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SIVENSA REPORTS THE RESULTS OF THE THIRD QUARTER OF THE FISCAL YEAR 2019-2020

CARACAS, JULY 28th, 2020

As we have been reporting, on October 31, 2010, the former President of the Republic announced the expropriation of plants and other industrial assets owned by the subsidiary Siderurgica del Turbio, S.A. "Sidetur" ("Sidetur"). On November 3, 2010, Presidential Decree No. 7786 dated November 2, 2010 was published in the Official Gazette No. 39,544 (the "Expropriation Decree").

In late October 2012, as promptly informed, the National Executive adopted the following measures: (i) the appropriation and transfer of available funds in bolivars in Sidetur's bank accounts to the account of the State-owned company "Complejo Siderurgico Nacional, S.A." at Banco de Venezuela; and (ii) the occupation of the industrial assets of said subsidiary by the aforementioned State-owned company. Such measures were taken in violation of the provisions of the Law of Expropriation for Public or Social Purpose (Ley de Expropiacion por Causa de Utilidad Publica o Social, "Expropriation Law") and, in any case, without a court order or any authorization or judicial proceeding.

On November 6, 2012, in the Official Gazette of the Bolivarian Republic of Venezuela No. 40,044 Resolution No. 089 of the Ministry of the People's Power for Industries ("MPPI"), dated October 25, 2012, was published, such resolution appoints the new members of the Temporary Administrative Board for the subsidiary Sidetur, in execution of the Preventive Measure of "Occupancy and Temporary Operability and Appointment of Administrative Board" agreed by the extinct Institute for the Defense of the People's Access to Goods and Services (Instituto para la Defensa de las Personas en el Acceso a los Bienes y Servicios "INDEPABIS").

On July 26, 2013, Deutsche Bank, acting as Trustee, notified the bondholders as well as Sidetur (i) that there had been a default due to the non-payment of the principal installment due on July 20, 2013, (ii) that there had been a default due to the lack of sufficient funds in the Reserve Account, (iii) that the issuer had defaulted in the payment of interest due on July 20, 2013, which will become a default if such payment does not occur within the following 30 days, and (iv) that, for the moment, it would not take further actions unless certain holders, defined as "Required Note Holders", would require it to do so, noting that in order to act, following any request or instruction, such holders should furnish to the Trustee security or indemnity reasonable satisfactory to it against the cost



RIF J-000346720

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expenses and liabilities that might be incurred by it. Later, on April 29, 2016, the referred to Bank, through a letter dated April 27, 2016, notified holders of the 2016 Bonds guaranteed by Sidetur (i) that a new event of default had occurred due to the nonpayment of the last principal installment corresponding to such bonds, payable on April 20, 2016, and (ii) that, for the moment, it would not take further actions unless certain holders, defined as "Required Note Holders", would require it to do so, noting that in order to act, following any request or instruction, such holders should furnish to the Trustee security or indemnity reasonable satisfactory to it against the cost expenses and liabilities that might be incurred by it. Later, on April 29, 2016, the referred to Bank, through a letter dated April 27, 2016, notified holders of the 2016 Bonds guaranteed by Sidetur (i) that a new event of default had occurred due to the nonpayment of the last principal installment corresponding to such bonds, payable on April 20, 2016, and (ii) that, for the moment, it would not take further actions unless certain holders, defined as "Required Note Holders", would require it to do so, noting that in order to act, following any request or instruction, such holders should furnish to the Trustee security or indemnity reasonable satisfactory to it against the cost expenses and liabilities that might be incurred by it.

On February 11, 2014, the First Contentious Administrative Court issued a ruling stating that it had jurisdiction to review the lawsuit filed on December 17, 2013 by the Office of the Attorney General of the Bolivarian Republic of Venezuela, for the expropriation of the movable assets, real property and improvements of the subsidiary Sidetur. In the referred claim, the Office of the Attorney General, also requested an innominated judicial measure of "Occupation, Possession, Use and Administration" over Sidetur's real property, movable assets, consumable inventories, warehouses, vehicles and improvements, which was granted by the aforementioned Court.

On December 14, 2016, the Political Administrative Chamber of the Supreme Court issued a judgement dismissing the appeal filed by the attorneys of Sidetur against judgement No. 20120039 of January 26, 2012, issued by the Second Court of the Contentious Administrative Jurisdiction, with respect to the annulment lawsuit filed against Administrative Providence No. 422 of November 2, 2010 issued by the extinct INDEPABIS.

At the end of July of this year, Sivensa received information regarding the filing of two (2) lawsuits against Sidetur Finance B.V. and Sidetur before the Supreme Court of the State of New York of the United States of America on July 19, 2019, for the non-payment of the financial obligations derived from the bonds issued in 2006. The sum of the aforementioned claims, as a whole, amounts to nine million two hundred seventy thousand three hundred seventy-five dollars of the United States of



RIF J-000346720

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America (US \$ 9,270,375.00) for unpaid principal; interest and other concepts derived from the Indenture of the aforementioned bonds and/or applicable law are also demanded. Subsequently, Sivensa received information that on December 3, 2019, the Supreme Court of the State of New York issued a judicial decision with regards to one of the lawsuits filed, for a total of US\$12,101,618.70 (which includes US\$7,389,750.00 for unpaid capital and US\$ 4,711,218.70 for interest), establishing, in addition, post-judgement interest at the statutory rate of 9% per annum.

ACCOUNTING TREATMENT OF THE OPERATIONS OF SIDETUR

The consolidated financial statements of Siderurgica Venezolana "Sivensa", S.A. referred to in this report, include the accounts of the Sidetur subsidiary and its subsidiary companies on a consolidated basis.

The events occurred at the end of October 2012, specifically the occupation, possession and control by the company Complejo Siderurgico Nacional, S.A., of the industrial assets been utilized by Sidetur in the operations and activities aimed at the production and marketing of the steel products, caused that as of said occupation, the subsidiary Sidetur has not been able to continue performing the same operations and activities with the assets that were occupied. Accordingly, on June 30, 2020 and 2019, Sivensa presents in the consolidated statement of financial position, separated from the rest of assets and liabilities, the assets that were occupied, other assets object of appropriation and the liabilities considered as borne by the state company Complejo Siderurgico Nacional, S.A., which are classified as an available investment for sale and are stated in the account "Net assets in process of expropriation and assets object of appropriation".

The industrial assets of Sidetur that were occupied, other assets object of appropriation and the obligations which had to be assumed by the state company Complejo Siderurgico Nacional, S.A., correspond to Property, Plant and Equipment, inventories, cash in local currency, trade account receivables, net of accounts payable to suppliers and others, advances received from customers, profits, holidays and other accruals and social benefits payable. Likewise, the rest of assets and obligations of Sidetur, including the financial debt, are included in the consolidated statement of financial position of Sidetur which sent opportunely the due communications to its creditors, and official and regulatory bodies, to inform about the events mentioned of late October 2012.

On September 2019, in accordance with the applicable accounting rules, the management obtained an update of the appraisal values (depreciated replacement cost) of the real property, machinery, equipment and facilities of Sidetur, realized in September, 2009. Said update indicates that the



RIF J-000346720

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total amount of Property, Plant and Equipment at September 30th, 2019 is Bs. 6.414.910 million in historical values (Bs. 62.267.607 million in constant values as of June 30, 2020), which is a greater amount than the book value of the net assets in process of expropriation and assets object of appropriation, which is Bs. 3.105.195 million in constant values as of June 30, 2020.

PRESENTATION OF THE FINANCIAL STATEMENTS

On July 27th 2016, the National Superintendence of Securities (SUNAVAL) emitted the Circular Letter No. 0744, whereby it decided to request from the securities issuers object of public offer, according to the Law of Securities Market, the presentation of their financial statements adjusted for inflation, based on the indices published by the Central Bank of Venezuela (BCV), corresponding to the year 2015, and that as of January 2016, the financial statements must be presented based on the inflation adjusted figures, with the last index published by the BCV. As of January 1st 2016 and until April 2019, Sivensa adjusted its consolidated financial statements for inflation, based on the last National Consumer Price Index (INPC), published by the BCV on those dates, which was the one corresponding to December 2015, and considered the quantities expressed in terms of purchase power for that date, as the base for the carrying amount of the entries in its subsequent consolidated financial statements.

On May 2019, the BCV published the INPC from January 2016 to April 2019. In a prospectively protocol, the Company recognized the effects of the inflation until said date. The updating by inflation of the income statements during the seven month term ended on April 30th 2019, applying the INPC published by the BCV during said period and the monetary gain, were included in the consolidated results of the quarter ended on June 30th 2019. The inflation accumulated was utilized by the Company to adjust the non-monetary entries of the financial position consolidated statement on June 30th 2019; the result of this updating was included in one line in the statement of changes in equity, named Effect of Change in the Inflation Indices.

On November 6th 2019, the National Superintendence of Securities (SUNAVAL), issued the Circular Letter No. 01464, whereby it decided to instruct the securities issuers object of public offer, in conformity with the Law of the Securities Market, to submit their financial statements adjusted for inflation, based on the indices published by the Central Bank of Venezuela (BCV). In said letter it is noted that if the BCV does not publish the National Consumer Price Index (INPC), the effects of the inflation must be included following the methodology planned in the Bulletin of Financial Information Norms No. 2 (BA VEN-NIF No. 2), called "Criteria for the Recognition of the Inflation in the Financial



RIF J-000346720

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Statements prepared in accordance with VEN-NIF” in its 4th version. Said circular letter replaces the Circular Letter No. 0744 of July 27th 2016. The Sivensa’s consolidated financial statements at March 31st 2020, were inflation adjusted, based on the last INPC published by the BCV on March 31st, 2020. The percentage of inflation of said quarter amounted to 124.0%. On March 31st, 2019, SIVENSA submitted its consolidated inflation adjusted financial statements, considering the last INPC published by the BCV on December 31st, 2015, in accordance with the SUNAVAL’s instructions, and for corporate effects, the Corporation adjusted the balances presented by the inflation of the year ended on March 31st, 2020, published by the BCV, which amounted to 2,430.6%.

The Sivensa’s consolidated financial statements at June 30th 2020, were adjusted for inflation utilizing the monthly inflation rate determined by an independent expert, considering the guidelines established in the BA VEN-NIF No. 2 Bulletin. The inflation percentage of said quarter was 113.8%. At June 30th 2019, Sivensa presented its inflation adjusted consolidated financial statements, based on the last INPC published by the BCV at that date, which was April 30th 2019, in accordance with instructions from SUNAVAL; and for purposes of comparison, the Company adjusted the balances presented by the inflation of the year ended on June 30th 2020, published by the BCV, which was 2,275%.

Considering the exchange agreements in force at the moment of elaboration of this report, the transactions and balances in foreign currency of Sivensa and its affiliates (whose functional currency is the bolivar), mainly constituted by USA dollars, have been converted to bolivars, utilizing the exchange rate in force at the date of the transaction (monthly average) and the closure exchange rate, respectively, in accordance with the indications of NIC 21. On June 30th 2020 and 2019, the closure exchange rate utilized was the reference exchange rate of the Exchange Market System of 204,417.69 and 6,733.29 Bs. per 1US\$, respectively. The exchange rate differences mainly resulting from the fluctuations of the bolivar in relation with the dollar arising from the translation of the balances in foreign currency on June 30th 2020 and 2019, are shown in the results of the exercises ending on said dates, in the “Exchange Loss, net” account.

The translation into bolivars of the consolidated financial statements of the affiliate IBH, elaborated in USA dollars, which is its functional currency, has been realized in agreement with NIC 21, as applicable to an entity whose functional currency and presentation currency are different, as follows: The assets and liabilities are translated according with the closure exchange rate and the equity is translated at the historic exchange rates. On June 30th 2020 and 2019, the closure exchange rate



RIF J-000346720

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used was the reference exchange rate of the Exchange Market System of Bs 204,417.69 and 6,733.29 per 1US dollar, respectively. The exchange differences arising from the translation to bolivars of the consolidated financial statements of the affiliate IBH, elaborated in USA dollars, at June 30th 2020 and 2019, minority interest net, are presented in the consolidated financial statement account named "Result per translation of affiliates abroad". The result per translation of affiliates abroad at June 30th 2020 and 2019, was Bs 126,500,114 million and Bs 98,120,594 million, respectively, which represents an increase in the consolidated equity of the Sivensa's shareholders of Bs 28,379,520 million.

ANALYSIS OF THE QUARTER RESULTS

The Sivensa's consolidated results mainly include the operations of the affiliate Sidetur and the operations of the affiliate IBH, corresponding to the three-month period ended on June 30th 2020 and 2019.

Hereunder, the most significant aspects of the consolidated income statement are described:

- a. PROFIT (LOSS) IN OPERATIONS. In the period April-June 2020, the Sivensa's profit in operations was Bs 142,128 million, compared with the loss of Bs 34,311 million in the same period of 2019. The positive variation in Bs 176,439 million is fundamentally due to: i) The decrease of the account "General and Administrative Expenses" in Bs 32,214 million and ii) The increase in Bs 144,225 million in the account "Other operating incomes, net".
- b. NET QUARTER'S LOSS: During the third quarter of the 2020 economic exercise, a loss of Bs 183,350 million was obtained, compared with the profit of Bs 457,892 million in the same period of the previous year. This negative variation of Bs 641,242 million is mainly due to the net of: i) the positive variation of the profit (loss) in operations, as explained in the previous paragraph; ii) the increase of Bs 94,202 million in the financial expenses of the year, mainly denominated in USA dollars; iii) the increase of Bs 69,121 million in the financial incomes of the year, mainly denominated in USA dollars; iv) the decline in Bs 1,460,008 million in the item "Exchange loss, net" in relation with the one registered in 2019, being all these variations mainly due to the increase in the applicable exchange rate (Bs per 1 US\$) to translate to bolivars the transactions and balances denominated in USA dollars, using the exchange agreements in force during the quarters ended on June 30th 2020 and 2019 and the effect of updating for inflation, as explained above; and v) the previously mentioned effects net of a decrease of the monetary gain obtained in the third quarter of the fiscal year



RIF J-000346720

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2020 of Bs 2,830,739 million. The net profit of the quarter includes the results of the Sivensa's operations and its affiliates, before the participation of the minority shareholders, mainly in the net results of the affiliate IBH.¹

- c. NET LOSS OF THE YEAR ATTRIBUTABLE TO THE SIVENSA'S SHAREHOLDERS: This result during the third quarter of the economic year 2020 was a loss of Bs. 183,235 million compared with the profit of Bs 459,014 million registered in the same period of the previous year. This negative variation of Bs 642,249 million is mainly explained by the net loss of the quarter, commented above. The net loss of the quarter attributable to the Sivensa's shareholders, includes the results of the Sivensa's operations and its affiliates, after the participation, mainly of 31.46% of the IBH minority shareholders, in the net results of said affiliate for the three-month periods ended on June 30th 2020 and 2019. In said periods, that participation was a loss for the minority shareholders of Bs 115 million and Bs 1,122 million, respectively.

INTERNATIONAL BRIQUETTES HOLDING (IBH)

NATIONALIZATION OF VENPRECAR AND ORINOCO IRON SUBSIDIARIES

D Despite efforts to pursue negotiations with the public sector involved in the process of nationalization of Venprecar and Orinoco Iron, It has not been possible up to this date, to reach a deal with the Government to set up a working schedule in order to negotiate a fair price for assets subject to nationalization. On July 9, 2013, the subsidiary International Briquettes Holding (IBH) filed a request for indemnification (compensation) against the Bolivarian Republic of Venezuela, before the Ministry of the People's Power for Industries, as a result of the de facto expropriation of the equity interest that such subsidiary holds directly and indirectly (through IBH de Venezuela, C.A.) in the corporations Venprecar and Orinoco Iron, whose operational control and management were unilaterally and exclusively taken over by the Venezuelan state, without complying with the procedure set forth in the Expropriation Law, or having paid the timely, fair and integral compensation. As of this date, the aforesaid Ministry has not issued any statement regarding that request.

¹ The third quarter of the 2020 economic exercise includes the period from April 1st 2020 to June 30th 2020. The third quarter of the 2019 economic exercise includes the period from April 1st 2019 to June 30th 2019.



RIF J-000346720

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In the Extraordinary Official Gazette of the Bolivarian Republic of Venezuela No. 6,119, dated December 19, 2013, the Presidential Decrees of same date, related to the briquetted-iron companies Venprecar and Orinoco Iron (both affiliates of the subsidiary International Briquettes Holding (IBH) were published, namely: (i) Decree No. 695, pursuant to which the movable assets, real property and improvements used for the operation of Venezolana de Prerreducidos Caroni "Venprecar" C.A. and its subsidiaries are subject to forced acquisition, as they are considered essential for the execution of the Work "Fortalecimiento de la Transformación del Mineral de Hierro y Generación de Briquetas en Caliente que Contribuyan con el Sector Industrial Siderúrgico" ("Strengthening of Iron Ore Transformation and Hot Briquettes Generation that Contribute to the Iron and Steel Industrial Sector"); and (ii) Decree No. 697, pursuant to which the movable assets, real property and improvements used for the operation of Orinoco Iron, S.C.S. and its subsidiaries are subject to forced acquisition, as they are considered essential for the execution of the Work "Fortalecimiento de la Reducción Directa del Mineral de Hierro y Generación de Briquetas en Caliente que Contribuyan con el Sector Industrial Siderúrgico" ("Strengthening of Iron Ore Direct Reduction and Hot Briquettes Generation that Contribute to the Iron and Steel Industrial Sector") (the "Acquisition Decrees").

Within the timeframe set forth in Article 22 of the Expropriation Law and in the text of the aforementioned notices, the attorneys and judicial representatives of IBH and its subsidiary IBH de Venezuela, C.A., appeared before the Office of the Attorney General of the Republic in accordance with the provisions of the said article and presented their written allegations in two separate documents (one for each of the aforementioned Acquisition Decrees) laying out the legal and factual arguments that, in their opinion, justified the unenforceability of such Decrees under the terms in which they were framed, considering that in February 2010 the Venezuelan State assumed, unilaterally and exclusively, the operational control and management of Venprecar and Orinoco Iron for the purposes of their transformation into State-owned companies.

On June 10, 2014, IBH de Venezuela, C.A., holder of legitimate interests as owner of 79.649740% of the equity interest in Venprecar and Orinoco Iron, filed before the Political Administrative Chamber of the Supreme Court of Justice two judicial recourses for the annulment of the aforesaid Acquisition Decrees.

On December 11, 2014, the aforementioned Chamber of the Supreme Court of Justice, as a result of the request for joint trials presented by the representative of the State, suspended the trial hearings schedule for both cases. Subsequently, on August 3, 2017, the aforementioned Chamber



RIF J-000346720

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held that the request for joint trials should proceed as requested. On a later date, on June 12, 2018, the aforementioned chamber of the Supreme Court set the Trial Hearing for July 12, 2018, which was held on the established date and where the attorneys of IBH de Venezuela, C.A., presented the arguments and evidence they deemed pertinent in agreement with the Judicial Representative of said affiliate, filing the corresponding written arguments.

On August 7, 2018, an interlocutory ruling was issued by the Substantiation Court of the Political-Administrative Chamber of the Supreme Court of Justice, which admitted certain evidence promoted by the aforementioned attorneys, who on September 18, 2018 and in agreement with the judicial representation of the subsidiary IBH de Venezuela, C.A., partially appealed the aforementioned judgment before the Political-Administrative Chamber of the Supreme Court of Justice. On May 14, 2019, the aforementioned Chamber of the Supreme Court of Justice issued a judgment dismissing the referred partial appeal. Subsequently, on the date set for the filing of final briefs (March 10, 2020), the attorneys of IBH de Venezuela, C.A. proceeded to file before the Political-Administrative Chamber of the Supreme Court of Justice, the written summary of conclusions in the course of the aforementioned judicial recourses for the annulment of the said Acquisition Decrees.

To date, there has been no judicial decision on the merits of the judicial recourses for the annulment of Acquisition Decrees.

OTHER BUSINESSES

After the nationalization of the subsidiaries Venprecar and Orinoco Iron, IBH has continued, through its subsidiary SDP International Corporation, with its international marketing of products addressed to the industrial sectors. At the beginning of January 2018, the aforementioned subsidiary reduced its operations and management expenses to guarantee its permanence.

SOCIAL RESPONSIBILITY

A high level of economic, political and social uncertainty remained during this quarter, throughout the country; nevertheless, FUNDAMETAL maintains its educational activities through online methodology. This third quarter can be summarized in the following activities:



RIF J-000346720

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PROFESIONAL TRAINING: There was not any activity in courses / shops and audits. Despite this, an active promotion of the services to the companies was performed, which can be concreted in the upcoming months.

NATIONAL LEARNING PROGRAM: The formation activities are carried out using several platforms of interactive communication. The same number of ninety-two (92) apprentices is kept.

UNIVERSITY PROGRAMS: The University Educational process was performed through the UNIPAP platform, thus permitting the conclusion of the first semester, reducing the dropout of students for not being adapted to the online modality.

COVID-19

In March 2020, the World Health Organization declared the Coronavirus (COVID-19) to be a pandemic. The Company informs that as of the date of this report, no one of the workers has been affected by the Coronavirus. Likewise, it informs that since the Declaration of the state of alert, substantial actions have been concreted to alleviate as much as possible the lethal effects of the pandemic, regarding the expenses for the family maintenance of the aforementioned workers. The Company has remained performing its activities under the telework modality.

THE BOARD OF DIRECTORS

Caracas, July 28th, 2020

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**SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

(Millions of constant bolivars at June 30, 2020)

	2020	2019
Assets		
Non-current Assets		
Available for-sale investment		
Investments in companies under "nationalization"	184,601,659	144,411,105
Net assets in process of expropriation and assets subject to appropriation	3,105,195	1,821,404
Accounts receivable from companies under "nationalization", net	24,194,498	17,866,302
Property, plant and equipment, net	30,795	24,320
Other non-current assets	2,123	1,235
Total non-current assets	<u>211,934,270</u>	<u>164,124,366</u>
Current assets		
Prepaid expenses and other current assets	4,584	5,985
Advances to suppliers	4,916	3,895
Accounts receivables		
Other accounts receivable	2,641,530	2,112,503
Investments in trading securities	1,152,208	985,252
Cash	258,996	241,510
Total current assets	<u>4,062,234</u>	<u>3,349,145</u>
Total assets	<u>215,996,504</u>	<u>167,473,511</u>
Equity and Liabilities		
Equity		
Capital stock		
Restated capital	3,285,873	1,929,323
Share premium	326,407	191,659
Income from translation of foreing subsidiaries	126,500,114	98,120,594
Retained earnings (deficit)		
Legal reserve	326,407	191,659
Déficit	<u>(3,921,350)</u>	<u>(1,597,778)</u>
Total equity of Sivensa shareholders	126,517,451	98,835,457
Non-controlling interests	<u>58,061,657</u>	<u>45,431,702</u>
Total equity	<u>184,579,108</u>	<u>144,267,159</u>
Liabilities		
Non-current liabilities		
Accrual for length-of-service benefits, net of advances and loans to employees	4,869	4,014
Other long-term liabilities and accruals	1	24
Deferred income tax	1,158,988	662,353
Total non-current liabilities	<u>1,163,858</u>	<u>666,391</u>
Current liabilities		
Bank loans	1,210,970	947,324
Financial obligation	15,075,805	11,793,576
Profit sharing, vacation bonus and other employee accruals	1,639	1,377
Other liabilities and accruals	13,746,671	9,525,585
Accounts payable		
Suppliers	153,672	125,374
Related companies	64,781	146,725
Total current liabilities	<u>30,253,538</u>	<u>22,539,961</u>
Total liabilities	<u>31,417,396</u>	<u>23,206,352</u>
Total equity and liabilities	<u>215,996,504</u>	<u>167,473,511</u>



RIF J-000346720

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SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
QUARTERS ENDED JUNE 30, 2020 AND 2019

((Millions of constant bolivars at june 30, 2020))

	2020	2019
General and administrative expenses	(13,393)	(45,607)
Other operating income, net	155,521	11,296
Operating income (loss)	142,128	(34,311)
Financial expenses	(427,318)	(333,116)
Financial income	355,133	286,012
Exchange loss, net	(1,664,916)	(3,124,924)
Gain from net monetary position	1,410,465	4,241,204
(Loss) gain income before tax	(184,508)	1,034,865
Income tax		
Deferred	1,158	(576,973)
Net (loss) gain for the quarters	(183,350)	457,892
Net loss attributable to Sivensa shareholders		
Sivensa shareholders	(183,235)	459,014
Non-controlling interest	(115)	(1,122)
Net loss for the quarters	(183,350)	457,892



RIF J-000346720

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**SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES****CONSOLIDATED INCOME STATEMENT****PERIOD ENDED JUNE 30, 2020 AND 2019**

(Millions of constant bolivars at june 30, 2020)

	2020	2019
General and administrative expenses	(158,457)	(66,974)
Other operating income, net	118,370	73,149
Operating (loss) income	(40,087)	6,175
Financial expenses	(1,141,987)	(627,797)
Financial income	972,574	540,256
Exchange loss, net	(4,137,952)	(4,553,345)
Gain from net monetary position	4,157,203	4,241,204
Loss before tax	(190,249)	(393,507)
Income tax		
Deferred	(5,163)	(576,973)
Net loss	(195,412)	(970,480)
Net loss the quarters attributable to Sivensa shareholders		
Sivensa shareholders	(193,366)	(969,126)
Non-controlling interest	(2,046)	(1,354)
Net loss	(195,412)	(970,480)



RIF J-000346720

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SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES
CONSOLIDATED FINANCIAL INDICATORS
AS OF JUNE 30, 2020 AND 2019

		<u>2020</u>	<u>2019</u>
Solvency	<u>Current assets</u>	0.13	0.15
	Current liabilities		
Working capital	Current assets - Current liabilities (Millions bolivars)	(26,191,304)	(19,190,816)
Short term debt	<u>Short term financial liability</u>	0.13	0.13
	Total equity of Sivensa shareholders		
Total debt	<u>Financial liabilities short and long term</u>	0.13	0.13
	Total equity of Sivensa shareholders		
Return over assets	<u>Annualized net loss attributable to Sivensa shareholders</u>	-0.12%	-0.77%
	Total assets		
Return over equity	<u>Annualized net loss attributable to Sivensa shareholders</u>	-0.20%	-1.31%
	Total equity of Sivensa shareholders		