1,270.1	248.7	75.0	52.4	**1,646.2**	-	484.8	1,161.4
Services	419.9	153.4	177.2	9.8	**760.3**	-	598.4	161.9
	1,690.0	402.1	252.2	62.2	**2,406.5**	-	1,083.2	1,323.3
Revenue from other sources								
Other revenue	46.5	6.4	16.2	3.9	**73.0**	-	55.4	17.6
Total revenue from continuing operations	1,736.5	408.5	268.4	66.1	**2,479.5**	-	1,138.6	1,340.9
Revenue from discontinued operations	1,818.0	43.3	2.8	131.1	**1,995.2**	1,995.2	-	-
Total revenue	3,554.5	451.8	271.2	197.2	**4,474.7**	1,995.2	1,138.6	1,340.9

12. Impairment of non-current assets

The following impairment losses, net of reversals, are recognized:

	2020	2019
Property, plant and equipment	**5.2**	5.5
Goodwill	**30.5**	50.7
Other intangibles	**18.1**	27.3
	53.8	83.5

All 2020 impairments relate to the unquoted segment, except for a € 2.9 million impairment of property, plant and equipment in the segment quoted minority interests.

Impairment losses are included as follows in the consolidated statement of income:

	2020	2019
Amortization and impairment of intangible assets	**48.6**	26.4
Depreciation and impairment of property, plant, equipment and investment properties	**5.2**	5.5
Total continuing operations	**53.8**	31.9
Discontinued operations (optical retail)	**-**	51.6
	53.8	83.5

The economic downturn related to the COVID-19 pandemic has been considered as a potential triggering event for cash-generating units and individual assets in the Group. As a result, impairment testing was performed on certain cash-generating units and individual assets. Impairment testing was performed on the basis of various economic scenarios to which a weighting was applied by management. It is reasonably possible that outcomes within the next financial period, that are different from the (weighted) scenarios applied, could have an impact on the carrying amount of the asset or liability affected.

Impairment testing was also applied to certain cash-generating units of GrandVision, refer to note 3 for the results of GrandVision including impairments recognized in the first half year of 2020. In accordance with IFRS 5, impairment charges at GrandVision do not affect the consolidated statement of income of the Company.

Goodwill and other intangibles

Impairment testing resulted in impairment charges on the goodwill of Atlas Professionals B.V. (€ 13.6 million) and Sports Timing Holding B.V. (€ 16.9 million), both in the unquoted segment. In addition, other intangible assets of Atlas were impaired for an amount of € 18.1 million, mainly customer relationship databases. Following these impairment charges the book values of Atlas Professionals and Sports Timing Holding are aligned with their recoverable amounts of € 30.7 million, respectively € 21.8 million.

The recoverable amount of the above cash-generating units was calculated based on their fair value less cost of disposal. These calculations used cash flow projections covering a five-year period. Cash flows beyond this five-year period were extrapolated using an estimated growth rate of nil. Underlying the discounted cash flow models are various scenarios with different paths of recovery from the current COVID-19 pandemic that include restructuring plans and, where applicable, governement assistance. Weighting was applied to these scenarios by management, based on their best estimate given the uncertainties in the current economic environment.

Key assumptions used in the impairment calculations are included as follows:

	2020
Unquoted investments	
Weighted-average increase in revenues	**4.0%**
Weighted-average gross margin	**34.0%**
Weighted-average pre-tax discount rate	**13.0%**
Growth rate beyond year five	**0.0%**

A negative development of 2% in the revenues, gross margin or pre-tax discount rate would result in a potential further impairment charges for the unquoted segment of € 6.9 million, € 17.9 million and € 6.4 million, respectively. If the cash flows beyond the five-year period were extrapolated using an estimated growth rate of 2%, the discounted cash flow value of the cash-generating units within the unquoted segment that indicated a potential impairment in the above sensitivity analyses would increase by € 8.3 million

13. Income tax expense

The effective tax rate takes into account non-taxable income from associates and joint ventures and non-taxable income as a result of sales of associates, joint ventures and subsidiaries. For the first half of 2020, the effective tax rate on continuing operations was 34.7% and represents a tax charge on a negative consolidated pre-tax income (first half of 2019: 38.7%). The change in the effective tax rate is mainly due to non-deductible goodwill impairment charges and unrecognized tax losses at Safilo. Safilo reported a pre-tax loss of € 80.0 million and a tax benefit of € 5.7 million.

14. Financial instruments

The carrying amount approximates the fair value for all financial assets and liabilities except for the non-current debt. The fair value of these liabilities, mainly from Vopak, exceeds their carrying value by € 299.0 million as of June 30, 2020 (December 31, 2019: € 239.3 million).

The tables below provide an analysis of the Company's financial instruments carried at fair value per line item and those carried at amortized cost with a difference between the book value and fair value, stating the classification of the instruments, their fair value and the applicable level within the fair value hierarchy:

June 30, 2020	Fair value level	Fair value through other comprehensive income	Financial assets at amortized cost	Fair value through profit and loss	**Total book value**	**Total fair value**
Assets						
Other financial assets						
- Unquoted debt securities	2	-	197.3	-	**197.3**	**197.3**
- Unquoted equity securities	3	36.6	-	-	**36.6**	**36.6**
Marketable securities						
- Quoted equity securities	1	-	-	92.1	**92.1**	**92.1**
- Quoted debt securities	1	44.8	-	-	**44.8**	**44.8**
- Unquoted equity securities	2	-	-	2.1	**2.1**	**2.1**
Derivatives	2	-	-	35.3	**35.3**	**35.3**
Other current assets		-	273.3	-	**273.3**	**273.3**
Receivables		-	695.7	-	**695.7**	**695.7**
Cash		-	1,520.5	-	**1,520.5**	**1,520.5**
Total financial assets		81.4	2,686.8	129.5	**2,897.7**	**2,897.7**

June 30, 2020	Fair value level	Financial liabilities at amortized cost	Fair value through profit or loss	**Total book value**	**Total fair value**
Liabilities					
Debt and other financial liabilities					
- Non-current debt	2	2,087.5	-	**2,087.5**	**2,386.5**
- Current debt		627.4	-	**627.4**	**627.4**
- Other financial liabilities	3	-	175.6	**175.6**	**175.6**
Lease liabilities		1,069.9	-	**1,069.9**	**1,069.9**
Derivatives	2	-	55.1	**55.1**	**55.1**
Accounts payable		779.0	-	**779.0**	**779.0**
Total financial liabilities		4,563.8	230.7	**4,794.5**	**5,093.5**

December 31, 2019	Fair value level	Fair value through other comprehensive income	Financial assets at amortized cost	Fair value through profit and loss	Total book value	Total fair value
Assets						
Other financial assets						
- Quoted equity securities	1	553.0	-	-	553.0	553.0
- Unquoted debt securities	2	-	188.2	-	188.2	188.2
- Unquoted equity securities	3	30.1	-	-	30.1	30.1
Marketable securities						
- Quoted equity securities	1	-	-	148.9	148.9	148.9
- Quoted debt securities	1	71.0	-	-	71.0	71.0
- Unquoted equity securities	2	-	-	2.7	2.7	2.7
Derivatives	2	-	-	48.7	48.7	48.7
Other current assets		-	232.7	-	232.7	232.7
Receivables		-	857.7	-	857.7	857.7
Cash		-	1,558.6	-	1,558.6	1,558.6
Total financial assets		654.1	2,837.2	200.3	3,691.6	3,691.6

December 31, 2019	Fair value level	Financial liabilities at amortized cost	Fair value through profit or loss	Total book value	Total fair value
Liabilities					
Debt and other financial liabilities					
- Non-current debt	2	2,059.5	-	2,059.5	2,298.8
- Current debt	2	704.5	-	704.5	704.5
- Other financial liabilities	2	1.9	-	1.9	1.9
- Other financial liabilities	3	-	90.6	90.6	90.6
Lease liabilities	2	955.8	-	955.8	955.8
Derivatives	2	-	46.8	46.8	46.8
Accounts payable		771.9	-	771.9	771.9
Total financial liabilities		4,493.6	137.4	4,631.0	4,870.3

There have not been any changes in valuation techniques applied to financial instruments carried at fair value compared to those disclosed in the financial statements of December 31, 2019. There were no transfers between levels 1, 2 and 3 during the period. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the beginning of the period.

A reconciliation of level 3 financial liabilities for the period is given below:

	2020	2019
Balance on January 1	**90.6**	100.1
Additions	**103.9**	25.6
Consolidation	**(13.6)**	-
Settlements	**(14.4)**	(26.7)
(Gains)/losses through income continuing operations	**1.3**	4.6
(Gains)/losses through income discontinued operations	**(0.6)**	-
Reclassification to held for sale	**13.6**	(13.0)
Gains/(losses) through other comprehensive income	**-**	-
Exchange differences	**(5.1)**	-
Balance on June 30, 2020, and on December 31, 2019	**175.7**	90.6

Other financial liabilities in level 3 include earn-out and deferred/contingent payments with respect to acquisitions and reciprocal options to acquire non-controlling interests for € 171.2 million (December 31, 2019: € 18.4 million).

15. Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at December 31, 2019. In these financial statements it is set out that the financial risks of the entities belonging to the optical retail, quoted minority interests and unquoted segments are managed by these entities and not by the Company. There have been no changes in the risk management objectives and policies since December 31, 2019.

Liquidity risk

Compared to December 31, 2019, there have not been significant changes in the contractual undiscounted cash flows for financial liabilities.

COVID-19
Two subsidiaries defaulted on their covenants due to the impact of the COVID-19 pandemic. Accordingly, out of the total € 2,715 million consolidated bank debt outstanding as of June 30, 2020, € 145 million was reclassified from non-current to current debt. In addition, an amount of € 39 million was classified from non-current to current lease liabilities due to a default situation. The subsidiaries involved are in discussion with their banks to revise the covenants and/or to amend their financing structure. Based on cash flow forecasts, covenant breaches with respect to other subsidiaries are currently not expected.
In view of the relatively low leverage ratio and available unused committed credit facilities, we believe that, as disclosed in the 2019 annual report, the liquidity risk, also taking into account the impact of the COVID-19 pandemic, is low and have therefore no reason to assume that the situation at the level of the subsidiaries warrants disclosure of a specific, material going concern uncertainty for the Company in preparing these financial statements. HAL Trust, HAL Holding N.V. and HAL Investments B.V. do not have any bank debt and no material outstanding guarantees for their subsidiaries.

The consolidated net debt (current and non-current bank debt less marketable securities and cash and cash equivalents) as of June 30, 2020, amounted to € 1,055 million (December 31, 2019: € 983 million). This net debt excludes the net debt of GrandVision, which is classified as held for sale. Excluding the net debt of Vopak and Safilo the net cash position as of June 30, 2020, was € 751 million (December 31, 2019: € 815 million). This net cash position is before the payment of the 2019 cash dividend of € 242 million. This dividend was paid on July 24, 2020.

16. Contingent liabilities

The investment commitments undertaken for subsidiaries of Vopak amounted to € 350.8 million as of June 30, 2020 (December 31, 2019: € 329.9 million).

There are no other significant changes in the contingent liabilities per the end of June 2020 compared to the contingent liabilities disclosed in note 42 of the 2019 annual report.

17. Events after the reporting period

Van Wijnen Holding N.V. acquisition
On August 20, 2020, HAL completed the earlier announced acquisition of Van Wijnen Holding N.V. ('Van Wijnen'). The company is active in residential construction, utility construction, project development and renovation activities in the Netherlands. Van Wijnen has approximately 1,800 employees and reported 2019 revenues of € 962 million.

Molgas Energy Holding S.L. divestment
On July 28, 2020, Broadview Holding B.V. (97.4% HAL) completed the sale of its 43.3% stake in Molgas Energy Holding. The sale resulted in a capital gain of € 27 million.

Sale GrandVision N.V.
HAL announced on July 31, 2019, that it signed a block-trade agreement to sell its 76.72% ownership interest in the issued share capital of GrandVision N.V. to EssilorLuxottica S.A. (the 'Transaction') and that GrandVision entered into a support agreement with EssilorLuxottica with respect to its assistance to fulfil the conditions precedent and other matters, including conduct of business between signing and closing.

On July 19, 2020, HAL announced that it had been informed of allegations by EssilorLuxottica that GrandVision would have materially breached obligations under the support agreement in relation to GrandVision's actions to mitigate the impact of COVID-19 on its business and of the commencement of summary legal proceedings against GrandVision and HAL before the District Court in Rotterdam to gain access to additional information in respect thereof. The demand to gain access to additional information was dismissed by the Court on August 24, 2020.

On July 30, 2020, HAL initiated arbitration proceedings against EssilorLuxottica to ensure that EssilorLuxottica complies with its obligations in respect of the Transaction.

Dividend distribution
A 2019 dividend of € 483.7 million (excluding dividend on treasury shares) or € 5.80 per share was distributed on July 24, 2020 (2019: € 433.0 million or € 5.30 per share), of which € 2.90 in cash and € 2.90 in shares. The shareholders received 1 new share per 43.1 existing shares.

This conversion ratio was determined based on the volume-weighted average share price of HAL Trust shares traded on Euronext in Amsterdam during the period June 29, 2020, through July 17, 2020. Accordingly, 1,936,169 shares were issued on July 24, 2020.

List of Principal subsidiaries and minority interests

As of June 30, 2020

Name	Country of incorporation	Nature of business	Interest in common shares	Interest in preferred shares	Non-controlling interest
Subsidiaries					
HAL Holding N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL International N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL International Investments N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL Investments N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL Real Estate Inc.	U.S.A.	Real estate	100.0%	0.0%	0.0%
HAL Investments B.V.	The Netherlands	Holding company	100.0%	0.0%	0.0%
FD Mediagroep B.V.	The Netherlands	Media	100.0%	100.0%	0.0%
Orthopedie Investments Europe B.V.	The Netherlands	Orthopedic devices	100.0%	100.0%	0.0%
Broadview Holding B.V.	The Netherlands	Industrial	97.4%	0.0%	2.6%
Flight Simulation Company B.V.	The Netherlands	Flight simulators	96.8%	100.0%	3.2%
Koninklijke Ahrend B.V.	The Netherlands	Office furniture	96.0%	100.0%	4.0%
Floramedia Group B.V.	The Netherlands	Communication	96.0%	100.0%	4.0%
Sports Timing Holding B.V.	The Netherlands	Timing equipment	95.5%	100.0%	4.5%
AN Direct B.V.	The Netherlands	Hearing aids	90.0%	0.0%	10.0%
SB Real Estate	The Netherlands	Real estate	90.0%	0.0%	10.0%
Timber and Building Supplies Holland N.V.	The Netherlands	Building materials	93.1%	0.0%	6.9%
Infomedics Holding B.V.	The Netherlands	Financial services	81.0%	0.0%	19.0%
Atlas Professionals B.V.	The Netherlands	Staffing	80.1%	0.0%	19.9%
GrandVision N.V.	The Netherlands	Optical retail	76.7%	0.0%	23.3%
Anthony Veder Group N.V.	Curaçao	Shipping	62.9%	0.0%	37.1%
Controlled minority interests					
Koninklijke Vopak N.V.	The Netherlands	Tank terminals	48.15%	0.00%	51.85%
Safilo Group S.p.A.	Italy	Optical products	49.84%	0.00%	50.16%

All the above entities are included in the consolidation. The proportion of the effective voting rights in the respective entity are virtually equal to the proportion of the ordinary shares held.

Non-controlled minority interests	
Publicly traded	
Koninklijke Boskalis Westminster N.V.	43.82%
SBM Offshore N.V.	20.81%
Other	
Coolblue B.V.	49.00%
DMF Investment Management B.V.	25.00%

Supplemental information

General

The condensed interim consolidated financial statements of HAL Trust include the condensed interim consolidated financial statements of Koninklijke Vopak N.V. (‘Vopak’) and Safilo Group S.p.A. (‘Safilo’). This section provides supplemental information where Vopak and Safilo are accounted for on an unconsolidated basis using the equity method. This was the accounting treatment until the application of IFRS 10, effective January 1, 2014, which requires consolidation of these entities. In all other respects, the accounting policies applied are consistent with those on pages 13 through 15. The inclusion of this information is considered appropriate and useful as the control model with respect to the entities where the Company’s ownership interest exceeds 50% is materially different from the model with respect to Vopak and Safilo. Moreover, the inclusion of Vopak and Safilo in the consolidation has a significant effect on the condensed interim consolidated financial statements. The following supplemental information also preserves comparability with prior year condensed interim consolidated financial statements.

The following pro forma condensed interim consolidated statements are included as supplemental information:

- Statement of Financial Position
- Statement of Income
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows

The pro forma condensed interim consolidated statement of financial position, income and comprehensive income include a bridge from the consolidated financial statements (including Vopak and Safilo) to these pro forma statements.

A number of notes have been added to the above statements in order to provide additional information on the effect of the inclusion of Vopak and Safilo in the condensed interim consolidated financial statements. These notes are based on the notes to the condensed interim consolidated financial statements on pages 18 through 36. Certain notes are summarized for practical purposes.

Pro forma Interim Consolidated Statement of Financial Position

As of June 30, 2020, and December 31, 2019

In millions of euro	Notes	**Consolidated 2020**	Effect exclusion Vopak/Safilo	**Pro forma 2020**	Pro forma 2019
Non-current assets					
Property, plant and equipment		**5,008.6**	(3,835.4)	**1,173.2**	1,217.9
Right-of-use assets		**1,016.7**	(679.3)	**337.4**	347.6
Investment properties		**33.4**	-	**33.4**	34.0
Intangible assets		**1,310.2**	(477.5)	**832.7**	852.1
Investments in associates and joint arrangements	2	**3,350.3**	319.0	**3,669.3**	3,279.2
Other financial assets		**217.4**	(71.9)	**145.5**	598.7
Derivatives		**29.8**	(29.8)	**-**	0.1
Pension benefits		**30.7**	-	**30.7**	40.5
Deferred tax assets		**96.9**	(79.2)	**17.7**	24.0
Total non-current assets		**11,094.0**	(4,854.1)	**6,239.9**	6,394.1
Current assets					
Inventories		**659.3**	(228.4)	**430.9**	428.5
Receivables		**695.7**	(254.0)	**441.7**	560.6
Marketable securities and deposits		**139.0**	-	**139.0**	222.6
Other financial assets		**16.5**	-	**16.5**	11.1
Derivatives		**5.5**	(4.9)	**0.6**	0.6
Other current assets		**460.5**	(340.9)	**119.6**	122.3
Cash and cash equivalents		**1,520.5**	(261.7)	**1,258.8**	1,399.9
Assets held for sale		**5,304.0**	13.5	**5,317.5**	4,991.1
Total current assets		**8,801.0**	(1,076.4)	**7,724.6**	7,736.7
Total assets		**19,895.0**	(5,930.5)	**13,964.5**	14,130.8
Equity					
Equity attributable to owners of parent		**7,805.4**	(51.6)	**7,753.8**	7,960.3
Non-controlling interest		**2,469.4**	(1,807.4)	**662.0**	630.3
Total equity		**10,274.8**	(1,859.0)	**8,415.8**	8,590.6
Non-current liabilities					
Deferred tax liabilities		**363.7**	(196.6)	**167.1**	181.6
Pension benefits		**138.1**	(83.5)	**54.6**	55.2
Derivatives		**12.6**	-	**12.6**	7.1
Provisions		**92.4**	(79.9)	**12.5**	12.5
Contract liabilities		**13.2**	-	**13.2**	13.0
Lease liabilities		**927.4**	(699.8)	**227.6**	277.5
Debt and other financial liabilities	3	**2,256.0**	(1,649.5)	**606.5**	640.8
Total non-current liabilities		**3,803.4**	(2,709.3)	**1,094.1**	1,187.7
Current liabilities					
Provisions		**47.8**	(34.5)	**13.3**	20.2
Contract liabilities		**74.4**	(22.0)	**52.4**	53.5
Accrued expenses		**596.5**	(280.0)	**316.5**	256.8
Income tax payable		**92.7**	(59.3)	**33.4**	16.2
Accounts payable		**779.0**	(364.9)	**414.1**	419.1
Derivatives		**42.5**	(42.2)	**0.3**	0.3
Lease liabilities		**142.5**	(41.7)	**100.8**	66.4
Debt and other financial liabilities	3	**634.5**	(537.4)	**97.1**	236.8
Liabilities related to assets held for sale		**3,406.9**	19.8	**3,426.7**	3,283.2
Total current liabilities		**5,816.8**	(1,362.2)	**4,454.6**	4,352.5
Total equity and liabilities		**19,895.0**	(5,930.5)	**13,964.5**	14,130.8

Pro forma Interim Consolidated Statement of Income

For the six months ended June 30

In millions of euro	**Consolidated 2020**	Effect exclusion Vopak/Safilo	**Pro forma 2020**	Pro forma 2019
Revenues	**2,373.7**	(897.6)	**1,476.1**	1,340.9
Income from marketable securities and deposits	**(60.0)**	-	**(60.0)**	9.3
Share of results from associates and joint ventures	**71.0**	(39.6)	**31.4**	49.8
Income from other financial assets	**1.9**	(1.9)	**-**	10.9
Income from real estate activities	**1.5**	-	**1.5**	(3.7)
Other income (net)	**41.6**	(44.8)	**(3.2)**	41.0
Total income	**2,429.7**	(983.9)	**1,445.8**	1,448.2
Usage of raw materials, consumables and other inventory	**773.3**	(97.7)	**675.6**	596.3
Employee expenses	**674.4**	(283.1)	**391.3**	331.5
Depreciation and impairment of property, plant, equipment and investment properties	**197.1**	(135.1)	**62.0**	50.4
Depreciation and impairment of right-of-use assets	**58.3**	(23.9)	**34.4**	25.3
Amortization and impairment of intangible assets	**90.7**	(19.7)	**71.0**	14.0
Other operating expenses	**519.2**	(263.0)	**256.2**	247.4
Total expenses	**2,313.0**	(822.5)	**1,490.5**	1,264.9
Operating profit	**116.7**	(161.4)	**(44.7)**	183.3
Financial expense	**(97.3)**	79.8	**(17.5)**	(23.4)
Other financial income	**26.0**	(23.0)	**3.0**	5.4
Profit before income tax	**45.4**	(104.6)	**(59.2)**	165.3
Income tax expense	**(19.2)**	24.8	**5.6**	(18.1)
Net profit from continuing operations	**26.2**	(79.8)	**(53.6)**	147.2
Net profit from discontinued operations	**203.0**	-	**203.0**	73.8
Net profit	**229.2**	(79.8)	**149.4**	221.0
Attributable to:				
Owners of parent	**89.3**	0.3	**89.6**	191.6
Non-controlling interest	**139.9**	(80.1)	**59.8**	29.4
	229.2	(79.8)	**149.4**	221.0
Average number of Shares outstanding *(in thousands)*	**83,393**	-	**83,393**	81,768
Earnings per Share for profit attributable to owners of parent during the period *(in euro)*				
- basic and diluted from continuing operations	**(0.65)**	-	**- 0.65**	1.69
- basic and diluted from discontinued operations	**1.72**	-	**1.72**	0.61
- basic and diluted	**1.07**	-	**1.07**	2.30

Pro forma Interim Consolidated Statement of Comprehensive Income

For the six months ended June 30

In millions of euro	**Pro forma 2020**	Pro forma 2019
Net profit	**149.4**	221.0
Other comprehensive income (OCI)		
Items that will not be reclassified to statement of income in subsequent periods		
Change in fair value of financial assets through OCI	**(89.6)**	133.4
Actuarial results on post-employment benefit obligations	**(5.4)**	(22.1)
Income tax on actuarial results	**0.9**	6.1
Associates and joint ventures - share of OCI, net of tax	**(5.1)**	(2.5)
	(99.2)	114.9
Items that may be reclassified to statement of income in subsequent periods		
Change in fair value of financial assets through OCI	**(3.3)**	3.0
Income tax on change in fair value	**-**	0.4
Effective portion of hedging instruments	**(2.8)**	(10.5)
Income tax related to hedging instruments	**(0.6)**	2.1
Translation of foreign subsidiaries, net of hedges	**(59.6)**	1.7
Associates and joint ventures - share of OCI, net of tax	**(94.1)**	2.2
	(160.4)	(1.1)
Other comprehensive income for the half year, net of tax	**(259.6)**	113.8
Total comprehensive income for the half year, net of tax	**(110.2)**	334.8
Total comprehensive income for the half year, attributable to:		
- Owners of parent*	**(156.0)**	310.8
- Non-controlling interest	**45.8**	24.0
	(110.2)	334.8

* For both reporting periods there are no differences in other comprehensive income attributable to the owner of parent between the consolidated and the pro forma consolidated statements of comprehensive income.

Pro forma Interim Consolidated Statement of Changes in Equity

	Attributable to owners of parent					
In millions of euro	Share capital	Retained earnings	Other reserves	Total	Non-controlling interest	**Total equity**
Balance on Dec. 31, 2018	1.6	7,406.7	62.9	7,471.2	588.4	**8,059.6**
Changes in accounting policy (IFRS 16)	-	(91.1)	-	(91.1)	(16.6)	**(107.7)**
Balance on January 1, 2019	1.6	7,315.6	62.9	7,380.1	571.8	**7,951.9**
Net profit for the half year	-	191.6	-	191.6	29.4	**221.0**
Other comprehensive income for the half year	-	(13.6)	132.8	119.2	(5.4)	**113.8**
Total comprehensive income for the half year	-	178.0	132.8	310.8	24.0	**334.8**
Dividend paid	0.1	(216.5)	-	(216.4)	(33.3)	**(249.7)**
Transactions with NCI	-	(4.2)	-	(4.2)	(36.8)	**(41.0)**
Share-based payment plans	-	(1.0)	-	(1.0)	(0.6)	**(1.6)**
Treasury shares	-	2.6	-	2.6	-	**2.6**
Other	-	(0.1)	-	(0.1)	(0.2)	**(0.3)**
Transactions with the owners of parent recognized directly in equity	0.1	(219.2)	-	(219.1)	(70.9)	**(290.0)**
Balance on June 30, 2019	1.7	7,274.4	195.7	7,471.8	524.9	**7,996.7**
Balance on January 1, 2020	1.7	7,748.5	210.1	7,960.3	630.3	**8,590.6**
Net profit for the half year	-	89.6	-	89.6	59.8	**149.4**
Other comprehensive income for the half year	-	(9.4)	(236.2)	(245.6)	(14.0)	**(259.6)**
Total comprehensive income for the half year	-	80.2	(236.2)	(156.0)	45.8	**(110.2)**
Dividend paid	-	-	-	-	(11.2)	**(11.2)**
Transactions with NCI*	-	(51.0)	-	(51.0)	(3.2)	**(54.2)**
Reclassification**	-	113.2	(113.2)	-	-	**-**
Share-based payment plans	-	4.7	-	4.7	0.4	**5.1**
Treasury shares	-	(4.0)	-	(4.0)	-	**(4.0)**
Other	-	(0.2)	-	(0.2)	(0.1)	**(0.3)**
Transactions with the owners of parent recognized directly in equity	-	62.7	(113.2)	(50.5)	(14.1)	**(64.6)**
Balance on June 30, 2020	1.7	7,891.4	(139.3)	7,753.8	662.0	**8,415.8**

* Transactions with non-controlling interests include € (51.8) million related to options entered into by Safilo with the minority shareholders in Blenders and Privé Revaux

** Reclassification resulting from the reclassification of SBM Offshore from other financial assets to investments in associates and joint arrangements

Equity reconciliation	
Equity attributable to owners of parent per consolidated statement of financial position	7,805.4
Equity attributable to owners of parent per pro forma consolidated statement of financial position	7,753.8
Difference	51.6

The difference is due to purchase price accounting adjustments as a result of the retrospective application of IFRS 10 to Vopak and Safilo.

Pro forma Interim Consolidated Statement of Cash Flows

For the six months ended June 30

In millions of euro	Notes	**Pro forma 2020**	Pro forma 2019
Cash flows from operating activities			
Profit before taxes from continuing operations		**(59.2)**	165.3
Profit before taxes from discontinued operations		**186.1**	132.4
Dividend from associates and joint ventures		**102.5**	95.9
Changes in working capital		**209.9**	(53.1)
Adjustments for non-cash items		**254.5**	358.7
Cash generated from operating activities		**693.8**	699.2
Other financial income received		**3.1**	6.6
Finance cost paid, including effect of hedging		**(32.5)**	(41.5)
Income taxes paid		**(24.0)**	(97.5)
Net cash from operating activities		**640.4**	566.8
Cash flows from investing activities			
Acquisition of associates and subsidiaries, net of cash acquired		**(128.3)**	(922.7)
Proceeds from divestiture of associates, joint arrangements and subsidiaries		**33.9**	63.0
Proceeds from sale of/(acquisition of) other intangibles		**(24.8)**	(29.3)
Purchase of property, plant, equipment and investment properties		**(79.6)**	(124.2)
Proceeds from sale of property, plant, equipment and investment properties		**33.5**	3.7
Proceeds from/(acquisition of) other financial assets		**(243.5)**	(25.2)
Acquisition of marketable securities and deposits		**(6.0)**	(47.8)
Proceeds from marketable securities and deposits		**27.4**	90.0
Net cash from/(used in) investing activities		**(387.4)**	(992.5)
Cash flows from financing activities			
Proceeds from debt and other financial liabilities		**618.4**	471.4
Repayment of debt and other financial liabilities		**(173.7)**	(152.9)
Payments on lease liabilities		**(204.3)**	(206.2)
Net proceeds from/(repayments of) short-term financing		**(436.3)**	51.8
Other non-controlling interest transactions (including dividend paid)		**(15.6)**	(67.0)
Movement in treasury shares		**(4.0)**	2.6
Dividend paid		**-**	(216.4)
Net cash from/(used in) financing activities		**(215.5)**	(116.7)
Increase/(decrease) in cash and cash equivalents		**37.5**	(542.4)
Cash and cash equivalents at beginning of year		**1,399.9**	2,020.8
Cash and cash equivalents included in assets held for sale at beginning of year		**162.9**	-
Effect of exchange rate changes, reclassifications and accounting policy change		**1.0**	2.3
Cash and cash equivalents retranslated at beginning of year		**1,563.8**	2,023.1
Net increase/(decrease) in cash and cash equivalents		**37.5**	(542.4)
Cash and cash equivalents at end of period		**1,601.3**	1,480.7
Cash and cash equivalents included in assets held for sale		**342.5**	-
Cash as included on the consolidated statement of financial position		**1,258.8**	1,480.7

All amounts in millions of euro, unless otherwise stated

1. Segmentation

The condensed interim consolidated financial statements are significantly affected by the consolidation of Vopak and Safilo. Accordingly, the segmented information on a basis whereby Vopak and Safilo are not consolidated is materially different. This section provides segmented information excluding the effect of the consolidation of Vopak and Safilo.

	2020	2019
Optical retail	**232.6**	236.5
Unquoted	**80.2**	108.0
Quoted minority interests	**28.1**	58.8
Real estate	**(0.3)**	(3.9)
Liquid portfolio	**(60.0)**	9.3
Total operating income	**280.6**	408.7
Reconciling items:		
- Discontinued operations (optical retail)	**(232.6)**	(236.5)
- Amortization and impairment of intangibles	**(71.0)**	(14.0)
- Other	**(21.7)**	25.1
Operating result as per the pro forma consolidated statement of income	**(44.7)**	183.3
Financial expense, net	**(14.5)**	(18.0)
Profit before tax as per the consolidated statement of income	**(59.2)**	165.3

The 2019 operating income included HAL's share of impairments and a write down of deferred tax assets with respect to Safilo for a net amount of € 36 million.

2. Investments in associates and joint arrangements

The amount of investments in associates and joint arrangements in the condensed interim consolidated financial statements is significantly affected by the consolidation of Vopak. Vopak has a significant amount of associates and joint arrangements on its balance sheet (€ 1,208.1 million at June 30, 2020). This section provides information about the investments in associates and joint arrangements excluding the investments in associates and joint arrangements of Vopak and Safilo. The movement of investments accounted for using the equity method is as follows:

	Associates	Joint ventures	**Total**
Share of net assets	2,673.3	110.2	**2,783.5**
Goodwill	305.5	-	**305.5**
Initial application IFRS 16	(41.0)	-	**(41.0)**
Balance on January 1, 2019	2,937.8	110.2	**3,048.0**
Investments	104.1	24.0	**128.1**
Disposals	(13.0)	(0.5)	**(13.5)**
Share of results - real estate	-	(4.6)	**(4.6)**
Share of results - discontinued operations	-	(0.7)	**(0.7)**
Share of results - other	254.9	(4.0)	**250.9**
Share of other comprehensive income	3.2	-	**3.2**
Dividends	(98.6)	(24.3)	**(122.9)**
Impairments	(15.6)	-	**(15.6)**
Reclassification to held for sale	(0.3)	(0.8)	**(1.1)**
Exchange differences and other	5.1	2.3	**7.4**
Balance on December 31, 2019	3,177.6	101.6	**3,279.2**
Share of net assets	2,867.3	101.6	**2,968.9**
Goodwill	310.3	-	**310.3**
Balance on December 31, 2019	3,177.6	101.6	**3,279.2**
Investments	23.6	60.0	**83.6**
Disposals	(28.5)	-	**(28.5)**
Share of results - real estate	-	(0.3)	**(0.3)**
Share of results - discontinued operations	-	(0.8)	**(0.8)**
Share of results - other	31.0	0.4	**31.4**
Share of other comprehensive income	(99.2)	-	**(99.2)**
Dividends	(101.4)	(1.1)	**(102.5)**
Reclassification	577.3	-	**577.3**
Reclassification to held for sale	(17.8)	0.2	**(17.6)**
Exchange differences	0.1	(1.5)	**(1.4)**
Other	(51.7)	(0.2)	**(51.9)**
Balance on June 30, 2020	3,511.0	158.3	**3,669.3**
Share of net assets	3,164.7	158.3	**3,323.0**
Goodwill	346.3	-	**346.3**
Balance on June 30, 2020	3,511.0	158.3	**3,669.3**

As a result of the share buy-back program of Vopak, the Company sold shares for an amount of € 26.9 million whilst keeping its effective shareholding stable at 48.15%.

3. Other financial assets

The specification is as follows:

	June 30, 2020	Dec. 31, 2019
Non-current	**145.5**	598.7
Current	**16.5**	11.1
	162.0	609.8

	June 30, 2020	Dec. 31, 2019
Investments in quoted equity securities	**-**	553.0
Loans to associates and joint ventures	**112.4**	20.8
Other loans	**30.2**	23.6
Other	**19.4**	12.4
	162.0	609.8

The decrease in investments in quoted securities relates to the reclassification of the shareholding in SBM Offshore N.V. to investments in associates and associates (refer to note 2). A € 90 million subordinated loan was provided to Safilo Group S.p.A. in order to finance acquisitions, driving the increase in loans to associates and joint ventures.

4. Debt and other financial liabilities

The amount of debt and other financial liabilities in the condensed interim consolidated financial statements (€ 2,890.5 million) is significantly affected by the consolidation of Vopak and Safilo.

The amount excluding Vopak and Safilo is set out below.

	June 30, 2020	Dec. 31, 2019
Long-term debt	**556.7**	591.9
Other financial liabilities	**49.8**	48.9
	606.5	640.8
Short-term debt	**90.1**	215.3
Other financial liabilities	**7.0**	21.5
	97.1	236.8
Total debt and other financial liabilities	**703.6**	877.6

Statement by the Executive Board

The administrative procedures, the risk management and internal control systems associated with the Company's strategy and its implementation, the financial reporting and compliance are all designed to provide a reasonable degree of assurance that significant risk factors are identified, their development is monitored and, where appropriate, action is taken on a timely basis. The Supervisory Board is regularly informed about these matters.

The companies in which HAL has invested differ in industry, size, culture, geographical diversity and stage of development. Each company is subject to specific risks relating to strategy, operations, finance and (fiscal) legislation. HAL has therefore chosen not to institute a centralized management approach and not to develop a central risk management system. Each investee company has its own financial structure and is responsible for evaluating and managing its own risks. The companies generally have a supervisory board of which the majority of members is not affiliated with HAL. This corporate governance structure allows the operating companies to fully concentrate on developments which are relevant to them and to assess which risks to accept and which risks to avoid. Accordingly, in addition to risks associated with HAL's strategy and its implementation as referred to in the report on the first half year of 2020 and which are further described in the 2019 annual report, there are specific risk factors associated with each individual investee company. It is the responsibility of each investee company to evaluate these specific risks.

HAL's objective is, in the context of the inherent limitations of the decentralized management approach described above, that its internal and external financial reporting is complete, accurate, valid and timely. Financial reporting risk can be defined as any event that impedes HAL to achieve its financial reporting objectives. This risk is impacted by the fact that, although HAL's ownership interest in Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo') is below 50%, IFRS requires these associates to be consolidated in the consolidated financial statements as HAL is deemed to have control, as defined in IFRS 10, over these two entities. Vopak and Safilo are both publicly traded companies. Whereas HAL has board representation and, accordingly, may be considered to have significant influence over these associates, in the past neither operational nor strategic control was exercised. Moreover, Vopak and Safilo are, for example, not part of the management reporting system which monitors the performance of the consolidated companies on a monthly basis. In addition, in view of its minority interest, the Company has no formal instruction rights with respect to Vopak and Safilo. The Company has entered into Memoranda of Understanding with Vopak and Safilo with respect to confidentiality, the process of exchanging information and visitation rights to the audit committee meetings of Vopak and the meetings of the Control, Risk and Sustainability Committee of Safilo, for an independent financial expert on behalf of HAL. This allows HAL to comply with IFRS and prepare consolidated financial statements which include the financial statements of Vopak and Safilo. However, HAL does not have access to the financial books and records, contracts and related information of Vopak and Safilo in order to independently verify that these financial statements are complete, valid and accurate.

The Chairman of the Executive Board of HAL is a member of the Supervisory Board of Vopak and the Board of Safilo. Mr. J.N. van Wiechen, member of the Executive Board of HAL, is a member of the Supervisory Board of Koninklijke Boskalis Westminster N.V. and SBM Offshore N.V. The information obtained in these capacities is not used for the preparation of the consolidated financial statements of the Company in order to preserve confidentiality and to allow these quoted associates to operate independently from HAL. Accordingly, the risk management and internal control systems of HAL with respect to financial reporting risks are not designed and are not able to provide assurance that the information relating to quoted associates in HAL's consolidated financial statements does not contain material errors due to the inherent limitations described above. The assessment that HAL's financial statements do not contain material errors attributable to the financial statements of Vopak and/or Safilo, is based on the external audit of these companies and the involvement of the independent financial expert referred to above. Vopak and Safilo both have included a description of their risks and risk management system in their respective annual reports. These risks are neither monitored nor managed by HAL.

Based on the above, taking into account the inherent limitations referred to, we declare that, to the best of our knowledge, the condensed interim consolidated financial statements for the six-month period ended June 30, 2020, which have been prepared in accordance with IAS 34, *Interim Financial Reporting*, give a true and fair view of the assets, liabilities, financial position and net income of the consolidated entities taken as a whole, and the interim report of the Executive Board includes a fair view of the information required pursuant to section 5:25d. subsections 8 and 9 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

Executive Board HAL Holding N.V.

M.F. Groot *(Chairman)*
A.A. van 't Hof
J.N. van Wiechen

August 27, 2020