Financial report
Half year
2021

Build together, live together

CONTENTS

1.

HALF-YEAR REPORT AS AT JUNE 30, 2021

A strong growth of first half 2021 results :

- **Dynamic markets and selling prices well oriented**
- **New low-carbon product line "DECA"**
- **Strong cash flow generation over the period**

(€ million)	**30 June 2021**	30 June 2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**1,560**	1,304	+19.6%	**+26.2%**
EBITDA	**300**	213	+41.0%	**+48.3%**
EBITDA margin (%)	***19.2%***	*16.3%*		
EBIT	**171**	76	+126.3%	**+137.4%**
EBIT margin (%)	***11.0%***	*5.8%*		
Consolidated net income	***102***	29	+247.0%	**+260.9%**
Net margin (%)	***6.5%***	*2.3%*		
Net income, Group share	**94**	27	+246.3%	**+256.1%**
Cash flow	**240**	175	+36.8%	**+43.9%**

Commenting on these figures, Guy Sidos, the Group's Chairman and CEO, said:

"Leveraging the dynamism of its markets, Vicat's financial results continue their progression. The Group once again demonstrates its responsiveness and ability to adapt and confirms the relevance of its industrial and commercial strategy. Focused on its carbon footprint reduction targets, the Group has accelerated the commercialisation of its low-carbon product lines, adapted to the global climate challenge."

Disclaimer:

- *In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2021/2020), and at constant scope and exchange rates.*
- *The alternative performance measures (APMs), such as "at constant scope and exchange rates", "operational sales", "EBITDA", "EBIT", "net debt", "gearing" and "leverage" are defined in the appendix to this press release.*
- *This press release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its website (www.vicat.fr). These statements do not reflect the future performance of the Company, which may differ significantly. The Company does not undertake to provide updates of these statements.*

Further information about Vicat is available from its website (www.vicat.fr).

---The Group enjoyed strong sales growth in the **first half of 2021** as buoyant markets combined with a favourable basis of comparison. The Group's business was hit particularly hard in the second quarter of 2020, particularly in India and France, by the spread of Covid-19 and the governmental measures introduced to tackle it. Although the pandemic has continued into the early part of this year, and whilst certain markets remain disrupted, the measures introduced have allowed activity to continue in the construction sector.

As a result, the Group's **consolidated sales** were €1,560 million, from €1,304 million in the first half of 2020, an increase of 19.6% on a reported basis and of 26.2% at constant scope and exchange rates.

Movements in consolidated sales on a reported basis resulted from:

- organic sales growth of +26.2%, driven by strong markets in all of the Group's regions and a favourable basis of comparison;
- a negative currency effect of -6.8%, corresponding to a loss of reported sales of €89 million over the first half, due to the appreciation of the euro;
- and lastly, a positive scope effect of +0.3%, adding €3 million to sales, resulting primarily from small acquisitions in Concrete and Aggregates in France.

The Group's **operational sales** amounted to €1,771 million, up +19.8% on a reported basis and +26.4% at constant scope and exchange rates. Each of the Group's business areas contributed to this positive trend. The Cement business (€938 million) posted growth of +20.7% on a reported basis and +29.1% at constant scope and exchange rates. Operational sales in Concrete & Aggregates (€585 million) were up by +16.5% on a reported basis and +22.1% at constant scope and exchange rates. Finally, the Other Products & Services business area (€249 million) saw growth of +24.7% on a reported basis and +26.6% at constant scope and exchange rates.

Consolidated EBITDA was €300 million for the first half of 2021, up +41.0% on a reported basis and +48.3% at constant scope and exchange rates. As a result, the EBITDA margin was 290 basis points higher at 19.2%. The reported change in EBITDA reflects a negative currency effect of €16 million together with organic growth of €103 million.

At constant scope and exchange rates, EBITDA growth came from:

- strong business levels across all markets;
- a widespread upward movement in selling prices, which offset cost inflation;
- a favourable basis of comparison, given the health situation in the first half of 2020.

EBIT came to €171 million, from €76 million in the first half of 2020, an increase of +126.3% on a reported basis and of +137.4% at constant scope and exchange rates, after inclusion of a €6.8 million net reversal of provisions relating to the end of the Article 39 pension scheme. As a result, the EBIT margin on consolidated sales rose 520 basis points to 11.0%. This performance reflected a very strong improvement in operating profitability in France, and the Americas, Asia and Africa zones. The Europe (excluding France) and Mediterranean zones were more or less stable over the period at constant scope and exchange rates.

Operating income reaches €161 million, up +161.4% on a reported basis and +174.3% at constant scope and exchange rates. This performance was primarily the result of improvements in operating margins at both the EBITDA and EBIT levels, together with additional impairment of €11 million on receivables relating to investment in Egypt.

The €2 million increase in **net financial expense** (which rose from €16 million in the first half of 2020 to €18 million) was the net result of a reduction of nearly €2 million in the cost of net financial debt, following the refinancing of part of the debt in 2020 and, on the other hand, a fall in other financial income and expense caused by the recognition of a non-recurring income item in Brazil in 2020.

Tax expense increased by €25 million, the result of growth in pre-tax income. The apparent tax rate fell from 42.8% at 30 June 2020 to 30.7% in 2021. This reduction in the tax rate came mainly from reductions in the tax rates in France and Switzerland, a favourable country mix and the reversal of deferred taxation relating to the final signature of the amendment to the mining agreement in Senegal.

Consolidated net income was €102 million in the first half of 2021, an increase of €73 million on the €29 million reported for the same period of 2020, giving growth of +260.9% at constant scope and exchange rates and +247.0% on a reported basis.

Net income, Group share was €94 million, an increase of +256.1% at constant scope and exchange rates and +246.3% on a reported basis.

Cash flow came to €240 million, up +36.8% on a reported basis and +43.9% at constant scope and exchange rates, as a result of the strong growth in EBITDA over the semester.

1. Income statement broken down by geographical region

1.1. Income statement, France

(€ million)	**30 June 2021**	30 June 2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**562**	444	+26.5%	+25.7%
EBITDA	**104**	56	+83.9%	+83.7%
EBIT	**66**	14	+379.8%	+380.5%

Over the first six months of the year, in line with the trend seen in the second half of 2020, and given a highly favourable basis of comparison, the Group's performance in France improved strongly. Although the effects of the health crisis weighed over this first part of the year, government measures, along with steps taken by the Group, allowed it to seize growth opportunities and report a strong performance across all business areas.

Under these circumstances, EBITDA grew strongly throughout the period, despite a slight increase in energy costs and an unfavourable basis of comparison relating to the non-recurrent effects of the cost-cutting plan introduced at the end of the first quarter of 2020 to address the impact of lockdown measures.

- *In the Cement business*, operational sales rose +23.0% at constant scope over the period as a whole as a result of the favourable base of comparison of the first half of 2020 and a supportive industry environment in the Group's markets. These factors helped to more than offset the impact of the less favourable weather conditions, with the sector seeing significant growth throughout the period. Against this positive background, selling prices increased. EBITDA rose by +63.8%, and the EBITDA margin on operational sales in this business area rose by 600 basis points.
- *The Concrete & Aggregates business* increased its operational sales by +29.6% at constant scope. This growth was the result of increased business levels in both concrete and aggregates. Selling prices moved higher in aggregates and were stable in concrete. As a result, EBITDA in this business area grew by +106.1% at constant scope over the period, producing a 450 basis-point increase in EBITDA margin on operational sales.

In the Other Products & Services business, operational sales rose +30.9% at constant scope over the period. EBITDA in this business grew by +154.5% over the period, with the EBITDA margin on operational sales gaining 320 basis points.

1.2 Income statement for Europe excluding France

(€ million)	**30 June 2021**	30 June 2020	**Change (reported)**	**Change (at constant scope and exchange rates)**
Consolidated sales	**203**	198	+2.5%	+5.3%
EBITDA	**39**	40	-1.9%	+0.8%
EBIT	**19**	20	-0.9%	+1.8%

Activity in Europe (excluding France) covers Switzerland and Italy. The Swiss market, which was only slightly affected by the pandemic during the first half of 2020, saw modest growth in the first half of the current year. Meanwhile, Italy benefited from a very favourable basis of comparison given the particularly difficult health and macroeconomic situations in the first half of 2020. EBITDA, for the region as a whole, was stable (+0.8%) at constant scope and exchange rates and -1.9% lower on a reported basis.

In **Switzerland**, the Group's consolidated sales rose by +3.9% at constant scope and exchange rates (+1.0% on a reported basis). Business in this country continued as normal with no significant impact on sector conditions from the epidemic. The EBITDA margin on consolidated sales was down -80 basis points at 19.5%.

- *In the Cement business*, operational sales grew by +6.3% at constant scope and exchange rates, bolstered by strong markets and waste processing activities. Selling prices were down over the first half, due to an unfavourable client mix. As a result of these factors and given a non-recurring element in the first half, EBITDA in this business fell -19.9% at constant scope and exchange rates, with the EBITDA margin on operational sales coming in at 25.3% versus 33.6% in the first half of 2020.
- *In the Concrete & Aggregates business,* operational sales were down -6.7% at constant scope and exchange rates due to less favourable weather conditions, particularly in the first quarter, and a slight decline in selling prices. In contrast, the recycling business saw a solid increase in prices. As a result of these factors, EBITDA generated by this business rose +3.5% at constant scope and exchange rates, with EBITDA margin on operational sales gaining 180 basis points over the first half.
- *In Other Products & Services*, operational sales were up +11.9% at constant scope and exchange rates. EBITDA from this business was once again significantly positive over the first half, at nearly €4 million, whereas it was around break-even in the same period of 2020. The EBITDA margin on operational sales was 5.7%. Meanwhile, the Group completed the disposal of Creabeton Matériaux (lightweight precast products) on 30 June 2021.

In Italy, given the shutdown of the business for 30 days in the first half of 2020, consolidated sales rose +36.7% over the period. Business levels and selling prices were both significantly higher over the first half. As a result, EBITDA grew by +44.5% over the period. EBITDA margin on consolidated sales thus improved by 60 basis points compared to the first half of 2020.

1.3 Income statement for the Americas

(€ million)	30 June 2021	30 June 2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**319**	298	+7.1%	+20.1%
EBITDA	**70**	56	+24.9%	+41.2%
EBIT	**43**	26	+63.3%	+86.0%

Despite a concerning pandemic situation, especially in Brazil, activity levels remained strong in both the United States and Brazil. The acceleration in the pace of growth seen in Brazil since the third quarter of 2020 continued strongly through the first half of this year. As a result, there was strong growth in both sales and EBITDA in the Americas region.

In the **United States**, the macroeconomic and sector environment remained favourable in the first half. It should be noted that in California the second quarter was affected by an unfavourable basis of comparison, given the record level of delivery volumes in this period in 2020, particularly in May and June. Even so, consolidated sales in the United-States grew by +11.1% at constant scope and exchange rates, taking them to €238 million. EBITDA was €46 million, an increase of +21.5% at constant scope and exchange rates.

The construction of a 5,000 tonnes per day kiln line at Ragland, Alabama, begun in 2019, continued. This new facility will come into service in the first quarter of 2022. It will increase the plant's capacity, thus helping to meet strong market demand, significantly reduce production costs and make an active contribution to the Group's targets in terms of reducing CO_2 emissions.

- *In the Cement business*, operational sales rose +4.9% at constant scope and exchange rates in the first half of 2021, on the back of solid trends in the Group's markets and increases in selling prices over the period. EBITDA generated in this business rose by +16.7% at constant scope and exchange rates. As a result, the EBITDA margin on consolidated sales improved by 290 basis points.
- *In the Concrete business*, operational sales rose +14.9% at constant scope and exchange rates again thanks to solid market trends, especially in the South-East region, and increases in average selling prices. EBITDA saw strong growth over the period, with an increase of +37.9% at constant scope and exchange rates. As a result, the EBITDA margin on operational sales rose by 130 basis points.

In Brazil, consolidated sales were €81 million, an increase of +53.1% at constant scope and exchange rates. Growth in this area was strong, despite continued concerns over the health situation. EBITDA grew solidly over the first half, reaching €24 million, from €15 million in the same period in 2020. The EBITDA margin improved by 660 basis points.

- *In the Cement business*, operational sales were €67 million, from €52 million in the first half of 2020, an increase of +55.1% at constant scope and exchange rates. This performance was driven by the strength of the markets in which the Group is active and positive price trends that allowed higher costs, particularly for energy, to be passed on in full. EBITDA amounted to €22 million in the first half of 2021, from €13 million in the same period in 2020; EBITDA margin on operational sales was 32.6%.
- *In the Concrete & Aggregates business,* operational sales were €23 million, an increase of +80.9% at constant scope and exchange rates, in line with the growth recorded in the Cement business. The improvement in market conditions was accompanied by a rise in prices, both in concrete and in aggregates. EBITDA was +54.6% higher at constant scope and exchange rates.

1.4 Asia (India and Kazakhstan)

(€ million)	**30 June 2021**	30 June 2020	**Change (reported)**	**Change (at constant scope and exchange rates)**
Consolidated sales	**206**	149	+38.5%	+51.2%
EBITDA	**58**	38	+51.3%	+65.4%
EBIT	**40**	19	+114.4%	+134.5%

The Asia region, particularly India, continues to be severely affected by the pandemic crisis, which is affecting the macroeconomic and sector environment to a lesser extent than in the first half of 2020. The measures taken by the Indian government to counter the situation have enabled the Group to continue operating, unlike in the first half of 2020, when both the Group's plants had to shut down completely for a month.

In the light of these factors, and given the favourable basis of comparison from the first half of 2020, activity in **India** saw strong growth in the first half, on the back of strong demand and the effects of the government's recovery programmes. The shortage of labour in major urban areas, triggered by the latest restrictions introduced by some states in response to the pandemic, have had an impact particularly for major infrastructure works over this period, but now seem to be easing gradually. Under these conditions, prices have remained strong over the period. Thus, the Group posted consolidated sales of €177 million in the first half of 2021, an increase of +60.5% at constant scope and exchange rates.

Given these trends, EBITDA was €49 million, an increase of +87.6% at constant scope and exchange rates. EBITDA margin on consolidated sales rose 400 basis points to 27.6%.

In **Kazakhstan** the Group posted consolidated sales of €30 million in the first half of 2021, an increase of +13.9% at constant scope and exchange rates. This reflected further growth for the Group in the Kazakh domestic market, which offset the fall in exports. Given this favourable geographical mix and the dynamic trends in the domestic market, prices recorded a significant increase.

EBITDA was +2.7% higher at constant scope and exchange rates, at €9 million.

1.5 Income statement for the Mediterranean region (Egypt and Turkey)

(€ million)	30 June 2021	30 June 2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**103**	75	+37.4%	+71.5%
EBITDA	**-6**	-9	+35.5%	+35.4%
EBIT	**-16**	-18	+11.3%	-0.5%

The Mediterranean region remains affected by the deterioration in the macroeconomic and sector situation, although this is gradually improving, most notably in Turkey. In Egypt, the security situation and the competitive environment remained a challenge in the first half. This being the case, the Group once again reported negative EBITDA in this region in the six months to 30 June 2021.

In **Turkey**, while the ongoing depreciation of the Turkish lira since August 2018 and the pandemic crisis continued to affect the macroeconomic and sector environment, the recovery in the construction market remains on track. Consolidated sales were €69 million, an increase of +71.0% at constant scope and exchange rates. EBITDA improved significantly over the first half, reaching €2 million, having posted a very small loss in the first half of 2020.

- *In the Cement business*, the firmer trends observed since the end of 2020 carried through into the first half of 2021, with favourable weather conditions at the beginning of the year providing a boost. Business levels and selling prices were both significantly higher than in the first half of 2020. Operational sales were €50 million, an increase of +72.6% at constant scope and exchange rates. Given these factors, EBITDA at constant scope and exchange rates increased by a factor of seven over the period. However, price increases only partially offset the sharp inflation in costs resulting from the depreciation of the currency.
- *In the Concrete & Aggregates business,* operational sales rose +64.5% at constant scope and exchange rates to €31 million. This business benefited over the first half from continued improvements in market conditions and favourable weather conditions which resulted in price rises. EBITDA from this business was slightly positive in the first half, compared to a small loss in the same period of 2020.

In Egypt, consolidated sales came to €34 million, up +72.7% at constant scope and exchange rates. Given the difficult conditions that have existed for a number of years, which have affected the whole sector, it should be noted that the first half of 2021 brought the conclusion of a market regulation agreement between the Egyptian government and all producers. This agreement, which came into force in July 2021, was approved by the Competition Authority and aims to create a more rational framework for the various market participants by limiting (to around 65% of their capacity) sales from all factories into the domestic market for a period of one year. As a result, market prices for cement saw, in the first half of 2021, their first increase since the third quarter of 2018, even though their average over the first half of this year was still slightly lower than for the first half of 2020.

Although this marks the first signs of a long-awaited change, EBITDA in Egypt remained negative, at €-8 million over the first half of 2021 (from €-9 million in the first half of 2020).

1.6 Income statement for Africa (Senegal, Mali, Mauritania)

(€ million)	**30 June 2021**	30 June 2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**167**	140	+19.4%	+19.7%
EBITDA	**35**	32	+11.4%	+11.8%
EBIT	**18**	15	+20.8%	+21.5%

In Africa, the Group continues to benefit from a favourable sector environment despite the pandemic crisis, helped by improvements in performance at the Rufisque plant and by the ramp-up of the new mill in Mali.

- *In the Cement business*, operational sales in the Africa region grew +20.1% at constant scope and exchange rates, with a boost provided by the dynamic trends in the West African market, especially in Senegal, and the ramp-up of the new mill in Mali. Selling prices in Senegal were lower than in the first half of 2020 given the introduction of the new tax on cement in May 2020. It should be noted that this unfavourable comparison effect has now come to an end and that prices in May and June were slightly higher than in the same period of 2020. Pricing conditions in Mali and Mauritania are positive. As a result of these factors, EBITDA generated by this business rose +10.4% at constant scope and exchange rates, with EBITDA margin on operational sales 170 basis points lower over the first half, at 19.0%.
- In Senegal, the *Aggregates* business posted consolidated sales of €15 million in the first half of 2021, an increase of +16.8% at constant scope and exchange rates, driven by the gradual resumption of major government projects against the background of favourable pricing trends. As a result of these factors, EBITDA generated by this business rose +21.0%, and EBITDA margin on operational sales was up 110 basis points.

2. Financial position at 30 June 2021

At 30 June 2021, the Group had a solid financial structure, with substantial equity and well-controlled borrowing. At this date, shareholders' equity was €2,459 million, from €2,411 million at 31 December 2020.

Meanwhile, debt was €1,320 million at 30 June 2021, from €1,202 million at 31 December 2020.

On this basis the Group's leverage ratio was 2.05x (from 2.16x at 31 December 2020 and 2.49x on 30 June 2020) and its gearing was 53.7% (from 49.9% at 31 December 2020 and 52.9% at 30 June 2020).

Given the levels of the Group's net debt and liquidity, the covenants included in medium- or long-term financing contracts do not pose a threat to the Group's financial position. At 30 June 2021, the Group complied with all financial ratios required by covenants in its borrowing agreements.

In the first-half of 2021, net capital expenditure stood at 170 million euros and was for a large part related to the continued construction of the new kiln in Ragland in the United-States.

Finally, free-cash flow this first-half stood at -52 million euros.

3. Recent events

<u>Completion of disposal of Creabeton Matériaux in Switzerland:</u>

On 30 June 2021, the Vicat Group's Swiss subsidiary, Vigier Holding SA, finalised the disposal of Creabeton Matériaux SA to Müller Steinag Holding, based in Switzerland.

Creabeton Matériaux SA, specialises in precast concrete products; it has 380 employees and had sales of SFR91 million in 2020. Vigier Holding SA has retained the Rail business, which has critical mass in its specific sector.

With this acquisition, the Müller Steinag Holding Group, which has been the joint owner of the Creabeton brand since 2002, will be able to strengthen its positions in precast products, its core business, and gain access to new markets. Creabeton Matériaux SA meanwhile will receive the backing of a leading company with critical mass in a highly competitive sector and have access to the resources necessary to continuing its successful development.

<u>Organisation of a Capital Markets Day:</u>

The Group will organise a Capital Markets Day on 16 November 2021 to present its strategy, roadmap and ambitions for reducing CO_2 emissions.

Further details regarding the organisation of this event will be provided in the near future and will take into account evolutions in the public health situation.

4. Outlook for 2021

In 2021, macroeconomic conditions in all of the countries where the Group operates are still likely to be affected by the Covid-19 pandemic to varying degrees, depending on the pandemic situation and governmental responses.

At present, business is conducted within the strict framework of the procedures adapted to the public health conditions in each country where the Group is present. Within this framework, it is important to note that:

- The twelve countries where the Group operates have been affected by the Covid-19 epidemic, sometimes with timing differences in the intensity of its impact;
- The sharing of experience between countries allows good practice and operating modes to be introduced to help meet the demands of the situation in each country and ensure business continuity on the best possible terms;
- Given the current environment, business levels are highly volatile.

In addition, three factors are likely to have an impact on the Group's financial performance and its evolution throughout 2021:

- The unfavourable exchange rate trends recorded in 2020 will have a negative impact on 2021 as a whole. The Group wishes to reiterate that its currency risk is predominantly a currency translation risk;
- Energy costs are expected to rise, which will have a significant impact in the second half. Over the year as a whole, energy costs are expected to increase by around +9%;
- Lastly, given the recovery in activity seen in France, India and Italy in the third quarter of 2020, the basis of comparison will be unfavourable in the third quarter and, to a lesser extent, the fourth quarter of 2021.

During 2021, the Group is keeping up its investment drive focusing chiefly on:

- The construction of the new kiln at the Ragland plant in the United States;
- A drive to incrementally boost capacity at production facilities in India and to invest in new terminals to expand its market and lower logistics costs;
- And, lastly, the ramp-up in projects to meet the carbon footprint reduction targets.

Accordingly, industrial capital expenditure is expected to be higher than in 2020 at around €385 million. The Group maintains the possibility to adjust its investment plans in line with evolutions in its markets and in its cash generation.

The Group is issuing the following elements to appreciate the performance expected in the various countries in which it operates. It wishes to make clear that these trends are highly dependent on the latest developments in the pandemic crisis and the latter’s impact on each of them:

- In France, activity levels are expected to remain on a growth trajectory over the year as a whole. The Group expects less dynamic growth in the second half than in the first, given the very strong recovery seen in the second half of 2020;

- In Switzerland, business in Cement and in Concrete & Aggregates should reap the benefit of upbeat conditions in the construction sector. The Other Products & Services business will clearly be affected by the removal of the Precasting business from its scope, following completion of its disposal on 30 June 2021. It should be noted that the disposal of this business will enhance the profitability of this business area as well as the Group’s overall results in Switzerland. In the retained Rail business, the gradual recovery seen in the first half is likely to continue;

- In the United States, activity levels are expected to keep growing in terms of both volumes and selling prices. The roll-out of the economic stimulus plan presented by the new US administration is unlikely to have much of an impact until late in the year and will be more of a factor from 2022 onwards;

- In Brazil, the environment is expected to remain favourable. That said, given the high base of comparison set in 2020, the Group expects a gradual stabilisation of growth in 2021;

- In India, subject to developments in the pandemic, the Group expects to reap the benefit of the market growth forecast in 2021. Amid these supportive conditions, selling prices, though well-oriented in the first half, may however remain volatile;

- In Kazakhstan, the 2020 performance constitutes a high basis of comparison in a context that should nevertheless remain favourable, but with a competitive environment which could see greater pressure in the second half;

- In Turkey, Given the stabilisation in the industry environment and the stirrings of a recovery in 2020, the situation is expected to continue improving gradually over the second half despite the persistent weakness of the currency;

- In Egypt, visibility is still limited on the outlook for the construction market, which remains subject to the effective implementation of government decisions aimed at restoring a viable market environment;

- In West Africa, activity trends are expected to remain strong in Cement. The comparison base for prices will be more favourable in the second half and this is likely to come alongside continued growth in sales volumes. The Aggregates business in Senegal is likely to continue its gradual recovery.

Given all of these factors, the Group expects an increase in EBITDA over the full year. Naturally, this expectation is subject to change during the year depending on pandemic-related developments and their impact on the macroeconomic and industry environment in the countries in which the Group operates.

5. Risks factors

The risk factors that could affect the Group in the coming months are similar to those identified in chapter 2 of the 2020 Universal Registration Document, filed with the French financial markets authority (Autorité des Marchés Financiers) under number D.21-0106 on March 10, 2021.

The health risk has been included in the Group risk mapping and presented in the chapter 2 of the 2020 Universal Registration Document. The impact of the Covid-19 health crisis on results and activity is presented in the half-year activity report of this document, and is also described in the highlights of the notes to the consolidated financial statements, note 2, page 35.

As indicated, following a year 2020 impacted by Covid-19 health crisis, the Group's business significantly recovered in the first half of 2021, in all its markets, continuing the trend observed in the second half of 2020.

The effectiveness of containment measures and the progress of vaccination campaigns have enabled the various geographic areas to gradually restart their economic activity, even if periods of contamination sporadically reappear, prompting some countries to reinstate strict temporary containment. In this context, the Group's priority remains to ensure the health safety of its employees, clients and suppliers by strictly applying procedures adapted to the health situation in each country.

Vicat group – Financial data – Appendix

Definition of alternative performance measures (APMs):

- Performance **at constant scope and exchange rates** is used to determine the organic growth trend in P&L items between two periods and to compare them by eliminating the impact of exchange rate fluctuations and changes in the scope of consolidation. It is calculated by applying exchange rates and the scope of consolidation from the prior period to figures for the current period.
- A geographical (or a business) segment's **operational sales** are the sales posted by the geographical (or business) segment in question less intra-region (or intra-segment) sales.
- **Value-added**: value of production less consumption of materials used in the production process.
- **Gross operating income**: value-added, less staff costs, taxes and duties (other than on income and deferred taxes) plus operating subsidies.
- **EBITDA** (earnings before interest, tax, depreciation and amortization): sum of gross operating income and other income and expenses on ongoing business.
- **EBIT:** (earnings before interest and tax): EBITDA less net depreciation, amortization, additions to provisions and impairment losses on ongoing business.
- **Cash flow from operations**: net income before net non-cash expenses (i.e., predominantly depreciation, amortization, additions to provisions and impairment losses, deferred taxes, gains and losses on disposals and fair value adjustments).
- **Free cash flow:** net operating cash flow after deducting capital expenditure net of disposals.
- **Net debt** represents gross debt (consisting of the outstanding amount of borrowings from investors and credit institutions, residual financial liabilities under finance leases, any other borrowings and financial liabilities excluding options to sell and bank overdrafts), net of cash and cash equivalents, including remeasured hedging derivatives and debt.
- **Gearing** is a ratio reflecting a company's financial structure calculated as net debt/consolidated equity.
- **Leverage** is a ratio reflecting a company's profitability, which is calculated as net debt/consolidated EBITDA.

2.

CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2021

1. Consolidated statement of financial position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS *(in thousands of euros)*	Notes	**June 30,2021**	**December 31,2020**
NON CURRENT ASSETS			
Goodwill	3	1,132,680	1,118,874
Other intangible assets	4	173,144	170,812
Property, plant and equipment	5	2,045,955	1,987,852
Rights of use relating to leases	6	181,641	186,829
Investment properties		14,436	14,831
Investments in associated companies		81,224	77,873
Deferred tax assets		70,725	71,922
Receivables and other non-current financial assets	7	242,567	239,176
Total non-current assets		**3,942,372**	**3,868,169**
CURRENT ASSETS			
Inventories and work-in-progress		377,646	354,937
Trade and other accounts		545,547	440,874
Current tax assets		2,958	3,328
Other receivables		167,227	152,496
Cash and cash equivalents (see. note 6)	8	427,441	422,843
Total current assets		**1,520,819**	**1,374,478**
TOTAL ASSETS		**5,463,191**	**5,242,647**

LIABILITIES *(in thousands of euros)*	Notes	**June 30,2021**	**December 31,2020**
SHAREHOLDERS' EQUITY			
Capital	9	179,600	179,600
Additional paid-in capital		11,207	11,207
Treasury shares		(51,779)	(53,587)
Consolidated reserves		2,700,139	2,679,297
Translation reserves		(616,646)	(640,130)
Shareholders' equity		**2,222,521**	**2,176,387**
Minority interests		**236,109**	**234,306**
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		**2,458,630**	**2,410,693**
NON CURRENT LIABILITIES			
Provisions for pensions and other post-employment benefits	10	126,278	139,022
Other provisions	10	106,726	116,764
Financial debts and put options	11	1,366,808	1,270,162
Lease liabilities	11	150,569	157,563
Deferred tax liabilities		219,652	213,736
Other non-current liabilities		34,471	37,999
Total non-current liabilities		**2,004,504**	**1,935,246**
CURRENT LIABILITIES			
Provisions	10	9,761	13,522
Financial debts and put options at less than one year	11	198,967	165,375
Lease liabilities at less than one year		50,251	47,382
Trade and other accounts payable		417,497	375,329
Current taxes payable		17,628	24,557
Other liabilities		305,953	270,543
Total current liabilities		**1,000,057**	**896,708**
Total liabilities		**3,004,561**	**2,831,954**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5,463,191**	**5,242,647**

2. Consolidated income statement

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	June 30, 2021	June 30, 2020
Sales revenues	**13**	**1,559,667**	**1,303,695**
Goods and services purchased		(992,025)	(820,485)
Added value	**1.23**	**567,642**	**483,210**
Personnel costs		(250,214)	(245,721)
Taxes		(34,644)	(38,552)
Gross Operating Income	**1.23**	**282,784**	**198,937**
Other operating income (expense)	15	17,248	13,916
EBITDA	**1.23**	**300,032**	**212,853**
Net charges to operating depreciation, amortization and provisions	14	(128,844)	(137,206)
EBIT	**1.23**	**171,188**	**75,647**
Other non-operating income (expense)	15	(17,592)	132
Net charges to non-operating depreciation, amortization and provisions	14	7,483	(14,161)
Operating income (expense)		**161,079**	**61,618**
Cost of net financial debt	17	(16,647)	(18,141)
Other financial income	17	7,403	9,129
Other financial expenses	17	(8,519)	(6,635)
Net financial income (expense)	**17**	**(17,763)**	**(15,647)**
Earnings from associated companies		3,154	3,066
Profit (loss) before tax		**146,470**	**49,037**
Income tax	18	(44,589)	(19,676)
Consolidated net income		**101,881**	**29,361**
Portion attributable to minority interests		8,339	2,351
Portion attributable to the Group		**93,542**	**27,010**
Earnings per share *(in euros)*			
Basic and diluted Group share of net earnings per share	9	2.08	0.60

3. Consolidated statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	June 30, 2021	June 30, 2020
Consolidated net income	**101,881**	**29,361**
Other comprehensive income		
Items not recycled to profit or loss :		
Remeasurement of the net defined benefit liability	8,656	(6,606)
Tax on non-recycled items	(2,336)	1,900
Items recycled to profit or loss :		
Net income from change in translation differences	29,862	(149,563)
Cash flow hedge instruments	1,075	6,592
Tax on recycled items	(278)	(1,703)
Other comprehensive income (after tax)	**36,979**	**(149,380)**
Total comprehensive income	**138,860**	**(120,019)**
Portion attributable to minority interests	12,826	(19,944)
Portion attributable to the Group	**126,034**	**(100,075)**

4. Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOW

(in thousands of euros)	Notes	June 30, 2021	June 30, 2020
Cash flows from operating activities			
Consolidated net income		**101,881**	**29,361**
Earnings from associated companies		(3,154)	(3,066)
Dividends received from associated companies		1,073	1,296
Elimination of non cash and non-operating items:			
- depreciation, amortization and provisions		121,010	148,490
- deferred tax		5,261	2,518
- net (gain) loss from disposal of assets		(3,437)	(997)
- unrealized fair value gains and losses		62	108
- other (1)		17,128	(2,598)
Cash flows from operating activities	**1.23**	**239,824**	**175,112**
Change in working capital requirement		(122,035)	44,980
Net cash flows from operating activities (2)	**19**	**117,789**	**220,092**
Cash flows from investing activities			
Outflows linked to acquisitions of non-current assets:			
- Tangible and intangible assets		(177,339)	(122,497)
- Financial investments		(8,839)	(12,848)
Inflows linked to disposals of non-current assets:			
- Tangible and intangible assets		7,033	2,239
- Financial investments		657	1,576
Impact of changes in consolidation scope		9,915	0
Net cash flows from investing activities	**20**	**(168,573)**	**(131,530)**
Cash flows from financing activities			
Dividends paids		(73,974)	(70,866)
Increases/decreases in capital			
Proceeds from borrowings	11	151,673	48,117
Repayments of borrowings	11	(29,315)	(33,461)
Repayement of lease liabilities	11	(25,865)	(24,548)
Acquisitions of treasury shares		(11,543)	(4,931)
Disposals or allocations of treasury shares		14,073	4,303
Net cash flows from financing activities		**25,049**	**(81,386)**
Impact of changes in foreign exchange rates		3,848	(16,547)
Change in cash position		**(21,887)**	**(9,371)**
Net cash and cash equivalents - opening balance	21	359,159	328,674
Net cash and cash equivalents - closing balance	21	337,271	319,303

(1)
- Including non operating net charges as of June 30, 2021

(2) :
- Including cash flows from income taxes: €(45.5) million in 2021 and €(9.0) million in 2020.
- Cash flows from interest paid and received: € (14.9) million in 2021 including € (5.6) million for financial expenses on IFRS 16 leases and € (19.3) million in 2019 including € (5.2) million for interest expense on IFRS 16 leases.

5. Statement of changes in consolidated shareholders'equity

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDER'S EQUITY

(in thousands of euros)	Capital	Additional paid in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity	Minority interests	Total shareholders' equity and minority interests
At January 1, 2020	**179,600**	**11,207**	**(52,416)**	**2,598,620**	**(405,843)**	**2,331,168**	**264,767**	**2,595,935**
Half year net income				27,010		**27,010**	2,351	**29,361**
Other comprehensive income (1)				(3,513)	(123,572)	**(127,085)**	(22,295)	**(149,380)**
Total comprehensive income				*23,497*	*(123,572)*	***(100,075)***	*(19,944)*	***(120,019)***
Dividends paids				(66,373)		**(66,373)**	(5,042)	**(71,415)**
Net change in treasury shares			1,733	(1,751)		**(18)**		**(18)**
Changes in consolidation scope and additional acquisitions								
Other changes				764		**764**	(1,678)	**(914)**
At June 30, 2020	**179,600**	**11,207**	**(50,683)**	**2,554,757**	**(529,415)**	**2,165,466**	**238,103**	**2,403,569**
At January 1, 2021	**179,600**	**11,207**	**(53,587)**	**2,679,297**	**(640,130)**	**2,176,387**	**234,306**	**2,410,693**
Net income				93,542		**93,542**	8,339	**101,881**
Other comprehensive income (1)				9,066	23,426	**32,492**	4,487	**36,979**
Total comprehensive income				*102,608*	*23,426*	*126,034*	*12,826*	*138,860*
Dividends paids				(66,187)		**(66,187)**	(7,876)	**(74,063)**
Net change in treasury shares			1,808	507		**2,315**		**2,315**
Changes in consolidation scope and additional acquisitions				(13,327)		**(13,327)**	(3,057)	**(16,384)**
Other changes				(2,701)		**(2,701)**	(90)	**(2,791)**
At June 30, 2021	**179,600**	**11,207**	**(51,779)**	**2,700,197**	**(616,704)**	**2,222,521**	**236,109**	**2,458,630**

1) Breakdown by nature of other comprehensive income:

Other comprehensive income includes mainly cumulative conversion differences from year end 2003. To recap, applying the option offered by IFRS 1, the conversion differences accumulated before the transition date to IFRS were reclassified by allocating them to retained earnings as at that date.

Group translation reserves are broken down by currency as follows at June 30, 2021 and 2020:

(in thousands of euros)	June 30 , 2021	June 30, 2020
US Dollar	19,754	44,208
Swiss franc	186,194	215,065
Turkish new lira	(304,901)	(283,139)
Egyptian pound	(124,233)	(126,675)
Kazakh tengue	(95,164)	(95,957)
Mauritanian ouguiya	(8,837)	(11,789)
Brazilian real	(82,556)	(91,337)
Indian rupee	(206,961)	(179,791)
	(616,704)	**(529,415)**

6. Notes to the consolidated financial statements as at June 30,2021

NOTE 1 ACCOUNTING POLICIES AND VALUATION METHODS

1.1 STATEMENT OF COMPLIANCE

In compliance with European Regulation (EC) 1606/2002 of the European Parliament on July 19, 2002 on the application of International Accounting Standards, Vicat's consolidated financial statements have been prepared, since January 1, 2005 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Vicat Group has adopted those standards applicable on June 30, 2021 for its accounting policies.

Standards and interpretations published by the IASB but not yet in effect as at June 30, 2021 were not applied in the Group's consolidated financial statements at the closing date.

The consolidated financial statements as at June 30 were prepared in accordance with IAS 34 "Interim Financial Reporting". As condensed financial statements, they have to be read in relation with those prepared for the year ended December 31, 2020 in accordance with International Financial Reporting Standards (IFRS).

The consolidated financial statements present comparative information for the previous year prepared under these same IFRS standards. The accounting policies and methods applied in the consolidated financial statements as at June 30, 2021 are consistent with those applied for the 2020 annual financial statements with the exception of standards that must be applied for periods beginning January 1, 2021.
These are mainly about the interest rate benchmark reform that amended IFRS 9, IAS 39, IFRS 7 and IFRS 4 and which did not have any significant impacts on the Group's consolidated financial statements.
Finally, during this semester, the IFRS IC has notably performed a clarification relating to IAS 19 on the service period to which a company attributes a benefit for a defined benefit plan. In the light of the final decision of the IFRS IC recently published, the Group has started an additional analysis of its defined benefit plans in order to identify those for which the treatment initially adopted in the context of the application of IAS 19 could be affected. At the date of preparation of the 2021 half year consolidated financial statements, the analysis is still in progress and the Group does not expect to have a significant impact on its financial statements.

These financial statements were finalized and approved by the Board of Directors at its meeting of July 27, 2021

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are presented in thousands of euros.

The consolidated statement of comprehensive income is presented by nature in two separate tables: the consolidated income statement and the consolidated statement of other comprehensive income.
The consolidated statement of financial position segregates current and non-current assets and liability accounts and splits them according to their maturity (divided, generally speaking, into maturities of less than and more than one year).
The statement of cash flows is presented according to the indirect method.

The financial statements are prepared using the historical cost method, except for the following assets and liabilities, which are recognized at fair value: derivatives, assets held for trading, available for sale assets, and the portion of assets and liabilities covered by hedging transactions.

The accounting policies and valuation methods described hereinafter have been applied on a permanent basis to all of the financial years presented in the consolidated financial statements.

The establishment of consolidated financial statements under IFRS requires the Group's management to make a number of estimates and assumptions, which have a direct impact on the financial statements. These estimates are based on the going concern principle and are established on the basis of the information available at the date they are carried out. They mainly concern assumptions used to:

- value provisions (notes 1.18 and 10), in particular those for pensions and other post-employment benefits (notes 1.16 and 10);
- value the put options granted to third parties on shares in fully consolidated subsidiaries (notes 1.17 and 11.2);
- measure financial instruments at their fair value and exposure to credit risk (notes 1.15 and 12);
- measure deferred tax assets and, in particular, the probability that the Group will generate sufficient future taxable income against which to allocate them (Note 1.21 and 18);
- perform the valuations adopted for impairment tests (notes 1.4, 1.11 and 3);
- define the accounting principle to be applied in the absence of a definitive standard (notes 1.7 concerning emission quotas);
- define certain leases and determine of lease terms (enforceable periods), in particular the qualification of extension periods as reasonably certain or not, as well as the related discount rates (notes 1.9 and 6).

The estimates and assumptions are reviewed regularly, whenever justified by the circumstances, at least at the end of each year, and the pertinent items in the financial statements are updated accordingly.
In the first half of 2021, the health situation related to the COVID-19 pandemic has improved with vaccination campaigns being progressively implemented in the various countries where the Group operates. The recovery in business activity observed in the first half of the year remains, however, subject to the gradual reopening of the economic sectors in the Group's operating areas. The assumptions used to prepare the consolidated financial statements for the period ending June 30, 2021 therefore take into account this environment, the evolution of which remains uncertain and difficult to predict.

1.3 CONSOLIDATION PRINCIPLES

When a company is acquired, its assets and liabilities are measured at their fair value at the acquisition date. The earnings of the companies acquired or disposed of during the year are recorded in the consolidated income statement for the period subsequent or previous to the date of the acquisition or disposal, as appropriate.

The half year statutory financial statements of the companies at June 30 are consolidated, and any necessary adjusting entries are made to restate them in accordance with the Group accounting policies. All intercompany balances and transactions are eliminated during the preparation of the consolidated financial statements.

<u>Subsidiaries:</u>
Companies that are controlled exclusively by Vicat, directly or indirectly, are fully consolidated.
Control exists when the Group:

- has power over an entity,
- is exposed or entitled to variable returns as a result of its involvement with the entity; and
- has the ability to exercise its power over the entity in such a way as to affect the amount of returns it obtains.

In addition, the Group assesses the control exercised over an entity whenever facts and circumstances indicate that an element of assessment of control has changed.

<u>Joint ventures and associates</u>
Joint ventures, which are jointly controlled and operated by a limited number of shareholders, and associates, investments over which Vicat exercises significant influence are reported using the equity method. Any goodwill generated on the acquisition of these investments is presented in "Investments in

associate companies". When joint control is proven and the legal form of the legal vehicle establishes transparency between the assets of the co-participants and that of the partnership, the joint venture is classified as a joint operation. This type of partnership is then recognized in the Group's financial statements line by line up to its effective share.
The list of the main consolidated companies as at June 30,2021 is provided in note 24.

1.4 BUSINESS COMBINATIONS – GOODWILL

With effect from January 1, 2010, business combinations are reported in accordance with IFRS 3 "Business Combinations" (revised) and IAS 27 "Consolidated and Separate Financial Statements" (revised). As these revised standards apply prospectively, they do not affect business combinations carried out before January 1, 2010.

Business combinations carried out before January 1, 2010:
These are reported using the acquisition method. Goodwill corresponds to the difference between the acquisition cost of the shares in the acquired company and the purchaser's pro-rata share in the fair value of all identified assets, liabilities and contingent liabilities at the acquisition date. Goodwill on business combinations carried out after January 1, 2004 is reported in the currency of the company acquired. Applying the option offered by IFRS 1, business combinations completed before the transition date of January 1, 2004 have not been restated, and the goodwill arising from them has been maintained at its net value as shown in the balance sheet prepared according to French GAAP as at December 31, 2003.

In the event that the pro-rata share of interests in the fair value of assets, liabilities and contingent liabilities acquired exceeds their acquisition cost ("negative goodwill"), the full amount of this negative goodwill is recognized in the income statement of the reporting period in which the acquisition was made, except for acquisitions of minority interests in a company already fully consolidated, in which case this amount is recognized in the consolidated shareholders' equity.

The values of assets and liabilities acquired through a business combination must be definitively determined within 12 months of the acquisition date. These values may thus be adjusted at any closing date within that time frame.

Minority interests are valued on the basis of their pro-rata share in the fair value of the net assets acquired.
If the business combination takes place through successive purchases, each material transaction is treated separately, and the assets and liabilities acquired are so valued and goodwill thus determined.

Business combinations carried out on or after January 1, 2010:
IFRS 3 "Business Combinations" (revised), which is mandatory for business combinations carried out on or after January 1, 2010, introduced the following main changes compared with the previous IFRS 3 (before revision):

- goodwill is determined once, on the date the acquirer obtains control.

  The Group then has the option, in the case of each business combination, upon obtaining control, to value the minority interests:
  - either at their pro-rata share in the identifiable net assets of the company acquired ("partial" goodwill option);
  - or at their fair value ("full" goodwill option).

  Measurement of minority interests at fair value has the effect of increasing the goodwill by the amount attributable to such minority interests, resulting in the recognition of a "full" goodwill.
- any adjustment in the acquisition price at fair value from the date of acquisition is to be reported, with any subsequent adjustment occurring after the 12-month appropriation period from the date of acquisition to be recorded in the income statement.
- the costs associated with the business combination are to be recognized in the expenses for the period in which they were incurred.

- in the case of combinations carried out in stages, upon obtaining control, the previous holding in the company acquired is to be revalued at fair value on the date of acquisition and any gain or loss which results is to be recorded in the income statement.

In compliance with IAS 36 (see note 1.11), at the end of each year, and in the event of any evidence of impairment, goodwill is subjected to an impairment test, consisting of a comparison of its net carrying cost with its value in use as calculated on a discounted projected cash flow basis. When the latter is below carrying cost, an impairment loss is recognized for the corresponding loss of value.

1.5 FOREIGN CURRENCIES

Transactions in foreign currencies:
Transactions in foreign currencies are translated into the operating currency at the exchange rates in effect on the transaction dates. At the end of the year, all monetary assets and liabilities denominated in foreign currencies are translated into the operating currency at the year-end exchange rates, and the resulting exchange rate differences are recorded in the income statement.

Translation of financial statements of foreign companies:
All assets and liabilities of Group companies denominated in foreign currencies that are not hedged are translated into euros at the year-end exchange rates, while income, expense and cash flow statement items are translated at average exchange rates for the year. The ensuing translation differences are recorded directly in shareholders' equity.
In the event of a later sale, the cumulative amount of translation differences relating to the net investment sold and denominated in foreign currency is recorded in the income statement. Applying the option offered by IFRS 1, translation differences accumulated before the transition date were zeroed out by allocating them to consolidated reserves at that date. They will not be recorded in the income statement in the event of a later sale of these investments which are denominated in foreign currency.

The following foreign exchange rates were used:

	Closing rate		Average rate	
	June 30,2021	June 30,2020	June 30,2021	June 30,2020
USD	1.19	1.23	1.21	1.10
CHF	1.10	1.08	1.09	1.06
EGP	18.60	19.23	18.85	17.40
TRL	10.32	9.11	9.51	7.15
KZT	508.39	516.25	511.15	445.91
MRU	42.56	43.67	43.14	41.38
XOF	655.96	655.96	655.96	655.96
BRL	5.91	6.37	6.49	5.42
INR	88.32	89.66	88.45	81.68

1.6 OTHER INTANGIBLE ASSETS

Intangible assets (mainly patents, rights and software) are recorded in the consolidated statement of financial position at historical cost less accumulated amortization and any impairment losses. This cost includes acquisition or production costs and all other directly attributable costs incurred for the acquisition or production of the asset and for its commissioning.
Assets with finite lives are amortized on a straight-line basis over their useful lives (generally not exceeding 15 years).
Research costs are recognized as expenses in the period in which they are incurred. Development costs meeting the criteria defined by IAS 38 are capitalized.

1.7 EMMISIONS QUOTAS

To date, there is no standard or interpretation in IFRS dealing specifically with greenhouse gas emission rights.
As of January 1, 2016, the Group decided to adopt the method recommended by the ANC since 2013, compatible with the IFRS standards in force (Regulation No. 2012-03 of October 4, 2012, approved on January 7, 2013), that provides more reliable and relevant financial information to reflect the quotas' economic model, in particular eliminating the impacts associated with the volatility of the prices of quotas.

According to this method, provided the quotas are intended to fulfil the obligations related to emissions (production model):

- quotas are recognized in inventories when acquired (free of charge or against payment). They are drawn down as and when necessary to cover greenhouse gas emissions, as part of the restitution procedure, or at the time of their sale, and are not revalued at closing;
- a debt is recognized at the period-end if there is a quota deficit.

Since the Group today has only the quotas allocated free of charge by the State under National Quotas Allocation Plans, applying these rules means they are posted as inventories for a zero value. Moreover, as the Group has recorded surpluses to date, no debt is posted to the balance sheet and, if they are not sold, no amount is posted to the income statement.

1.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are reported in the consolidated statement of financial position at historical cost less accumulated depreciation and any impairment losses, using the component approach provided for in IAS 16. When an article of property, plant and equipment comprises several significant components with different useful lives, each component is amortized on a straight-line basis over its respective useful life, starting at commissioning.

The main amortization periods are presented below depending on the assets category:

	Cement Assets	Concrete & Aggregates Assets
Civil engineering:	15 to 30 years	15 years
Major installations	15 to 30 years	10 to 15 years
Other industrial equipment:	8 years	5 to 10 years
Electricity:	15 years	5 to 10 years
Controls and instruments:	5 years	5 years

Quarries are amortized on the basis of tonnage extracted during the year as a ratio of total estimated reserves.
Certain parcels of land owned by French companies acquired prior to December 31, 1976 were revalued, and the adjusted value was recognized in the financial statements, but without a significant impact on the lines concerned.

Interest expenses on borrowings incurred to finance the construction of facilities during the period prior to their commissioning are capitalized. Exchange rate differences arising from foreign currency borrowings are also capitalized inasmuch as they are treated as an adjustment to interest costs and within the limit of the interest charge which would have been paid on borrowings in local currency.

1.9 LEASES

Leases, with the exception of those falling within the scope of the exemptions provided for by IFRS 16, are recognized in the balance sheet, when the asset underlying the lease becomes available, as a right-to-use asset and a liability representing the lease payments. The service component of the lease, and in particular that relative to transportation, is identified during the analysis and treated separately from the lease component. Contracts giving the tenant the right to control the use of an identified asset for a fixed term in return for payment are categorized as leases.

The Group applies the exemptions stipulated in the IFRS 16 standard, where the payments are not included in the lease liability and right to use in the following cases:

- Payments relating to short-term leases (below or equal to 12 months).
- Payments relating to leases of low value assets (less than USD 5 thousand or equivalent).
- Payments relating to the service component of the lease when this is identical and measurable.
- Payments relating to leases of intangible assets, which are very small in number.

Lease payments for these contracts or components of leases are recognized as operating expenses for the term of the lease.
The lease term is the non-cancellable contractual period plus, where applicable, extension options considered reasonably certain to be exercised (extension options being exercised during the period or those that the Group has a statistical track record of exercising). The definition of this enforceable duration takes into account both contractual and economic aspects to the extent that the existence of significant penalties in the event of the lessee's termination are analysed for each contract.

The rights of use relating to leases initially include the lease liability, the initial direct costs, prepaid rents and the estimate of the costs of dismantling or restoring the assets provided for in the contract, and exclude any service component. They are amortized in accordance with IAS 16 “Property, Plant and Equipment” over the shorter of the lease term and the useful life of the underlying asset, and if necessary impaired in accordance with IAS 36 “Impairment of Assets”.
After initial recognition, the right of use relating to leases is reported at cost less accumulated depreciation and any impairment losses.

The lease liability is initially measured at the present value of future payments, which include the present value of fixed and variable lease payments, if they are subject to an index or rate, and estimated expected payments at the end of the contract, such as the residual value guarantee and the purchase option, if its exercise is considered reasonably certain.
The discount rate used to calculate the value of the right-of-use asset and the lease liability is based on the interest rate implicit in the lease or, failing that, the lessee’s incremental borrowing rate at the date of signature of the lease. This marginal borrowing rate takes into account several elements including the currency and lease term, the lessee's economic context and its financial solidity into account. The Group applied interest rates corresponding to the average repayment term of the lease liability, by defining and using yield curves by maturity, taking into account the structure of lease payments and the typology of the available interest rates.

After initial recognition, the lease liability is calculated at amortized cost using the effective interest rate method and is remeasured, with a corresponding adjustment of the right-of-use asset, if future lease payments are modified as a result of negotiation or when renewal or termination options are remeasured.

Lease payments are recognized by applying IFRS 16 with a resulting depreciation charge and interest expense taken to the income statement.

The tax impact of the application of IFRS 16 results in recognition of deferred taxes, assessed on the net lease asset after deduction of the corresponding lease liability.

1.10 INVESTMENT PROPERTIES

The Group recognizes its investment properties at historical cost less accumulated depreciation and any impairment losses. They are depreciated on a straight-line basis over their useful life (10 to 25 years). The fair value of its investment properties is calculated by the Group's specialist Departments, assisted by an external consultant, primarily by reference to market prices observed on transactions involving comparable assets or published by local notary chambers. It is presented in the notes at each year-end.

1.11 IMPAIRMENT OF NON-CURRENT ASSETS

In accordance with IAS 36, the book values of assets with indefinite lives are reviewed at each year-end, and during the year, whenever there is an indication that the asset may be impaired. Those with finite lives are only reviewed if impairment indicators show that a loss is likely.

An impairment loss has to be recorded as an expense on the income statement when the carrying cost of the asset is higher than its recoverable value. The latter is the higher of the fair value less the costs of sale and the value in use. The value in use is calculated primarily on a discounted projected cash flow basis over ten years, plus the terminal value calculated on the basis of a projection to infinity of the cash flow from operations in the last year. This time period corresponds to the Group's capital-intensive nature and the longevity of its industrial equipment.
The projected cash flows are calculated before tax on the basis of the following components that have been inflated and then discounted:

- the EBITDA from the Long-Term Plan over the first 5 years, then projected to year 10;
- the sustaining capital expenditure;
- the change in the working capital requirement.

The assumptions used in calculating impairment tests are derived from forecasts made by operational staff reflecting as closely as possible their knowledge of the market, the commercial position of the businesses and the performance of the industrial plant. Such forecasts include the impact of foreseeable developments in cement consumption based on macroeconomic and industry sector data, changes likely to affect the competitive position, technical improvements in the manufacturing process and expected developments in the cost of the main production factors contributing to the cost price of the products.
In the case of countries subject to social tensions and security concerns, the assumptions used also include the potential improvement resulting from the progressive and partial easing of some of these tensions and concerns, based on recent data and an examination of the effect of these tensions on current business conditions.

Cash flows before financial expenses but after tax are discounted at the weighted average cost of capital (WACC). The use of an after-tax rate results in the determination of recoverable amounts identical to those obtained using pre-tax rates with non-taxed cash flows. This calculation is made per country, taking into account the cost of risk-free long-term money, market risk weighted by a sector volatility factor, and a country premium reflecting the specific risks of the market in which the cash generating unit in question operates.

If it is not possible to estimate the value in use of an isolated asset, it is assessed at the level of the cash generating unit that the asset is part of (defined by IAS 36 as the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets) insofar as the industrial sites or facilities, products and markets form a coherent whole. The analysis was thus carried out for each geographical area/market/business, and the cash generating units were determined depending on the existence or not of vertical integration between the Group's activities in the area concerned.

The value of the assets tested, at least annually using this method for each cash-generating unit comprises the intangible and tangible non-current assets, including the IFRS 16 rights of use, plus the goodwill attributable to non-controlling interests.

These impairment tests are sensitive to the assumptions held for each cash generating unit, mainly:

- the discount rate as previously defined;
- the inflation rate, which must reflect the selling price and expected future costs;
- the normalized EBITDA margin;
- the long-term investment rate;
- the growth rate to infinity.

Tests are conducted at each year-end on the sensitivity to an increase or decrease of one point in the discount rate and growth rate to infinity applied, in order to assess the effect on the value of the Group's CGUs. Moreover, the discount rate includes a country risk premium and an industry sector risk premium reflecting the cyclical nature of certain factors inherent in the business sector, enabling to understand the volatility of certain elements of production costs, which are sensitive in particular to energy costs.
Recognized impairments can be reversed and are recovered in the event of a decrease, except for those corresponding to goodwill, which are definitive.

1.12 INVENTORIES

Inventories are valued using the weighted average unit cost method, at the lower of purchase price or production cost, and net market value (sales price less completion and sales costs).
The gross value of goods and supplies includes both the purchase price and all related costs.
Manufactured goods are valued at production cost, including the cost of goods, direct and indirect production costs and the depreciation on all consolidated fixed assets used in the production process.
In the case of inventories of manufactured products and work-in-progress, the cost includes an appropriate share of fixed costs based on the standard conditions of use of the production plant.
Inventory impairments are recorded when necessary to take into account any probable losses identified at year-end.

1.13 RECEIVABLES

Receivables are valued at amortized cost and recognized for their nominal value (initial amount of the invoice). Receivables are impaired according to the expected losses model defined by IFRS 9 (see note 1.15).
Receivables may be subject to assignment to financial institutions. In this case, a transaction analysis is carried out to assess the transfer of the risks and rewards of ownership of these receivables and especially the one related to credit risk, late payment risk and the risk of dilution. If this assessment concludes to the transfer of contractual rights to the cash flows and also substantially all the risks and rewards related to the assignment, it leads to the de-recognition of receivables in the consolidated statement of financial position and all the rights created or retained during the transfer are recognized where necessary. In the opposite situation, receivables are maintained in the consolidated statement of financial position.

1.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include both cash and short-term investments of less than three months maturity that do not present any risk of a change in value. The latter are marked to market at the end of the period. Net cash, the change in which is presented in the statement of cash flows, consists of cash and cash equivalents less any bank overdrafts.

1.15 FINANCIAL INSTRUMENTS

Financial assets:
The Group classifies its financial assets, when they are first entered in the financial statements, according to IFRS 9 based on the contractual cash-flow characteristics and on the business model assessment of their ownership.

In practice, for the Vicat Group, the criterion of the contractual cash-flow characteristics led to make a distinction between, on one side, loan and receivables instruments, for which the evaluation depends on the business model assessment of their ownership, and, on the other side, equity instruments.

According to the standard, there are three types of loan and receivables assets, each associated with a business model and a valuation method:

- Assets valued at the amortized cost: the objective is only to hold the assets to collect the contractual cash flows. This is the case with most of loans and receivables;
- assets valued at the fair value through other comprehensive income: the objective is to hold the assets to collect the contractual cash flows and to sell them;
- Assets valued at the fair value through the income statement: applied to assets not covered by any of the two previous models.

Concerning the equity instruments covered by IFRS 9, they have to be measured at fair value, for which the Group may elect to recognize changes in fair value, either in financial profit or loss of the income statement, or in other comprehensive income not recycled in profit or loss, depending on the option taken from the beginning, investment by investment. For some unquoted equity investments, the amortized cost was maintained as this method is the best approximation available for the fair value.

All acquisitions and disposals of financial assets are recorded at the transaction date.

According to IFRS 9, impairments of receivables are based on the expected losses during the full lifetime of the asset and credit risk is assessed on the basis of historical data and any available information at the closing date.

Financial liabilities:
The Group classifies its non-derivative financial liabilities, when they are first entered in the financial statements, as financial liabilities valued at amortized cost. These comprise mainly borrowings, other financings, bank overdrafts, etc. The Group does not have financial liabilities at fair value through the income statement.

Treasury shares:
In compliance with IAS 32, Vicat treasury shares are deducted from shareholders’ equity.

Derivatives and hedging:
The Group uses hedging instruments to reduce its exposure to changes in interest and foreign currency exchange rates resulting from its business, financing and investment operations. These hedging transactions use financial derivatives. The Group uses interest rate swaps and caps to manage its exposure to interest rate risks. Forward foreign exchange contracts and currency swaps are used to hedge foreign exchange rate risks. The Group uses derivatives solely for economic hedging purposes and no instrument is held for speculative ends.
Financial derivatives are valued at their fair value in the balance sheet. Except for the cases detailed below, the change in fair value of derivatives is recorded as an offset in the income statement of the financial statement ("Change in fair value of financial assets and liabilities"). The fair values of derivatives are estimated by the following valuation models:

- the market value of interest rate swaps, foreign exchange rate swaps and forward purchase/sale transactions is calculated by discounting the future cash flows on the basis of the "zero coupon" interest rate curves applicable at the end of the presented reporting periods, and is restated if applicable to reflect accrued interest not yet payable;
- interest rate options are revalued on the basis of the Black and Scholes model incorporating the market parameters as at year-end.

Derivative instruments may be designated as hedging instruments, depending on the type of hedging relationship:

- fair value hedging is hedging against exposure to changes in the fair value of a booked asset or liability, or of an identified part of that asset or liability, attributable to a particular risk, for instance interest rate or exchange risks, which would affect the net income presented;
- cash flow hedging is hedging against exposure to changes in cash flow attributable to a particular risk, associated with a recorded asset or liability or with a scheduled transaction (e.g. expected sale or purchase or "highly probable" future transaction), which would affect the net income presented.

Hedge accounting for an asset/liability/firm commitment or cash flow is applicable if:

- The hedging relationship is formally designated and documented at its date of inception;
- The effectiveness of the hedging relationship is demonstrated at the inception and then by the regular assessment and correlation between the changes in the market value of the hedging instrument and the market value of the hedged item. The ineffective portion of the hedging instrument is always recognized in the income statement.

The application of hedge accounting results as follows:

- in the event of a documented fair value hedging relationship, the change in the fair value of the hedging derivative is recognized in the income statement as an offset to the change in the fair value of the underlying hedged financial instrument. The income statement is only impacted by the ineffective portion of the hedging instrument;
- in the event of a documented cash flow hedging relationship, the change in the fair value of the effective portion of the hedging derivative is initially recorded in shareholders' equity, and the change in the fair value of the ineffective portion is directly recognized in the income statement. The accumulated changes in the fair value of the hedging instrument previously recorded in shareholders' equity are transferred to the income statement at the same rate as the hedged cash flows.

1.16 EMPLOYEE BENEFITS

The Group recognizes the entire amount of its commitments relating to post-employment benefits in accordance with the revised IAS 19 standard.

Regulations, standard practices and agreements in force in countries where the Group's consolidated companies have operations provide for various types of post-employment benefits: lump-sum payments on retirement, supplemental pension benefits, guaranteed supplemental pension benefits specifically for executives, etc…, as well as other long-term benefits (such as medical cover for retirees, etc...).

Defined contribution plans are those for which the Group's commitment is limited only to the payment of contributions recognized as expenses when they are incurred.
Defined benefit plans include all post-employment benefit programs, other than those under defined contribution plans, and represent a future liability for the Group. The corresponding liabilities are calculated on an actuarial basis (changes in salaries, mortality, rotation, etc…) using specific actuarial assumptions and the projected unit credit method, in accordance with the clauses provided for in the collective bargaining agreements and with standard practices and law.

Dedicated financial assets, which are mainly equities and bonds, are used to cover all or a part of these liabilities, principally in the United States and Switzerland. The net position of each pension plan is fully provided for in the statement of financial position less, where applicable, the fair value of these invested assets, within the limit of the asset ceiling cap. Any surplus (in the case of overfunded pension plans) is only recognized in the statement of financial position to the extent that it represents a future economic benefit that will be effectively available to the Group, within the limits defined by the standard.

Actuarial variances arise due to changes in actuarial assumptions (wage inflation, mortality, employee turnover, etc.) and/or variances observed between these assumptions and the actual figures. Actuarial gains and losses on post-employment benefits are recognized under "Other comprehensive income" and are not recycled to profit or loss.

The Group has chosen to apply the IFRS 1 option and to zero the actuarial variances linked to employee benefits not yet recognized on the transition balance sheet by allocating them to shareholders' equity.

1.17 PUT OPTIONS GRANTED ON SHARES IN CONSOLIDATED SUBSIDIARIES

Under IAS 27 and IAS 32, put options granted to minority third parties in fully consolidated subsidiaries are reported in the financial liabilities at the present value of their estimated price offset by a reduction in the corresponding minority interests.

The difference between the value of the option and the amount of the minority interests is recognized:
- in goodwill, in the case of options issued before January 1, 2010;
- as a reduction in shareholders' equity – Group share – (options issued after January 1, 2010).

The liability is estimated based on the contract information available (price, formula, etc.) and any other factor relevant to its valuation. Its value is reviewed at each year end and the subsequent changes in the liability are recognized:
- either as an offset to goodwill (options granted before January 1, 2010);
- or as an offset to shareholders' equity – Group share - (options issued after January 1, 2010).

No impact is reported in the income statement other than the impact of the annual discounting of the liability recognized in net financial income; the income share of the Group is calculated on the basis of the percentage held in the subsidiaries in question, without taking into account the percentage holding attached to the put options.

1.18 PROVISIONS

In accordance with IAS 37, a provision is recognized when the Group has a current commitment, whether statutory or implicit, resulting from a significant event prior to the closing date which would lead to a use of resources without offset after the closing date, which can be reliably estimated.
These include, notably, provisions for site reinstatement, which are set aside progressively as quarries are used and include the projected costs related to the Group's obligation to reinstate such sites.
In accordance with IAS 37, provisions are discounted when the impact is significant. The effects of this discounting are recorded under net financial income.

1.19 SALES REVENUE

In accordance with the IFRS 15 accounting standard, revenue is recognized when control over the goods or services is transferred to the customer, which generally, given the nature of the Group's business, corresponds to the date of delivery. It is reported for an amount that reflects the consideration to which the Group expects to be entitled in exchange of transferring those goods or services, net of commercial discounts and rebates and after deduction of excise duties collected by the Group under its business activities. Sales figures include transport and handling costs invoiced to customers.

The Group's sales are mainly of property and services forming a single obligation because the promise to supply the service or property cannot be identified separately, insofar as the Vicat Group offers services integrated with the product to its customers

1.20 OTHER INCOME AND EXPENSES

Other income and expenses are those arising from the Group’s operating activities that are not received or incurred as part of the direct production process or sales activity. These other income and expenses consist mainly of insurance payments, patent royalties, sales of surplus greenhouse gas emission rights, and certain charges relating to losses or claims.

1.21 INCOME TAX

Deferred taxes are calculated at the tax rates passed or virtually passed at the year-end and expected to be applied during the period when assets are sold or liabilities are settled.
Deferred taxes are calculated, based on an analysis of the balance sheet, on timing differences identified in the Group’s subsidiaries between the values recognized in the consolidated statement of financial position and the values of assets and liabilities for tax purposes.
Deferred taxes are recognized for all timing differences, including those on restatement of finance leases, except when the timing difference results from goodwill.
Deferred tax assets and liabilities are netted out at the level of each company. When the net amount represents a receivable, a deferred tax asset is recognized if it is probable that the Company will generate future taxable income against which to allocate the deferred tax assets.
Uncertainty over the accounting treatment of risks related to income taxes and the non-acceptance by the tax authorities of the tax treatment adopted is recognized in income tax assets/liabilities in accordance with the probability of its occurrence, which does not take into account the probability of non-detection by the tax authorities. Each uncertainty analysed individually is assessed either by using the most probable amount or the weighted average of the different possible scenarios.

1.22 SEGMENT INFORMATION

In accordance with IFRS 8 "Operating segments", the segment information provided is based on information taken from the internal reporting. This information is used internally by the Group Management responsible for implementing the strategy defined by the Chairman of the Board of Directors for measuring the Group’s operating performance and for allocating capital expenditure and resources to geographical areas and business segments.
The operating segments defined pursuant to IFRS 8 comprise the following six geographic regions in which the Group operates and which can, as permitted by IFRS 8, combine countries with similarities:

- France,
- Europe (except France) including Switzerland and Italy,
- Americas including United States and Brazil,
- Asia including India and Kazakhstan,
- Mediterranean region including Turkey and Egypt,
- Africa including Senegal, Mali and Mauritania.

This organization reflects the Group’s matrix-based organization as well as the predominance of geographical aspects in the strategic analyses presented to the General Management. More concise additional information is presented per business sector.

The management indicators presented were adapted in order to be consistent with those used by the Group Management, while complying with IFRS 8 disclosure requirements: operating and consolidated sales

revenues, EBITDA and EBIT (see note 1.23), total non-current assets, net capital employed (see note 19), industrial investments, depreciation and amortization and number of employees.
The management indicators used for internal reporting are identical for all the segments defined above and are determined in accordance with the IFRS principles applied by the Group in its consolidated financial statements.

1.23 FINANCIAL INDICATORS

The following financial performance indicators are used by the Group, as by other industrial players and notably in the building materials sector, and presented with the income statement:

Added value: the value of production less the cost of goods and services purchased;
Gross operating income: added value less personnel costs, taxes and duties (except income taxes and deferred taxes), plus grants and subsidies;
EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): it is the gross operating income plus other ordinary income and expenses.
EBIT (earnings before interest and tax): EBITDA less net depreciation, amortization, additions to provisions and impairment losses on ongoing business.

1.24 SEASONALITY

Demand in the Cement, Ready-mixed Concrete & Aggregates businesses is seasonal and tends to decrease in winter in temperate countries and during the rainy season in tropical countries. The Group therefore generally records lower sales in the first and fourth quarters i.e. the winter season in its main markets in Western Europe and North America. In the second and third quarters, in contrast, sales are higher, due to the summer season being more favorable for construction work.

NOTE 2 CHANGES IN CONSOLIDATION SCOPE AND OTHER SIGNIFICANT EVENTS

Macroeconomic environment (and business trend within the Covid-19 pandemic context)

After a year 2020 impacted by Covid-19 health crisis, the Group's business significantly recovered in the first half of 2021, in all its markets, continuing the trend observed in the second half of 2020.

The effectiveness of containment measures and the progress of vaccination campaigns have enabled the various geographic areas to gradually restart their economic activity, even if periods of contamination sporadically reappear, prompting some countries to reinstate strict temporary containment, as in India in the second quarter of 2021. In this volatile context, the Group's priority remains to ensure the health safety of its employees, clients and suppliers by strictly applying procedures adapted to the health situation in each country.

In France, business significantly rebounded in the first half of the year, supported by the dynamism of the Group's markets and taking into account a favorable basis for comparison linked to the impact of the Covid-19 epidemic in the first half of 2020.

Business in Europe (excluding France) combines performances between Switzerland and Italy. Thus, the Swiss market, which was only slightly affected by the pandemic in the first half of 2020, is slightly progressing at the beginning of the year. It should be noted that the pandemic has nevertheless caused a certain shortage of construction materials, which has prevented the market from fully meeting demand. Italy benefited from a very favorable basis of comparison given the particularly difficult health and macro-economic situation in the first half of 2020.

In the America's area, both in the United States and Brazil, business levels are increasing with the gradual lifting of restrictions and strong economic support measures. In Brazil, despite a health environment that remains worrying, the acceleration in growth observed since the third quarter of 2020 continued at a sustained pace during the first half 2021.

In India, after a strong first quarter, the health situation deteriorated in the second quarter, forcing the government to introduce strict confinements in certain states. While business was logically less dynamic, particularly in May and June, it remained well up on the first half of 2020, which was severely disrupted by government measures taken to address the epidemic.
In Kazakhstan, business is progressing, driven by the dynamism of the domestic market, which has compensated for a decline in export markets.

The Mediterranean region is affected by a macro-economic and sectoral situation that remains deteriorated, even if the gradual improvement of the Turkish market continues. In Egypt, although business is growing, the security and competitive environment has remained difficult. It is important to note that the first half of the year was impacted by the implementation of a market regulation agreement between the Egyptian government and all producers, validated by the Competition Authority, which should come into force in July 2021. This agreement, which aims to bring more rationality between the various players, provides for a limit, during one year, on sales by all factories on the domestic market.

In West Africa, the Group continues to benefit from a favorable sectoral environment, despite the health crisis, supported by the improved performance of its Rufisque plant and the ramp-up of its new cement raw mill in Mali. It should be noted that the Aggregates business in Senegal returned to growth during the first half of the year, driven by the gradual resumption of major government projects.

Finally, measures to adapt working practices continue to be applied (implementation of barrier measures, remote working, etc.). The Group has taken care to analyze all possible accounting impacts related to the Covid-19 epidemic. These include impairment of receivables, inventory, fixed assets and investments, the recoverability of deferred tax assets, as well as the identification of impairment indicators and the valuations used for impairment tests.

None of these subjects had a significant impact on the Group's accounts in the 1st half of the year.

Exchange rate volatility and impact on the income statement

The income statement for the first half of 2021 has been strongly impacted by an appreciation of the euro against most foreign currencies, mainly the US dollar, the Brazilian real, the Indian rupee and the Turkish lira. This resulted in a negative currency effect of €(89) million on consolidated revenues and €(16) millionon EBITDA.
Consolidated shareholders' equity recorded positive currency translation adjustments for the first half of 2021 for a total net amount of €28 million due to the appreciation of foreign currencies against the euro at the end of the period

Disposal of Créabéton Matériaux SA in Switzerland

In accordance with the agreement signed on June 30, 2021, the Vicat Group has sold its subsidiary Créabéton Matériaux in Switzerland to the Müller Steinag Holding Group.

The 380 employees of Créabéton Matériaux SA will be able to rely on a leader with a critical size in a highly competitive sector and will have the necessary means to successfully pursue their development.
With this acquisition, the Müller Steinag Holding Group, co-owner of the Créabéton brand since 2002, will be able to strengthen its position in the precast activity which is its core business, and to access new markets.

Egypt

Despite an operation that has been underway for more than two years, the Egyptian army has not yet managed to fully restore security in certain areas of Sinai. However, commercial operations have resumed and logistics flows are gradually improving. Commercial activity has significantly increased, with sales volumes up 68% compared with the first half of 2020. The effects of the health crisis are fading. Nevertheless, the cement industry is still disrupted by a state-dependent cement player. A market regulation agreement, validated by the Competition Authority, has been concluded between the Egyptian government and all producers. It should come into force in July 2021. This agreement, which aims to bring more rationality between the various players, provides for a limitation, during one year, on sales by all factories on the domestic market.

Except for further deterioration in the geopolitical, health or security situation, the current context should not jeopardize the prospects for improving the subsidiary's profitability, which should begin to materialize gradually. The return of growth in cement consumption in a context of improvement of the macro-economic situation of Egypt, noted before the beginning of the health crisis, offers a significant development potential for Sinai Cement Company, especially if this return of growth is accompanied, as announced by the Egyptian authorities, by a solution to the problems of Sinai and the Gaza Strip, as well as the opening of new export outlets.

In order to take full advantage of the expected market recovery, SCC plans to invest in its industrial facility, which has been damaged by years of difficult operating conditions. To have it the means to carry out these investments to improve productivity and control costs, the Group has launched a capital increase of 650 MEGP to strengthen the subsidiary's financial structure. The funds contributed by the shareholders will be released once the administrative approvals have been obtained, a process that has been ongoing for over two years. This blockage, which gives rise to discussions with the authorities, is due in particular to a difference of interpretation of the legislation on foreign interests in the Sinai region. Support by a favorable decision of the Cairo Economic Court in January 2020, the Group launched in early June 2021 an action before an international arbitration institution to settle this dispute.

Summary of significant events in 2020

Macroeconomic environment and business trend within the Covid-19 pandemic context

During the first half of 2020, the Group's activity was impacted by the pandemic in the twelve countries where it operates, but nevertheless with very different effects from one region to another.
In this specific context, the Group's priority has been first of all to ensure the health safety of its employees, of its customers and of its suppliers by strictly applying procedures adapted to the health situation.

- In France, after a sharp slowing in business level at the end of March, the activity gradually improved but remained at a low level throughout April. During May and especially June, the level of activity continued to improve;
- In Switzerland, activity remained well oriented in the Cement and Concrete & Aggregates activities;
- In Western Africa, activity remained dynamic in Cement, supported by positive volumes and prices trend. The Aggregates business in Senegal was affected by the sharp slowdown in public infrastructure projects;
- In the United States, since the start of the health crisis, activity has remained well oriented in terms of volumes and selling prices;
- In Brazil, the markets in which the Group operates were little affected by the Covid-19 pandemic, and activity remained well oriented;
- In Turkey and Egypt, activity levels remain affected by the difficult macroeconomic and competitive environments, without this being specifically attributable to the Covid-19 pandemic;

- In Kazakhstan, after a particularly dynamic start in the early part of the year, lockdown decision and the competitive environment slightly impacted volumes and selling prices during the second quarter;
- Lastly, in India after a total interruption of operations from March 24 to April 17 following strict containment decisions taken by the authorities, activity restarted at a significant lower rate than the one recorded last year over the same period.

Adaptive measures have also been put in place as part of a cost-cutting plan, improvement of working capital and postponement of non-strategic industrial investments.

Furthermore, a certain number of measures to adapt working practices have been applied (temporary sites shutdowns, barrier measures, etc.). Therefore, beyond the impacts related to the slowdown in activity and the industrial sub-activity induced in certain countries, these various actions are reflected in the Group's income statement as follows:

- Additional non-productive costs directly attributable to the application of barrier measures such as the purchase of masks, gel, the establishment of specific fittings, etc. The impact of these charges is (1.3) million euros and is presented in “Other non-ordinary income and expenses”
- Government support measures which essentially translate for the Group into partial unemployment measures in France and Turkey. The amount of these measures amounted to 0.9 million euros and is recorded as a deduction from personnel costs (in accordance with IAS 20).

In this particular context, the Group took care to analyse all the potential accounting consequences related to the Covid-19 pandemic. Among these subjects are the impairment of receivables, impairment of inventories as well as fixed assets and investments in associated companies or deferred taxes asset recovery as well as to any evidence of impairment and valuation used for impairment tests. None of these subjects had a significant impact on the Group's accounts in the 1st half year.

Transfer of the head office from Paris to L’Isle d’Abeau

Measures to adapt the Group's cost structures have already been implemented during the first half of the year as part of the reduction of operational costs and postponement of non-strategic industrial investments. In this context, the Group has in particular decided to relocate its head office in L’Isle d'Abeau near Lyon, the Group's operational center in France where the "Corporate" teams will be installed in September.

NOTE 3 GOODWILL

The change in the net goodwill is analysed in the table below:

(in thousands of euros)	**June 30, 2021**	**December 31, 2020**
Opening	**1,118,874**	**1,231,538**
Acquisitions / Additions	2,066	834
Disposals / Decreases	(5,462)	(9,814)
Change in foreign exchange rates	17,202	(97,527)
Other movements		(6,157)
Closing	**1,132,680**	**1,118,874**

<u>Impairment test on goodwill:</u>
In accordance with IFRS 3 and IAS 36, at the end of each year and in the event of any evidence of impairment, goodwill is subject to an impairment test using the method described in notes 1.4 and 1.11

Even if, overall, the Covid-19 health crisis had a relatively limited impact on the Group's consolidated financial statements as at June 30, 2021, the fact remains that it generates uncertainties for the future, in particular regarding its impact on construction markets and organizational impacts. It is in this context that the Group

carried out on June 30, 2021 a review of any impairment loss evidence related to goodwill, analyzing in particular the main operating assumptions (revenues, EBITDA) of the most sensitive CGUs (Mediterranean area) over the first half of the year, in relation to those used to carry out the impairment tests at December 31, 2020.
No indication of impairment has been identified for any of the Group's cash generating unit (CGU), including those with a small headroom at the previous year-end.

At the end of these analyses, no impairment has to be recognized on the Group's CGUs as of June 30, 2021. Goodwill is distributed as follows by CGU:

Goodwill (in thousands of euros)	**June 30,2021**	**December 31, 2020**
India CGU	212,613	209,598
France-Italy CGU	221,877	219,811
West Africa Cement CGU	148,545	147,763
Brazil CGU	151,600	140,456
Switzerland CGU	138,286	144,941
Other CGUs cumulated	259,759	256,305
TOTAL	**1,132,680**	**1,118,874**

NOTE 4 OTHER INTANGIBLE ASSETS

(in thousands of euros)

Gross values	*Concessions, patents & similar rights*	*Software*	*Other intangible assets*	*Intangible assets in progress*	***Total***
At December 31, 2019	**131,683**	**62,434**	**89,127**	**16,378**	**299,622**
Acquisitions	2,003	3,384	2,035	10,381	**17,803**
Disposals		(536)	(280)	(2,392)	**(3,208)**
Change in foreign exchange rates	(13,531)	(816)	(7,026)	(48)	**(21,421)**
Other movements	2,446	1,670	(49)	(4,575)	**(508)**
At December 31, 2020	**122,601**	**66,136**	**83,807**	**19,744**	**292,288**
Acquisitions	1,061	1,031	502	4,416	**7,010**
Disposals		(430)	(7)	(1,467)	**(1,904)**
Changes in consolidation scope		(4,594)	(4,792)		**(9,386)**
Change in foreign exchange rates	2,581	(61)	82	(60)	**2,542**
Other movements	657	4,868	5,673	(6,939)	**4,259**
At June 30, 2021	**126,900**	**66,950**	**85,265**	**15,694**	**294,809**

Depreciation and impairment	*Concessions, patents & similar rights*	*Software*	*Other intangible assets*	*Intangible assets in progress*	***Total***
At December 31, 2019	**(28,897)**	**(43,204)**	**(40,475)**	**0**	**(112,576)**
Increase	(1,578)	(6,735)	(4,249)		**(12,562)**
Decrease		48	280		**328**
Change in foreign exchange rates	525	347	2,022		**2,894**
Other movements	259	(45)	226		**440**
At December 31, 2020	**(29,691)**	**(49,589)**	**(42,196)**	**0**	**(121,476)**
Increase	(794)	(3,529)	(2,030)		**(6,353)**
Decrease		144	6		**150**
Changes in consolidation scope		3,918	1,967		**5,885**
Change in foreign exchange rates	(68)	69	178		**179**
Other movements	(23)		(27)		**(50)**
At June 30, 2021	**(30,576)**	**(48,987)**	**(42,102)**	**0**	**(121,665)**
Net book value at December 31, 2020	92,910	16,547	41,611	19,744	**170,812**
Net book value at June 30, 2021	**96,324**	**17,963**	**43,163**	**15,694**	**173,144**

No development costs were capitalized during the 1st semester 2021 and full year 2020.

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)

Gross values	*Lands & Buildings*	*Industrial equipment*	*Other property, plant and equipment*	*Fixed assets work-in-progress and advances / down payments*	*Total*
At December 31, 2019	**1,349,009**	**3,145,899**	**151,321**	**180,102**	**4,826,331**
Acquisitions	16,167	31,569	9,067	249,359	**306,162**
Disposals	(3,612)	(30,194)	(6,512)	(378)	**(40,696)**
Changes in consolidation scope		250	16		**266**
Change in foreign exchange rates	(88,011)	(166,279)	(2,814)	(12,723)	**(269,827)**
Other movements	36,382	103,553	2,531	(147,616)	**(5,150)**
At December 31, 2020	**1,309,935**	**3,084,798**	**153,609**	**268,744**	**4,817,086**
Acquisitions	6,972	12,124	3,141	146,622	**168,859**
Disposals	(1,839)	(8,914)	(3,439)		**(14,192)**
Changes in consolidation scope	(33,556)	(43,863)	(11,339)	(676)	**(89,434)**
Change in foreign exchange rates	8,768	11,867	(965)	5,649	**25,319**
Other movements	5,281	33,487	1,302	(42,392)	**(2,322)**
At June 31, 2021	**1,295,561**	**3,089,499**	**142,309**	**377,947**	**4,905,316**

Depreciation and impairment	*Lands & Buildings*	*Industrial equipment*	*Other property, plant and equipment*	*Fixed assets work-in-progress and advances / down payments*	*Total*
At December 31, 2019	**(594,501)**	**(2,091,244)**	**(108,805)**	**0**	**(2,794,550)**
Acquisitions	(45,875)	(135,219)	(9,584)		**(190,678)**
Disposals	811	26,328	6,039		**33,178**
Changes in consolidation scope			(5)		**(5)**
Change in foreign exchange rates	21,813	93,169	1,519		**116,501**
Other movements	(2,818)	12,584	(3,446)		**6,320**
At December 31, 2020	**(620,570)**	**(2,094,382)**	**(114,282)**	**0**	**(2,829,234)**
Acquisitions	(22,897)	(67,222)	(5,084)		**(95,203)**
Disposals	1,161	8,087	3,134		**12,382**
Changes in consolidation scope	18,258	33,810	9,758		**61,826**
Change in foreign exchange rates	(2,838)	(6,897)	759		**(8,976)**
Other movements	42	(228)	30		**(156)**
At June 31, 2021	**(626,844)**	**(2,126,832)**	**(105,685)**	**0**	**(2,859,361)**
Net book value at December 31, 2020	689,365	990,416	39,327	268,744	**1,987,852**
Net book value at June 30, 2021	**668,717**	**962,667**	**36,624**	**377,947**	**2,045,955**

Property, plant and equipment under construction amounted to €367 million as at June 30, 2021 (€258 million as at December 31, 2020) and advances/down payments on property, plant and equipment represented €10 million as at June 30, 2021 (€11 million as at December 31, 2020).

Contractual commitments to acquire tangible and intangible assets amounted to €147 million as at June 30, 2021 (€160 million as at December 2020).
Capitalized interest amounts to €1.3 million as at June 30, 2021 (€1.9 million as at December 31, 2020).

NOTE 6 RIGHT OF USE RELATED TO LEASES

(in thousands of euros)

Gross values	*Land*	*Buildings*	*Plant, machinery and equipment*	*Other property, plant and equipment*	***Total***
At January 1, 2020	**82,147**	**74,784**	**172,719**	**69,191**	**398,841**
Acquisitions	5,544	5,470	26,339	12,640	**49,993**
Disposals	(914)	(3,793)	(46,505)	(13,072)	**(64,284)**
Change in foreign exchange rates	(3,427)	(1,813)	(9,239)	(1,130)	**(15,609)**
Other movements	(1,624)	23	(1,345)	(11,388)	**(14,334)**
At December 31, 2020	**81,726**	**74,671**	**141,969**	**56,241**	**354,607**
Acquisitions	5,015	6,021	11,829	969	**23,834**
Disposals	(2,819)	(2,327)	(6,926)	(1,542)	**(13,614)**
Changes in consolidation scope			(4,619)	(608)	**(5,227)**
Change in foreign exchange rates	622	492	(893)	211	**432**
Other movements	1,503	(1,404)	(423)	(16)	**(340)**
At June 30, 2021	**86,047**	**77,453**	**140,937**	**55,255**	**359,692**

Depreciation and impairment	*Land*	*Buildings*	*Plant, machinery and equipment*	*Other property, plant and equipment*	***Total***
At January 1, 2020	**(26,905)**	**(40,061)**	**(84,628)**	**(28,181)**	**(179,775)**
Acquisitions	(5,882)	(7,601)	(29,471)	(11,346)	**(54,300)**
Decrease	900	3,169	42,540	12,965	**59,574**
Change in foreign exchange rates	695	891	4,259	242	**6,087**
Other movements	1,324	1,134	(3,030)	1,208	**636**
At December 31, 2020	**(29,868)**	**(42,468)**	**(70,330)**	**(25,112)**	**(167,778)**
Acquisitions	(3,058)	(3,319)	(14,454)	(5,641)	**(26,472)**
Decrease	2,319	2,065	6,348	1,516	**12,248**
Changes in consolidation scope			3,133	452	**3,585**
Change in foreign exchange rates	(61)	(266)	256	(80)	**(151)**
Other movements	148	396	(43)	16	**517**
At June 30, 2021	**(30,520)**	**(43,592)**	**(75,090)**	**(28,849)**	**(178,051)**

Net book value at December 31, 2020	51,858	32,203	71,639	31,129	**186,829**
Net book value at June 30, 2021	**55,527**	**33,861**	**65,847**	**26,406**	**181,641**

Main leasing activities

Most of the leases in force in the Group concern vehicles directly linked to operational activity (construction sites, road transportation and private cars) and real estate (land and buildings). In fact, the Group leases land and buildings, mainly for its offices, concrete plants, quarries and warehouses, but also to a lesser extent machinery, equipment and IT equipment.

The majority of these contracts are carried by the Group's French entities, and to a lesser extent by US, Swiss and Turkish companies. The other countries in which the Group operates, do not have a significant number of contracts.
Payments made for leases with a term of 12 months or less, or for those relating to low-value assets (unit value of < USD 5 thousand or equivalent) and expenses related to variable lease payments that are not reliant on a rate and/or index are not included in the measurement of lease liabilities. An analysis of the maturities of the lease obligations is presented in the note 11 "Net financial liabilities".

NOTE 7 RECEIVABLES AND OTHER NON CURRENT ASSETS

(in thousands of euros)		**Gross value**	**Impairment**	**Net book value**
At December 31, 2019		**238,551**	**(2,409)**	**236,142**
Acquisitions / Additions		55,900	(11,918)	43,982
Disposals / Decreases		(10,198)	1,707	(8,491)
Changes in consolidation scope				0
Change in foreign exchange rates		(29,739)		(29,739)
Changes of other items in other compréhensive income		(5,990)	115	(5,875)
Others		3,694	(537)	3,157
At December 31, 2020		**252,218**	**(13,042)**	**239,176**
Acquisitions / Additions		7,785	(11,166)	(3,381)
Disposals / Decreases		(561)		(561)
Changes in consolidation scope		(468)		(468)
Change in foreign exchange rates		5,628	239	5,867
Changes of other items in other compréhensive income		(900)		(900)
Others		2,845	(11)	2,834
At June 30, 2021		**266,547**	**(23,980)**	**242,567**
including :				
- investments in subsidiaries & affiliates companies (see note 12)	#	40,982	(491)	40,491
- loans and receivables (1)	#	10,332		10,332
- employee benefit plan assets	#	208,458	(23,489)	184,969
- financial instrument (see note 12)	#	6,775		6,775
At June 30, 2021	**#**	**266,547**	**(23,980)**	**242,567**

(1)

Ciplan :
At the time of its acquisition by the Vicat Group, Ciplan received a firm and irrevocable guarantee from its Brazilian minority shareholders for all litigation or future litigation relating to the period prior to the acquisition. This guarantee is accounted for an amount of €51.7 million under other non-current assets (see note 10).

Bharathi Cement :
On June 30, 2021, €33 million recorded in "other non-current receivables, is the subject of two provisional attachments on the bank accounts of an Indian company in the Group, Bharathi Cement, as part of a preliminary investigation by the administrative and judicial authorities into events before Vicat entered its capital.
The Group's partner in Bharathi Cement is the focus of an inquiry by the CBI (Central Bureau of Investigation) regarding the source and the growth of his assets. In connection with this inquiry, the CBI filed 14 charge sheets in September 2012 and over the course of 2013, presenting its allegations. Among these, four also involve Bharathi Cement (the CBI is interested in determining whether the investments made in this company by Indian investors were carried out in good faith in the ordinary course of business and if the mining concession was granted in accordance with regulations).
The proceedings, in 2015, led to a precautionary seizure by the "Enforcement Directorate" of INR 950 million (approximately €12 million originally) on a bank account held by Bharathi Cement. A second precautionary seizure of INR 1.530 million (approximately €19 million originally) was made in 2016 within the context of charges regarding the mining concession.
While these measures are not such as to hinder the Company's operations, the Company is appealing to the administrative and judicial authorities to challenge their validity.
In July 2019, the Court of Appeal in Delhi invalidated the seizure of INR 1.530 million, and demanded a bank guarantee prior to the repayment of the funds. The Enforcement Directorate has appealed this judgment.
The provisional attachments do not prejudice the merits of the case (CBI investigation) which is still under review and has not at this point led to a charge. The Company has no reason to think there is any probable or measurable financial risk.
Given how long the proceedings, started in 2012, are taking, the receivable related to these precautionary seizures was reclassified at end-2018 as "other non-current receivables".

Impairment of loans and receivables:
Difficulties related to the macroeconomic environment led the Group to record during the first half of 2021 an additional depreciation of €10.7 million related to loans made in connection with investments in the Mediterranean area.

NOTE 8 CASH AND CASH EQUIVALENTS

(in thousands of euros)	June 30, 2021	December 31, 2020
Cash	117,885	145,416
Marketable securities and term deposits <3 months	309,556	277,427
Cash and cash equivalents	**427,441**	**422,843**

Cash and cash equivalents as at June 30, 2021 include an amount of €37 million (€34 million at the end of 2020) corresponding to the euro equivalent of the subscriptions made by the shareholders of the Group's Egyptian subsidiary Sinai Cement Company in the context of its current capital increase, which will be paid up, and therefore available, once the competent local authorities have given their approval (see note 2).

(in thousands of euros)	June 30, 2021	June 30, 2020
Cash and cash equivalent	427,441	382,575
Bank overdrafts	(90,170)	(63,272)
Net cash	**337,271**	**319,303**

NOTE 9 SHARE CAPITAL

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares with a nominal value of €4 each, including 707,515 treasury shares as at June 30, 2021 (717,855 as at December 31, 2020) acquired under the share buy-back programs approved by the Ordinary General Meetings, and through Heidelberg Cement's disposal of its 35% stake in Vicat in 2007.

These are registered shares or bearer shares, at the shareholder's option. Voting rights attached to shares are proportional to the share of the capital which they represent and each share gives the right to one vote, except in the case of fully paid-up shares registered for at least four years in the name of the same shareholder, to which two votes are assigned.

The dividend paid in 2021 in respect of 2020 amounted to €1.50 per share, amounted to a total of €67,350 thousand, equal to €1.50 per share paid in 2020 in respect of 2019 and amounted to a total of €67,350 thousand.
Basic earnings per share are calculated as the ratio of net income for the year (Group share) to the weighted average number of shares outstanding during the year, excluding treasury shares. This net income per share is adjusted for the effects of any potentially dilutive ordinary shares such as free shares granted (see note 16).

Since June 30, 2018, for a period of 12 months renewable by tacit agreement, Vicat has engaged Oddo BHF (previously Natixis Securities) to implement a liquidity agreement in accordance with the AMAFI (French financial markets professional association) Code of Ethics of September 20, 2008. The following amounts were allocated to the liquidity agreement for its implementation: 20,000 Vicat shares and € 3 million in cash. As at June 30, 2021, the liquidity account is composed of 34,744 Vicat shares and €1,483 thousand in cash.

NOTE 10 OTHER PROVISIONS

(in thousands of euros)	June 30, 2021	December 31, 2020
Provisions for pensions and other post-employment benefits	**126,278**	**139,022**
Restoration of sites	60,585	59,268
Demolitions	448	522
Other risks (1)	45,639	60,834
Other expenses	9,815	9,663
Other provisions	**116,487**	**130,286**
- of which less than one year	*9,761*	*13,522*
- of which more than one year	*106,726*	*116,764*

Impact (net of cots incurred) In P&L in 2021 :	***Provisions***	***Reversal of unused provision***
Operating income:	7,479	-100
Non operating income	121	

(1) At June 30, 2021, other risks included:

- *A global amount of €21.6 million (€38.8 million at December 31, 2020) in provisions recorded in the financial statements of Ciplan (Brazil), mostly related to:*
  - *tax litigations mainly related to tax credits (ICMS) attributable to import duties on purchase of petroleum coke and diesel for production purposes and disputed by tax authorities (€19 .5 million),*
  - *labor litigations following the departure of former employees (€2.1 million)*
  - *civil litigations relating to fines and claims contested by the company (€0.5 million)*

At the time of the acquisition by the Vicat Group, Ciplan received a firm and irrevocable guarantee from its Brazilian shareholders for all litigation arising or to arise in connection with the period prior to the acquisition. This guarantee is recognized in other non-current assets for €51.7 million (see note 7), in respect of indemnifiable claims recorded as a provision (€21.6 million) and on the other hand, in respect of a tax recorded as tax liability (€29.8 million).

- *An amount of €10.9 million (€9.7 million as of December 31, 2020) corresponding to the estimated amount of the deductible related to claims arising in the United States at the end of the accounting period in connection with work-related accidents, which will be paid by the Group.*
- *A residual amount of €13.1 million (€12.3 million as of December 31, 2020) corresponds to the accumulation of other provisions which, taken individually, are not material.*

NOTE 11 NET FINANCIAL DEBTS AND PUT OPTIONS

Financial liabilities as at June 30, 2021 break down as follows:

(in thousands of euros)	June 30, 2021	December 31, 2020
Financial debts at more than one year	1,354,629	1,261,797
Put options at more than one year	12,179	8,365
Lease liabilities at more than one year	150,569	157,563
Debts and put options at more than one year	**1,517,377**	**1,427,725**
Financial instrument assets at more than one year - see note 9 - (1)	(6,775)	(7,115)
Total financial debts net of financial instrument assets at more than one year	**1,510,602**	**1,420,610**
Financial debts at less than one year	198,967	165,375
Lease liabilities at less than one year	50,251	47,382
Debts and put options at less than one year	**249,218**	**212,757**
Financial instrument assets at less than one year (1)	(300)	(300)
Total financial debts net of financial instrument assets at less than one year	**248,918**	**212,457**
Total financial debts net of financial instrument assets (1)	1,747,341	1,624,702
Total put options	12,179	8,365
Total financial liabilities net of financial instrument assets	**1,759,520**	**1,633,067**

(1) As at June 30,2021, financial instrument assets (€7.1 million) are presented either under non-current assets (see note 7), if their maturity is more than 1 year (€6.7 million) or under other receivables, if their maturity is less than one year (€0.3 million). They totalled €7.4 million as at December, 2020.

The change, by type of net financial debts and put options, breaks down as follows:

(in thousands of euros)	*Financial debts and put options > 1 year*	*Financial instruments assets > 1 year*	*Lease liabilities > 1 year*	*Financial debts and put options < 1 year*	*Financial instruments assets < 1 year*	*Lease liabilities < 1 year*	*Total*
As at January 1, 2020	**1,109,769**	**(13,105)**	**178,398**	**391,594**	**(30,072)**	**59,864**	**1,696,448**
Issues	196,169		42,768	14,560		7,226	260,723
Repayments	(106)		(10,994)	(209,326)		(51,203)	(271,630)
Change in foreign exchange rate	(17,819)		(8,223)	(8,253)		(2,945)	(37,239)
Changes in consolidation scope	109		26				135
Other movements (1)	(17,960)	5,990	(44,412)	(23,200)	29,772	34,440	(15,370)
As at December 31, 2020	**1,270,162**	**(7,115)**	**157,563**	**165,375**	**(300)**	**47,382**	**1,633,067**
Issues	115,120		22,032	36,380		1,803	175,335
Repayments	(14,752)		(7,594)	(14,563)		(18,271)	(55,180)
Change in foreign exchange rate	2,689		909	(181)		(473)	2,944
Changes in consolidation scope	(21,458)		(950)			(739)	(23,147)
Other movements (1)	15,049	340	(21,392)	11,956		20,547	26,500
As at June 30, 2021	**1,366,809**	**(6,775)**	**150,568**	**198,968**	**(300)**	**50,250**	**1,759,520**

(1) mainly reclassifications of less than 1 year of debt dated more than 1 year the previous financial year, and changes in bank overdrafts.

11.1 Financial debts

Breakdown of financial liabilities by category and maturity

June 30, 2021 *(in thousands of euros)*	Total	June 2022	June 2023	June 2024	June 2025	June 2026	More than 5 years
Loans and debts with credit institutions	1,417,579	73,095	118,750	165,165	670,729	153,485	236,356
Of which financial instrument assets	*7,075*	*300*	*6,569*	*(273)*	*(197)*	*862*	*(186)*
Of which financial instrument liabilities	*2,476*	*652*	*1,824*				
Miscellaneous borrowings and financial liabilities	17,431	14,059	1,300		357	473	1,243
Lease liabilities	200,818	50,251	34,813	21,661	14,578	10,637	68,879
Current bank lines and overdrafts	111,513	111,513					
Financial debts	**1,747,341**	**248,918**	**154,863**	**186,826**	**685,663**	**164,594**	**306,477**
of which commercial paper	*550,000*				*550,000*		

Financial liabilities at less than one year mainly comprise bilateral credit lines relating to Sococim Industries in Senegal, IFRS16 debts and bank overdrafts.

December 31, 2020 *(in thousands of euros)*	Total	2,021	2,022	2,023	2,024	2,025	More than 5 years
Loans and debts with credit institutions	1,319,515	74,478	126,010	25,307	176,634	564,104	352,982
Of which financial instrument assets	*(7,416)*	*(301)*	*(7,115)*				
Of which financial instrument liabilities	*1,856*	*31*		*803*	*333*		*689*
Miscellaneous borrowings and financial liabilities	15,214	5,569	216	116	164	5,141	4,008
Lease liabilities	204,946	47,382	40,660	24,315	15,425	11,296	65,868
Current bank lines and overdrafts	85,027	85,027					
Financial debts	**1,624,702**	**212,456**	**166,886**	**49,738**	**192,223**	**580,541**	**422,858**
of which commercial paper	*550,000*					*550,000*	

Characteristics of loans and financial debts (currencies and rates)

By currency (net of currency swaps)

(in thousands of euros)	June 30, 2021	December 31, 2020
Euro	1,356,945	1,058,152
U.S. dollar	46,801	81,728
Turkish new lira	28,257	17,766
CFA Franc	96,603	117,954
Swiss franc	57,036	212,644
Mauritanian ouguiya	3,093	4,284
Egyptian pound	78,724	59,901
Indian rupee	31,382	27,581
Kazakh Tengue	403	394
Brazilian real	48,097	44,298
Total	**1,747,341**	**1,624,702**

By interest rate

(in thousands of euros)	June 30, 2021	December 31, 2020
Fixed rate	788,241	826,223
Floating rate	959,100	798,478
Total	**1,747,341**	**1,624,701**

The average interest rate on gross debt at June 30, 2021 is 3.13% compared with 3.06% at the end of December 2020. The average maturity of the debt at June 30, 2021 is 5.1 years, like at the end of 2020.

11.2 Put options granted to the minority shareholders on shares in consolidated subsidiaries

As of June 30, 2021, several agreements between Vicat and the minority shareholders of several subsidiaries include put options exercisable at any time. These put options amount to €12.2 million as of June 30, 2021 and correspond to the present value of the exercise price of these options.

NOTE 12 FINANCIAL INSTRUMENTS

Risque de change

The Group's activities are carried out by subsidiaries operating almost entirely in their own country and local currency. This limits the Group's exposure to foreign exchange risk. These companies' imports and exports denominated in currencies other than their own local currency are generally hedged by forward currency purchases and sales. The foreign exchange risk on intercompany loans is hedged, where possible, by the companies when the borrowing is denominated in a currency other than their operating currency.

Moreover, the principal and interest due on loans originally issued by the Group in US dollars (US $120 million for Vicat) was translated into euros through a series of cross currency swaps, included in the portfolio presented below (see point a).

Interest rate risk

Floating rate debt is hedged through the use of caps on original maturities of 5, 7 and 10 years.

The Group is exposed to an interest rate risk on its financial assets and liabilities and its cash. This exposure corresponds to the price risk for fixed-rate assets and liabilities, and cash flow risk related to floating-rate assets and liabilities.

Liquidity risk

As at June 30, 2021, the Group had €396 million in unutilized confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€536 million as at December 31, 2020).

The Group also has a €550 million commercial paper issue program. At June 30, 2021, the amount of commercial paper issued stood at €550 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet. The risk of not being able to place the commercial paper on the market is covered by undrawn confirmed lines of credit for an amount equal to the amount of the bills issued, i.e. €550 million euros as of June 30, 2021.

Some medium-term or long-term loan agreements contain specific covenants especially with regards to compliance with financial ratios, reported each half year, which can lead to an anticipated repayment (acceleration clause) in the event of non-compliance. These covenants are based on a profitability ratio (leverage: net indebtedness/consolidated EBITDA) and on capital structure ratio (gearing: net indebtedness/consolidated shareholders equity) of the Group or its relevant subsidiaries. For the purposes of calculating these covenants, the net debt is determined excluding put options granted to minority shareholders. Furthermore, the margin applied to some financing operations depends on the level reached on one of these ratios.

Considering the small number of companies concerned, essentially Vicat SA, the parent company of the Group, the low level of gearing (53.7%) and leverage (2.05) and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial position. As at June 30, 2021, the Group is compliant with all ratios required by the covenants included in the financing agreements.

The portfolio of derivative financial instruments at the end of June 2021 is as follows:

(in thousands of currencies)		Nominal value (euro)	Nominal value (euro)	Market value (euro)	Current maturity <1 year (euro)	1-5 years (euro)	+5 years (euro)
Cash flow hedges (a)							
Composite instruments							
Cross Currency Swap TF $/TF €	120,000	$	100,976	10,266		10,266	
Other derivatives							
Interest rate intruments							
Euros Caps	714,500	€	714,500	(572)		(1,010)	438
Foreign exchange instruments (a)							
Hedging for foreign exchange risk on intra-group							
VAT CHF	142,000	CHF	129,326	235	235		
VAT USD	103,000	USD	86,671	(613)	(613)		
NDF	117,000	BRL	19,814	1,137	960	177	
				10,453			

In accordance with IFRS 13, counterparty risks were taken into account. This mainly relates to derivatives (cross currency swaps) used to hedge the foreign exchange risk of debts in US dollars, which is not the Group's operating currency. The impact of the credit value adjustment (CVA, or the Group's exposure in the event of counterparty default) and of the debit value adjustment (DVA, or the counterparty's exposure in the event of Group default) on the measurement of derivatives was determined by assuming an exposure at default calculated using the add-on method, a 40 % loss given default, and a probability of default based on the credit ratings of banks or the estimated credit rating of the Group. The impact on fair value was not material and was not included in the market value of financial instruments as presented above.
In application of IFRS 7, the breakdown of financial instruments measured at fair value by hierarchical level of fair value in the consolidated statement of financial position is as follows as at June 30, 2021:

(in millions of euros)	June 30, 2021	
Level 1: instruments quoted on an active market	-	
Level 2: valuation based on observable market information	10.4	*See above*
Level 3: valuation based on non-observable market information	40.5	*Note 7*

NOTE 13 SALES REVENUES

(in thousands of euros)	June 30, 2021	June 30, 2020
Sales of goods	1,428,846	1,137,335
Sales of services	130,821	166,360
Sales revenues	**1,559,667**	**1,303,695**

Change in sales revenues on a like-for-like basis

(en milliers d'euros)	June 30, 2021	Changes in consolidation scope	Change in foreign exchange rate	June 30, 2021 Constant scope and exchange rate	June 30,2021
Sales revenues	**1,559 667**	3,415	(89,016)	1,645,268	**1,303,695**

NOTE 14 NET DEPRECIATION, AMORTIZATION AND PROVISIONS EXPENSES

(in thousands of euros)	June 30,2021	June 30, 2020
Net charges to amortization / depreciation of fixed assets	(101,962)	(102,246)
Net charges to depreciation of lease right-of-use assets	(26,685)	(27,140)
Net provisions expenses (1)	2,431	(2,915)
Net charges to other assets depreciation	(2,628)	(4,905)
Net charges to operating depreciation, amortization and provisions	**(128,844)**	**(137,206)**
Other net charges to non-operating depreciation, amortization and provisions (2)	7,483	(14,161)
Net depreciation, amortization and provisions	**(121,361)**	**(151,367)**

(1) Net provision expenses include a reversal of €7.2 million following the termination of the Art 39 pension benefits program in France.
(2) Including as at June 30, 2021 :
a. A net reduction in the provision in Ciplan's accounts for €18.5 million (€(2.6) million in June 30, 2020) due to the recognition of a tax liability covered by the provision that had been set up at the time of the acquisition (see notes 7 and 15).
b. An impairment of €10.7 million related to loans made in connection with investments in the Mediterranean area (note 7)

NOTE 15 OTHER INCOME AND EXPENSE

(in thousands of euros)	June 30, 2021	June 30,2020
Net income from disposal of assets	2,575	816
Income from investments properties	1,993	1,968
Others (1)	12,680	11,132
Other operating income (expense)	**17,248**	**13,916**
Other non-operating income and expenses (2)	(17,592)	132
Total	**(344)**	**14,048**

(1) *Including as at June 30,2021 an amount of €4.0 million corresponding to the cancellation of a tax liability related to a state value added tax (ICMS) recognized by the Group's Brazilian subsidiary*

(2) *Including as at June 30, 2021 an expense of €(18.5) million corresponding to the recognition of a tax liability covered by minority shareholders through a guarantee (notes 7 and 14).*

NOTE 16 Share-based payments

On April 9, 2021, the Board of Directors decided to set up a free share plan for 271,497 shares, to be distributed until 2037. This plan, which is intended for certain executives who perform management functions within the Group and for certain corporate officers, is subject only to a condition of presence. If the condition of presence is not met at the end of the plan, the share rights are retained on a pro rata basis depending on the reason for departure. The plan provides for a one-year vesting period for each distribution and a lock-up period of the same duration.

In application of IFRS 2 "Share-based Payment", the Group has estimated the value of this plan based on the fair value of the equity instruments at the vesting date at €11,620,072. This valuation is based on a share price at the grant date less an expected dividend loss over the period, i.e. a share price of €42.8. This expense will be recorded in personnel costs over the vesting period, with a corresponding entry in equity.

For the first half of 2021, the expense recorded amounts to €373 thousand.

NOTE 17 FINANCIAL INCOME

(in thousands of euros)	June 30, 2021	June 30, 2020
Interest income from financing and cash management activities	10,619	12,180
Interest expense from financing and cash management activities	(21,750)	(25,114)
Interest expense from lease liabilities	(5,516)	(5,207)
Cost of net borrowings and financial liabilities	**(16,647)**	**(18,141)**
Dividends	747	621
Foreign exchange gains	5,096	4,767
Fair value adjustments to financial assets and liabilities	-	-
Write-back of impairment of financial assets	47	183
Net expense from disposal of financial assets	-	180
Discounting product	-	3,378
Other products	1,513	-
Other financial income	**7,403**	**9,129**
Foreign exchange losses	(4,761)	(6,386)
Fair value adjustments to financial assets and liabilities	(62)	(108)
Impairment on financial assets	(2,328)	(79)
Net expense from disposal of financial assets	-	-
Discounting expenses	(1,368)	-
Other expenses	-	(62)
Other financial expenses	**(8,519)**	**(6,635)**
Net financial income (expense)	**(17,763)**	**(15,647)**

NOTE 18 INCOME TAX

Analysis of income tax expense:

(in thousands of euros)	June 30, 2021	June 30, 2020
Current taxes	(39,327)	(17,157)
Deferred taxes	(5,262)	(2,519)
Total	**(44,589)**	**(19,676)**

Deferred tax assets not recognized in the financial statements

Deferred tax assets not recognized as of June 30, 2021, due to their expected allocation during the exemption period of the entities concerned or due to their unlikely recovery, amount to €20.1 million (€15.5 million as of December 31, 2020).

NOTE 19 SEGMENT INFORMATION

a) Information by business segment

Information relating to geographical areas is presented according to the geographical location of the entities concerned.

June 30, 2021 *(in thousands of euros except number of employees)*	France	Europe (outside France)	Americas	Asia	Mediterranean	Africa	Total
Income statement							
Operating sales revenues	578,643	204,675	318,734	206,458	102,800	174,756	1,586,066
Inter – country eliminations	(17,106)	(1,509)	0	(36)	0	(7,748)	(26,399)
Consolidated net sales revenues	561,537	203,166	318,734	206,422	102,800	167,008	1,559,667
EBITDA (cf. 1.23)	103,648	38,847	70,355	57,842	(6,105)	35,445	300,032
EBIT (cf. 1.23)	66,097	19,474	43,030	40,396	(15,951)	18,142	171,188
Balance sheet							
Total non-current assets	799,541	584,718	1,085,282	679,357	289,505	503,969	3,942,372
Net capital employed (1)	867,702	557,504	896,292	707,134	305,405	529,218	3,863,255
Other information							
Acquisitions of intangible and tangible assets	49,110	12,737	107,925	8,730	9,089	12,338	199,929
Net depreciation and amortization charges	(43,412)	(18,511)	(26,107)	(15,627)	(8,664)	(16,326)	(128,647)
Average number of employees	3,007	733	2,143	1,219	1,325	945	9,372

June 30, 2020 *(in thousands of euros except number of employees)*	France	Europe (outside France)	Americas	Asia	Mediterranean	Africa	Total
Income statement							
Operating sales revenues	456,061	198,531	297,622	149,064	74,829	146,249	1,322,356
Inter – country eliminations	(12,004)	(302)	0	(19)	0	(6,336)	(18,661)
Consolidated net sales revenues	444,057	198,229	297,622	149,045	74,829	139,913	1,303,695
EBITDA (cf. 1.23)	56,363	39,593	56,321	38,221	(9,466)	31,821	212,853
EBIT (cf. 1.23)	13,775	19,649	26,355	18,841	(17,992)	15,019	75,647
Balance sheet							
Total non-current assets	778,832	648,441	939,944	733,619	316,541	497,920	3,915,297
Net capital employed (1)	740,506	633,047	778,594	743,209	304,105	531,036	3,730,497
Other information							
Acquisitions of intangible and tangible assets	26,533	14,746	62,193	8,400	5,428	15,471	132,771
Net depreciation and amortization charges	(40,454)	(18,674)	(29,318)	(17,336)	(8,280)	(15,324)	(129,386)
Average number of employees	3,003	1,093	2,136	1,232	1,688	941	10,093

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capital requirement, after deduction of provisions and deferred taxes.

b) Information by business segment

June 30, 2021 (in thousands of euros)	Cement	Concrete and aggregates	Other products and services	Total
Income statement				
Operating sales revenues	937,854	585,087	248,558	1,771,499
Inter – segment eliminations	(133,589)	(16,276)	(61,967)	(211,832)
Consolidated net sales revenues	804,265	568,811	186,591	1,559,667
EBITDA (cf. 1.23)	214,538	69,665	15,829	300,032
EBIT (cf. 1.23)	138,973	27,211	5,004	171,188
Balance sheet				
Net capital employed (1)	2,756,133	908,156	198,966	3,863,255

June 30, 2020 (in thousands of euros)	Cement	Concrete and aggregates	Other products and services	Total
Income statement				
Operating sales revenues	777,221	502,303	194,342	1,473,866
Inter – segment eliminations	(119,473)	(12,260)	(38,438)	(170,171)
Consolidated net sales revenues	657,748	490,043	155,904	1,303,695
EBITDA (cf. 1.23)	161,974	46,474	4,405	212,853
EBIT (cf. 1.23)	78,289	4,027	(6,669)	75,647
Balance sheet				
Net capital employed (1)	2,742,984	869,796	117,717	3,730,497

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capital requirement, after deduction of provisions and deferred taxes.

c) INFORMATION ABOUT MAJOR CUSTOMERS

The Group is not dependent on any of its major customers, and no single customer accounts for more than 10% of sales revenues.

NOTE 20 NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES

Net cash flows from operating activities conducted by the Group during the first semester 2021 totalled €118 million, compared with €220 million as at June 30, 2020.
This decrease in cash flow from operating activities between the first half of 2020 and the first half of 2021 is mainly due to the change in working capital requirement of € (167) million, resulting from the increase in activity, partially offset by the increase in cash flow from operations of €65 million.

The components of the working capital requirement (WCR) by category are as follows:

(In thousand of euros)	**WCR at Dec. 31, 2019**	Change in WCR Year 2020	Other Variations (1)	**WCR at Dec. 31, 2020**	Change in WCR Year 2021	Other Variations (1)	**WCR at June 30, 2021**
Inventories	401,551	(24,942)	(21,672)	354,937	40,312	(17,603)	377,646
Other WCR components	(8,570)	(42,705)	5,613	(45,662)	81,723	(23,377)	12,684
WCR	**392,981**	**(67,647)**	**(16,059)**	**309,275**	**122,035**	**(40,980)**	**390,330**

(1) Consolidation scope and miscellaneous

NOTE 21 NET CASH FLOWS FROM INVESTING ACTIVITIES

Net cash flows from investing activities conducted by the Group during the 1st semester 2021 were €(168.6) million, compared with €(131.5) million in the first half 2020.

<u>*Acquisitions of intangible and tangible assets*</u>

These reflect outflows for industrial investments (€177.3 million during the 1st semester 2021 and €122.5 million during the 1st semester 2020) mainly corresponding:

- In the 1st semester 2021, to investments made in United states, France, Senegal and Switzerland
- In the 1st semester 2020, to investments made in France, United states, Senegal and Switzerland

<u>*Acquisition / disposal of shares in consolidated companies*</u>

Acquisitions/disposals of shares in consolidated companies during the first half of 2021 resulted in a total cash inflow of €10 million. The main cash inflow is linked to the sale by the Group of a subsidiary in Switzerland, partially offset by cash outflows linked to the acquisition of minority interests in a French and Brazilian subsidiary and the acquisition of a majority stake in a French company.

There were no acquisitions/disposals of shares in consolidated companies during the first half of 2020. They had resulted in a total cash outflow of €(291.8) million as of June 30, 2019.

The main cash outflows made by the Group during the first half of 2019 was for the acquisition of a 66.07% majority stake in Ciplan in Brazil (see notes 2).

NOTE 22 TRANSACTIONS WITH RELATED COMPANIES

In addition to the information required for related parties regarding the senior executives, related parties with which transactions are carried out include affiliated companies in which Vicat directly or indirectly holds a stake, and entities that hold a stake in Vicat.
These related party transactions were not material and were all concluded on an arm's length basis.
These transactions have all been recorded in compliance with IAS 24 and their impact on the Group's consolidated financial statements for the 1st semester 2021 and 2020 is as follows, broken down by type and by related party:

(in thousands of euros)	June 30, 2021 Sales	June 30, 2021 Purchases	June 30, 2021 Receivables	June 30, 2021 Liabilities	June 30, 2020 Sales	June 30, 2020 Purchases	June 30, 2020 Receivables	June 30, 2020 Liabilities
Affiliated companies	1,527	1,061	3,219	1,888	1,369	1,319	3,052	5,308
Other related parties	22	600	0	120	42	584	0	85
Total	**1,549**	**1,661**	**3,219**	**2,008**	**1,411**	**1,903**	**3,052**	**5,393**

NOTE 23 SUBSEQUENT EVENTS

No subsequent event is likely to have a material impact on the consolidated financial statements at June 30, 2021.

NOTE 24 LIST OF MAIN CONSOLIDATED COMPANIES AS AT JUNE 30, 2021

Fully consolidated: France

COMPANY	COUNTRY	CITY	% of INTEREST June 30, 2021	% of INTEREST December 31, 2020
VICAT	FRANCE	L'ISLE D'ABEAU	-	-
AGENCY BULK CHARTERING VICAT	FRANCE	NANTES	49.99	49.99
ANNECY BETON CARRIERES	FRANCE	L'ISLE D'ABEAU	49.98	49.98
LES ATELIERS DU GRANIER	FRANCE	CHAPAREILLAN	99.98	99.98
BETON CONTROLE COTE D'AZUR	FRANCE	NICE	99.97	99.97
BETON VICAT	FRANCE	L'ISLE D'ABEAU	99.98	99.98
BETON TRAVAUX	FRANCE	L'ISLE D'ABEAU	99.98	99.98
CARRIERE DE BELLECOMBES	FRANCE	L'ISLE D'ABEAU	99.97	49.97
CENTRE D'ETUDE DES MATERIAUX ET DES BETONS	FRANCE	FILLINGES	79.99	79.98
CIRCUL'ERE	FRANCE	L'ISLE D'ABEAU	100.00	-
DELTA POMPAGE	FRANCE	CHAMBERY	99.98	99.98
GRANULATS VICAT	FRANCE	L'ISLE D'ABEAU	99.98	99.98
PARFICIM	FRANCE	L'ISLE D'ABEAU	100.00	100.00
SATMA	FRANCE	L'ISLE D'ABEAU	100.00	100.00
SATM	FRANCE	CHAMBERY	99.98	99.98
SIGMA BETON	FRANCE	L'ISLE D'ABEAU	99.99	99.98
VICAT PRODUITS INDUSTRIELS	FRANCE	L'ISLE D'ABEAU	99.98	99.98

Fully consolidated: Rest of the world

COMPANY	COUNTRY	CITY	June 30, 2021	December 31, 2020
			% INTEREST	
CIPLAN	BRAZIL	BRASILIA	69.14	66.07
SINAI CEMENT COMPANY	EGYPT	CAIRO	56.20	56.20
JAMBYL CEMENT PRODUCTION COMPAI	KAZAKHSTAN	ALMATY	90.00	90.00
MYNARAL TAS COMPANY LLP	KAZAKHSTAN	ALMATY	90.00	90.00
BUILDERS CONCRETE	USA	CALIFORNIA	100.00	100.00
KIRKPATRICK	USA	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY OF ALABAMA	USA	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY INC	USA	DELAWARE	100.00	100.00
NATIONAL CEMENT COMPANY OF CALIFORNIA	USA	DELAWARE	100.00	100.00
NATIONAL READY MIXED	USA	CALIFORNIA	100.00	100.00
VIKING READY MIXED	USA	CALIFORNIA	100.00	100.00
WALKER CONCRETE	USA	GEORGIA	100.00	100.00
CEMENTI CENTRO SUD Spa	ITALY	GENOVA	100.00	100.00
CIMENTS & MATERIAUX DU MALI	MALI	BAMAKO	94.90	94.90
GECAMINES	SENEGAL	THIES	100.00	100.00
POSTOUDIOKOUL	SENEGAL	RUFISQUE (DAKAR)	100.00	100.00
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.90	99.90
ALTOLA AG	SWITZERLAND	OLTEN (SOLOTHURN)	100.00	100.00
KIESWERK AEBISHOLZ AG	SWITZERLAND	AEBISHOLZ (SOLEURE)	100.00	100.00
BETON AG BASEL	SWITZERLAND	BALE (BALE)	100.00	100.00
BETON AG INTERLAKEN	SWITZERLAND	INTERLAKEN (BERN)	75.42	75.42
BETONPUMPEN OBERLAND AG	SWITZERLAND	WIMMIS (BERN)	82.46	82.46
CREABETON MATERIAUX SA	SWITZERLAND	LYSS (BERN)	(1)	100.00
EMME KIES + BETON AG	SWITZERLAND	LÜTZELFLÜH (BERN)	66.67	66.67
FRISCHBETON AG ZUCHWIL	SWITZERLAND	ZUCHWIL (SOLOTHURN)	88.94	88.94
FRISCHBETON LANGENTHAL AG	SWITZERLAND	LANGENTHAL (BERN)	79.50	78.67
FRISCHBETON THUN	SWITZERLAND	THOUNE (BERN)	53.48	53.48
KIESTAG STEINIGAND AG	SWITZERLAND	WIMMIS (BERN)	98.55	98.55
KIESWERK NEUENDORF	SWITZERLAND	NEUENDORF (SOLEURE)	50.00	50.00
SABLES + GRAVIERS TUFFIERE SA	SWITZERLAND	HAUTERIVE (FRIBOURG)	50.00	50.00
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ AG	SWITZERLAND	FRUTIGEN (BERN)	98.55	98.55
SOLOTHURNER ENTSORGUNGS GESELLSCHAFT	SWITZERLAND	FLUMENTHAL (SOLOTHURN)	100.00	100.00
SONNEVILLE AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER BETON JURA SA	SWITZERLAND	BELPRAHON (BERN)	84.81	82.59
VIGIER BETON KIES SEELAND AG	SWITZERLAND	LYSS (BERN)	100.00	100.00
VIGIER BETON MITTELLAND AG	SWITZERLAND	FELDBRUNNEN (SOLOTHURN)	100.00	100.00
VIGIER BETON ROMANDIE SA	SWITZERLAND	ST . URSEN (FRIBOURG)	100.00	100.00
VIGIER BETON SEELAND JURA AG	SWITZERLAND	SAFNERN (BERN)	94.24	91.76
VIGIER CEMENT AG	SWITZERLAND	PERY (BERN)	100.00	100.00
VIGIER HOLDING AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER MANAGEMENT AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER RAIL	SWITZERLAND	MÜNTSCHEMIER (BERN)	100.00	100.00
VIGIER TRANSPORT AG (ex-GRANDY)	SWITZERLAND	LANGENDORF (SOLEURE)	100.00	100.00
VITRANS AG	SWITZERLAND	PERY (BERN)	100.00	100.00

(1) company disposal

COMPANY	COUNTRY	CITY	June 30, 2021 % INTEREST	December 31, 2020 % INTEREST
BASTAS BASKENT CIMENTO	TURKEY	ANKARA	91.60	91.60
BASTAS HAZIR BETON	TURKEY	ANKARA	91.60	91.60
KONYA CIMENTO	TURKEY	KONYA	83.08	83.08
KONYA HAZIR BETON	TURKEY	KONYA	83.08	83.08
TAMTAS	TURKEY	ANKARA	100.00	100.00
MAURICIM	MAURITANIA	NOUAKCHOTT	100.00	100.00
BHARATHI CEMENT	INDIA	HYDERABAD	51.02	51.02
KALBURGI CEMENT	INDIA	HYDERABAD	99.99	99.98

Equity method: France

COMPANY	COUNTRY	CITY	June 30, 2021 % INTEREST	December 31, 2020 % INTEREST
BIOVAL	FRANCE	L'ISLE D'ABEAU	39.99	39.99
CARRIERES BRESSE BOURGOGNE	FRANCE	EPERVANS	33.28	33.28
DRAGAGES ET CARRIERES	FRANCE	EPERVANS	49.98	49.98
SABLIERES DU CENTRE	FRANCE	LES MARTRES D'ARTIERE	49.99	49.99
SCI ABBE CALES	FRANCE	CHAMBERY	69.99	69.99
EST LYONNAIS GRANULATS	FRANCE	DIJON	33.33	33.33

Equity method: Rest of the world

COMPANY	COUNTRY	CITY	June 30, 2021 % INTEREST	Decembre 31, 2020 % INTEREST
HYDROELECTRA	SWITZERLAND	AU (ST. GALLEN)	50.00	50.00
SILO TRANSPORT AG	SWITZERLAND	BERN	50.00	50.00
VITO SA	SWITZERLAND	PERY-LA HEUTTE	50.00	-
SINAI WHITE CEMENT	EGYPT	CAIRO	14.27	14.27
PLANALTO	BRAZIL	BRASILIA	33.38	32.38
BIKILTAS ENERJI PETROL MADENCILIK INSAAT AS	TURKEY	SELCUKLU / KONYA	50.00	50.00

3.

STATUTORY AUDITORS'REVIEW REPORT ON THE 2021 HALF-YEAR FINANCIAL INFORMATION

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of VICAT S.A., for the period from 1 January to 30 June 2021,
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our review procedures.
These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.
A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, July 30, 2021

KPMG Audit
Département de KPMG S.A

Philippe Grandclerc
Associé

Chamalières, July 30, 2021

Wolff & Associés S.A.S

Grégory Wolff
Associé

4.

DECLARATION BY THE PERSONS RESPONSIBLE FOR THE HALF- YEAR FINANCIAL REPORT

« “I hereby declare that, to the best of my knowledge, the consolidated accounts compiled for the ending half-year have been drawn up in accordance with the applicable accounting standards and are a true reflection of the assets and liabilities, financial position and income of the Company and all the firms within the consolidation scope and that the half-year report on operations, attached on page 3, presents a true picture of the major events which occurred during the first six months of the year, their impact on the accounts and the main transactions between related parties and describes the main risks and the main uncertainties for the remaining six months of the year.”

L’Isle d’Abeau, July 30,2021

Guy Sidos

Chairman and CEO

Société anonyme au capital de 179 600 000 euros
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