CONSOLIDATED HALF-YEAR FINANCIAL REPORT

30 JUNE 2021

cementir holding
GRUPPO CALTAGIRONE

Contents

COMPANY OFFICERS

Board of Directors [1] In office until approval of 2022 financial statements	*Executive Director, Chairman and CEO*	Francesco Caltagirone Jr.
	Vice-Chairman and Non-Executive Director [2]	Alessandro Caltagirone
	Vice-Chairman and Non-Executive Director[3]	Azzurra Caltagirone
	Non-Executive Directors	Edoardo Caltagirone Saverio Caltagirone Fabio Corsico Veronica De Romanis *(independent)* Paolo Di Benedetto *(independent)* [4] Chiara Mancini *(independent)*
Audit Committee[5]	**Chairwoman**	Veronica De Romanis *(independent)*
	Members	Paolo Di Benedetto *(independent)* Chiara Mancini *(independent)*
Remuneration and Nomination[6] **Committee**	**Chairwoman**	Chiara Mancini *(independent)*
	Members	Paolo Di Benedetto *(independent)* Veronica De Romanis *(independent)*
Independent Auditors		PricewaterhouseCoopers Accountants N.V.[7]

[1] Appointed by resolution of the shareholders' meeting of 20 April 2020.
[2] Appointed by resolution of the Board of Directors dated 24 April 2020.
[3] Appointed by resolution of the Board of Directors dated 24 April 2020.
[4] Appointed *Senior Non-Executive Director* by resolution of the Board of Directors dated 24 April 2020.
[5] Appointed by resolution of the Board of Directors dated 24 April 2020.
[6] Appointed by resolution of the Board of Directors dated 24 April 2020.
[7] The shareholders' meeting of 20 April 2020 entrusted the assignment of Statutory auditing for the period 2021–2030 to auditing company PricewaterhouseCoopers Accountants NV.

DIRECTORS' REPORT AS AT 30 JUNE 2021

INTRODUCTION

This directors' report refers to the condensed interim consolidated financial statements as at 30 June 2021 of the Cementir Group prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union, and with Part 9 of Book 2 of the Dutch Civil Code.

This report should be read in conjunction with the 2021 condensed interim consolidated financial statements and has been prepared on the basis of the going concern assumption.

It is noted that this Interim financial report is unaudited.

GROUP PROFILE

Cementir Holding N.V. is a multinational group with registered office in the Netherlands operating in the building materials sector. The Group is the global leader in white cement with 3.3 million tonnes of installed capacity, the leading producer of cement in Denmark and of ready-mixed concrete in the Scandinavian area, the third largest producer in Belgium and among the main international operators for grey cement in Turkey. In Belgium, the Group operates one of the largest aggregate quarries in Europe. In Turkey and the United Kingdom, Cementir is active in the processing of urban and industrial waste, used to produce fuel for cement plants from waste.

Cementir's international growth over the years was mainly driven by investments and acquisitions for over EUR 1.7 billion, which have transformed the company from a domestic to a multinational player with production sites in 18 countries, a production capacity of over 13 million tonnes of cement and a commercial presence in over 70 countries. The company continues to pursue a strategy which aims to achieve both geographical and product diversification and a growing integration of its operations.

The Group has boosted the extensive use of digital technology in production processes with the Cementir 4.0 project, which aims to ensure a level of operational excellence along the entire value chain, including limestone extraction, the use of raw materials and alternative fuels in clinker production and the creation of semi-finished products and products with a lower environmental impact.

Cementir has defined a sustainability strategy aimed at reducing the level of CO_2 emissions by 30% by 2030, defining a ten-year Roadmap and committing around EUR 107 million to sustainability projects in the 2021-2023 Business Plan. These include wind energy production and district heating in Denmark, investments to reduce the consumption of thermal energy and electricity in plants in Denmark and Belgium. Thanks to the introduction of new value-added products and technologies such as FUTURECEM™, patented at an international level, the Group has set itself the goal of significantly reducing clinker content, with a consequent reduction in the level of CO_2 emissions from its own cement.

In December 2020, the Group obtained a "B" rating from CDP (Carbon Disclosure Project), in recognition of its strong commitment to environmental sustainability.

Cementir Holding has been listed on the Milan Stock Exchange since 1955 and today is one of the main companies in the STAR segment. Since 1992, Cementir has been part of the Caltagirone Group, one of the leading private business groups in Italy with activities in the residential construction, infrastructure, publishing, real estate and finance sectors.

GROUP PERFORMANCE

Consolidated earnings figures for the first six months of 2021 are reported below, with comparative figures provided for the same period of 2020:

Financial Highlights

(EUR'000)	1st Half 2021 Unaudited	1st Half 2020 Unaudited	Change %
REVENUE FROM SALES AND SERVICES	**664,543**	**570,361**	**16.5%**
Change in inventories	(2,715)	(5,267)	48.5%
Increase for internal work and other income	8,337	7,368	13.2%
TOTAL OPERATING REVENUE	**670,165**	**572,462**	**17.1%**
Raw materials costs	(267,366)	(217,484)	22.9%
Personnel costs	(95,000)	(95,197)	-0.2%
Other operating costs	(174,293)	(162,025)	7.6%
TOTAL OPERATING COSTS	**(536,659)**	**(474,706)**	**13.1%**
EBITDA	**133,506**	**97,756**	**36.6%**
EBITDA Margin %	*20.1%*	*17.1%*	
Amortisation, depreciation, impairment losses and provisions	(54,460)	(54,569)	-0.2%
EBIT	**79,046**	**43,187**	**83.0%**
EBIT Margin %	*11.9%*	*7.6%*	
Share of net profits of equity-accounted investees	395	(91)	534.1%
Net financial income (expense)	(10,134)	(11,096)	-8.7%
NET FINANCIAL INCOME (EXPENSE)	**(9,739)**	**(11,187)**	**-12.9%**
PROFIT BEFORE TAXES	**69,307**	**32,000**	**116.6%**
PROFIT BEFORE TAXES/REVENUE %	*10.4%*	*5.6%*	
Income taxes	(16,925)	(10,113)	67.4%
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**52,382**	**21,887**	**139.3%**
PROFIT FOR THE PERIOD	**52,382**	**21,887**	**139.3%**
Attributable to:			
Non-controlling interests	4,515	1,912	136.1%
Owners of the Parent	**47,867**	**19,975**	**139.6%**

Sales volumes

(EUR'000)	1st Half 2021	1st Half 2020	Change %
Grey, White cement and Clinker (metric tons)	5,457	4,596	18.7%
Ready-mixed concrete (m3)	2,515	1,914	31.4%
Aggregates (metric tons)	5,211	4,646	12.2%

It should first be noted that the results for the first half of 2020 were adversely impacted by the outbreak of the COVID-19 pandemic.

During the first six months of 2021, cement and clinker **sales volumes**, equal to 5.5 million tonnes, recorded an increase of 18.7% compared to the same period of 2020. The increase is mainly attributable to performance in Turkey, Belgium and Denmark.

Sales volumes of ready-mixed concrete, equal to 2.5 million cubic metres, were up by 31.4% mainly due to the increase in Turkey and, to a lesser extent, in Belgium, Denmark and Sweden.

In the aggregates sector, sales volumes amounted to 5.2 million tonnes, up 12.2% with increases in Belgium, Sweden and Denmark.

Revenue from sales and services reached EUR 664.5 million, up 16.5% compared to EUR 570.4 million in the first half of 2020. At constant 2020 exchange rates, revenue would have reached EUR 691.9 million, up 21.3% on the same period of the previous year.

Operating costs of EUR 536.7 million increased by 13.1% compared to EUR 474.7 million in the first half of 2020.

The **cost of raw materials** amounted to EUR 267.4 million (EUR 217.5 million in the first half of 2020), up due to higher business volumes mainly in Turkey, Denmark and Belgium as well as the generalised increase in fuel prices on international markets.

Personnel costs of EUR 95 million are in line with the same period in 2020.

Other **operating costs** totalled EUR 174.3 million, up 7.6% compared to EUR 162.0 million in the first half of 2020.

EBITDA amounted to EUR 133.5 million, an increase of 36.6% compared to EUR 97.8 million in the first half of 2020 as a consequence of improved results in Turkey, Belgium and, to a lesser extent, in Asia Pacific and Egypt. It should be noted that in the first half of 2020, the results included non-recurring costs of EUR 5.6 million linked to the disposal of some equipment in Turkey and the execution of a settlement agreement.

The EBITDA margin was 20.1%, compared to 17.1% in the first half of 2020.

At constant exchange rates with previous year 2020, EBITDA would have been EUR 135.7 million, up 38.8% compared to the same period last year.

Taking into account depreciation, amortisation, write-downs and provisions of EUR 54.5 million (in line with the first half of 2020), **EBIT** amounted to EUR 79.0 million, an increase of 83.0% compared to EUR 43.2 million in the same period of the previous year. Amortisation and depreciation due to IFRS 16 application was EUR 13.7 million compared to EUR 13.1 million in the same period of 2020.

At constant 2020 exchange rates, EBIT would have been EUR 79.3 million.

The **share of net profits of equity-accounted investees** is marginally positive for EUR 0.4 million (loss of EUR 0.1 million in the first half of 2020).

Net financial expense, negative for EUR 10.1 million (negative for EUR 11.1 million in the same period of the previous year), incudes net financial charges of EUR 6.4 million (EUR 7.8 million in the first half of 2020), foreign exchange charges of EUR 1.9 million (EUR 2.1 million in the first half of 2020) and the impact of the valuation of derivatives.

Profit before taxes was EUR 69.3 million (EUR 32 million in the first half of 2020).

Profit from continuing operations totalled EUR 52.4 million (EUR 21.9 million in the first half of 2020), after taxes amounting to EUR 16.9 million (EUR 10.1 million in the same period of 2020).

Group net profit, once non-controlling interests were accounted for, amounted to EUR 47.9 million (EUR 20.0 million in the first half of 2020).

During the first half of 2021, the Group made total investments of approximately EUR 44.3 million (EUR 42.1 million in the first half of 2020), of which approximately EUR 8.3 million (EUR 15.7 million in the first half of 2020) related to the application of IFRS 16.

GROUP PERFORMANCE IN THE SECOND QUARTER OF 2021

Earnings

(Euro '000)	2nd Quarter 2021	2nd Quarter 2020	Change %
REVENUE FROM SALES AND SERVICES	**364,025**	**303,427**	**20.0%**
Change in inventories	(1,473)	(4,256)	65.4%
Increase for internal work and other income	2,985	3,249	-8.1%
TOTAL OPERATING REVENUE	**365,537**	**302,420**	**20.9%**
Raw materials costs	(143,643)	(114,695)	25.2%
Personnel costs	(48,185)	(46,016)	4.7%
Other operating costs	(88,282)	(76,124)	16.0%
TOTAL OPERATING COSTS	**(280,110)**	**(236,836)**	**18.3%**
EBITDA	**85,427**	**65,585**	**30.3%**
EBITDA Margin %	*23.47%*	*21.61%*	
Amortisation, depreciation, impairment losses and provisions	(27,410)	(27,525)	0.4%
EBIT	**58,017**	**38,059**	**52.4%**
EBIT Margin %	*15.94%*	*12.54%*	
Share of net profits of equity-accounted investees	388	191	102.9%
Net financial income (expense)	(4,714)	(1,235)	281.6%
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY ACCOUNTED INVESTEES	**(4,327)**	**(1,044)**	**314.3%**
PROFIT (LOSS) BEFORE TAXES OF THE PERIOD	**53,690**	**37,015**	**45.1%**

Sales volumes

('000)	2nd Quarter 2021	2nd Quarter 2020	Change %
Grey, White cement and Clinker (metric tonnes)	3,064	2,559	19.8%
Ready-mixed concrete (m^3)	1,389	1,010	37.5%
Aggregates (metric tonnes)	2,868	2,461	16.5%

It should first be noted that the results for the second quarter of 2020 were adversely impacted by the outbreak of the COVID-19 pandemic.

In the second quarter of 2021, sales **volumes** of cement and clinker, equal to 3.1 million tonnes, were up 19.8%, mainly thanks to the performance in Turkey, a marked recovery compared to the same period of 2020.

At 1.4 million cubic metres, ready-mix concrete sales volumes were up 37.5%, driven by positive performance in Turkey, Belgium and the Nordic countries. In the aggregates segment, sales volumes amounted to 2.9 million tonnes, up by 16.5% as a result of the performance in Belgium.

Revenue from sales was EUR 364.0 million, up 20.0% compared to EUR 303.4 million in the second quarter of 2020. There was an increase in revenues in all geographical areas, mainly in Turkey (54%), Belgium (21%), Norway (17%), Denmark (13%) and Malaysia (47%).

Operating costs amounted to EUR 280.1 million (EUR 236.8 million in the second quarter of 2020), up 18.3%. The growth is mainly attributable to increases in raw material due to both higher production volumes and the purchase cost escalation of these materials.

EBITDA stood at EUR 85.4 million, up 30.3% on the second quarter of 2020 (EUR 65.6 million).

EBIT was EUR 58.0 million (EUR 38 million in the second quarter of 2020).

The **share of net profits of equity-accounted investees** was EUR 0.4 million (EUR 0.2 million in the second quarter of 2020).

Net financial expense was negative for EUR 4.7 million (negative for EUR 1.2 million in the second quarter of 2020).

Profit before taxes came to EUR 53.7 million, up 45% compared to the second quarter of 2020 (EUR 37.0 million in the second quarter of 2020).

In the second quarter of 2021, **investments** amounted to EUR 21.2 million (EUR 13.9 million in the second quarter of 2020), of which EUR 2.9 million accounted according to IFRS 16 (EUR 3.7 million in the second quarter of 2020).

Financial highlights

(EUR'000)	30-06-2021 Unaudited	31-12-2020 Audited	30-06-2020 Unaudited
Net capital employed	1,328,600	1,305,142	1,429,483
Total equity	1,190,982	1,182,962	1,148,916
Net financial debt	137,618	122,181	280,567

Net financial debt as at 30 June 2021 was EUR 137.6 million, a decrease of EUR 142.9 million compared to EUR 280.6 million as at 30 June 2020. These figures include EUR 79.8 million due to the application of IFRS 16 (EUR 85.0 million as at 30 June 2020), dividend distribution of EUR 22.3 million in May as well as the purchase of treasury shares for EUR 23.0 million at 30 June 2021.

The negative change compared to the net financial debt as at 31 December 2020, equal to EUR 15.4 million, is due to business seasonality, net working capital dynamics and annual plant maintenance in the first half of the year, as well as the purchase of treasury shares for EUR 18.4 million and dividend distribution of EUR 22.3 million in May.

Total equity at 30 June 2021 amounted to EUR 1,191.0 million (EUR 1,183.0 million at 31 December 2020 and 1,148.9 at 30 June 2020).

FINANCIAL INDICATORS

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

PERFORMANCE INDICATORS	30-06-2021	2020	30-06-2020	COMPOSITION
Return on Equity	11.7%	9.2%	7.2%	Profit from continuing operations/Equity
Return on Capital Employed	14.5%	12.0%	9.6%	EBIT/(Equity + Net financial debt)

FINANCIAL INDICATORS	30-06-2021	2020	30-06-2020	COMPOSITION
Equity Ratio	56.7%	52.7%	48.8%	Adjusted Equity/Total Assets
Net Gearing Ratio	11.6%	10.4%	24.5%	Net financial debt/ Adjusted Equity
Liquidity Ratio	0.97	0.83	1.26	Cash + Receivables / Current Liabilities
Cash Flow	0.89	0.53	0.39	Operating Cash Flow / Total Financial Debt
Finance Needs	137.6	122.2	280.6	Net Financial Position

The change in the performance indicators is due to the positive trend of the current economic management and the impact generated by the cash flow from ordinary activities during the year. In particular, from a financial point of view, we point out the constant reduction of debt compared to the previous year and therefore the strengthening of the equity structure.

It should be noted that the reduction in the Liquidity Ratio compared to June 2020 is attributable to the maturity of the term loan with a pool of banks in 2021.

NON-FINANCIAL INDICATORS

The Group has defined a 10-year plan that will allow for the constant reduction of CO_2 emissions per tonne of cement produced. By 2030, CO_2 emissions will be less than 500 kg per tonne of grey cement, which is a 30% reduction from 1990 levels.

For white cement, which is a niche product for specific applications, with a market share equal to 0.5% of world production, CO_2 emissions will be around 800 kg per tonne of product, with a 35% reduction compared to 1990. With this reduction, emissions will be below the EU benchmark for the white cement ETS system.

Specific objectives were also identified, divided between grey and white cement, to replace fossil fuels with alternative "green" fuels and reduce clinker content in the cement produced.

The CO_2 emission reduction targets established by the Group have been deployed per single plant and year and included in the 2021-2023 Business Plan approved by the Board of Directors of Cementir Holding.

Grey cement

Year	2019	2020	1st Half 2021	2022	2025	2030
Traditional fuel use in %	69%	72%	71%	64%	57%	23%
Alternative fuel use in %	31%	28%	29%	36%	43%	77%
Clinker ratio	82%	82%	81%	78%	73%	68%
CO_2 emissions (kg CO_2/tonne cement)	696	718	692	679	577	494
Reduction compared to 2020			-3.6%	-5.4%	-19.6%	-31.2%

White cement

Year	2019	2020	1st Half 2021	2022	2025	2030
Traditional fuel use in %	96%	97%	97%	96%	95%	94%
Alternative fuel use in %	4%	3%	3%	4%	5%	6%
Clinker ratio	84%	82%	84%	82%	82%	80%
CO_2 emissions (kg CO_2/tonne cement)	926	915	934	915	870	808
Reduction compared to 2020			0%	0%	-4.9%	-11.7%

Some of the key factors of the 10-year plan include the restructuring of the product portfolio to favour the production and distribution of cements with a lower clinker content, the implementation of technical solutions to improve the efficiency of the production process and the increased use of alternative fuels. In the first half of 2021, the effects of these activities begin to be visible on emissions related to grey cement, while for white cement, as envisaged in the plan, they will require a longer lead time.

Additional KPIs have been set in order to monitor other relevant areas, as alternative fuels produced by the waste treatment plants, the alternative fuels used for thermal energy production in place of non-renewable fossil fuels, the water consumption for cement production, health and safety, training and performance evaluation of employees.

Alternative fuel produced by the Group	1st Half 2021	2020	2019	2018	Description
Alternative fuel (metric tonnes)	36,962	79,106(*)	100,520	105,479	Fuel produced from municipal solid waste, industrial waste or commercial waste.

(*) It should be noted that in June 2020, the Group sold the fixed assets of the Hereko division, active in the processing of municipal solid waste in the municipality of Istanbul and the production of alternative fuels.

Fossil fuel replacement index	1st Half 2021	2020	2019	2018	Description
% of fossil fuel replacement	19%	19%	20.0%	20.0%	Alternative fuels used / total fuels used for the production of cement

Water reused in cement production	1st Half 2021	2020	2019	2018	Description
% of water reuse	40.5%	40%	34%	30%	Reused water / Water withdrawn

Health and Safety	1st Half 2021	2020	2019	2018	Composition
No. of fatal injuries	0	0	0	0	Deaths as a result of accidents at work
Fatality Rate	0.00	0.00	0.00	0.00	(No. of fatal injuries/hours worked) x 1,000,000
Lost Time Injuries (LTI)	38	60	61	70	No. of injuries with absence days
LTI Frequency Rate	12.8	11.0	10.4	12.0	(No. of injuries with absence days/hours worked) x 1,000,000
LTI Severity Rate	0.20	0.16	0.27	0.20	(No. of days off work/hours worked) x 1,000

Accidents occurring during the first half of 2021 were analysed in order to implement appropriate improvement actions identified.

Training	1st Half 2021	2020	2019	2018	Composition
Training hours per capita	4.5	11.7	16.8	20.5	Training hours / number of employees

In 2020 and the first half of 2021, due to the safety measures introduced by the Group to curb the spread of Covid-19, only online training activities were delivered. The Group has drawn up a specific plan to recover the training initiatives initially suspended due to the pandemic in the second half of the year.

Employees with periodic performance assessment	1st Half 2021 (*)	2020	2019	2018	Description
Executives	n.d	93%	91%	89%	Executives receiving performance assessment / total Executives
Manager	n.d.	61%	78%	97%	Managers receiving performance assessment / total Managers
White-collar workers	n.d.	77%	80%	61%	White-collar workers receiving performance assessment / total White-collar workers
Blue collars	n.d.	44%	48%	46%	Blue-collar workers receiving performance assessment / total Blue-collar workers

(*) The periodic assessment of employees is currently under way within the Group.

PERFORMANCE BY GEOGRAPHICAL SEGMENT

Nordic and Baltic

(EUR'000)	1st Half 2021	1st Half 2020	Change %
Revenue from sales	305,562	271,698	12.5%
Denmark	*204,546*	*187,610*	*9.0%*
Norway / Sweden	*95,746*	*83,795*	*14.3%*
Other (1)	*32,945*	*27,683*	*19.0%*
Eliminations	*(27,675)*	*(27,390)*	
EBITDA	69,221	67,255	2.9%
Denmark	*57,689*	*59,172*	*-2.5%*
Norway / Sweden	*9,312*	*7,054*	*32.0%*
Other (1)	*2,220*	*1,029*	*115.7%*
EBITDA Margin %	*22.7%*	*24.8%*	
Investments	20,828	15,314	

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

Denmark

Sales revenues in the first half of 2021 reached EUR 204.5 million, up 9% compared to EUR 187.6 million in the first half of 2020, due to the increase in revenues in all business lines. This was due to market growth, favourable weather conditions and the contraction in the corresponding half of 2020 due to Covid19.

Cement volumes in the domestic market increased by around 7%, due to growth in the ready-mixed concrete, precast and bagged cement segments, partly attributable to the replenishment of stocks and some major white cement projects. Average sales prices were positively impacted by the favourable product mix.

White cement exports were up around 22%, driven by increased exports to the US, UK, Germany, Poland, Belgium and France. Exports of grey cement on the other hand, fell by 11% compared to the first half of 2020, due to lower deliveries to Norway as a result of a shrinking local market and difficult weather conditions, only partially offset by higher sales in Iceland.

Ready-mixed concrete volumes in Denmark increased by 11% compared to the corresponding half of 2020, due to growth in activity in all areas of the country and favourable weather conditions.

Aggregate volumes in Denmark increased by 30% compared to 2020, due to market growth and the contribution of some major projects; prices were adversely affected by the product mix.

EBITDA amounted to EUR 57.7 million in the first half of 2021 (EUR 59.2 million in 2020), down 2.5% compared to 2020. The contraction is attributable to the cement sector, which recorded higher costs for raw materials, semi-finished products and electricity, and higher fixed production costs, partly offset by higher sales volumes. The ready-mixed concrete segment, on the other hand, improved, having benefited from higher volumes and lower fixed costs, only partially offset by higher costs for the purchase of cement and raw materials and the trend in transport costs. EBITDA for the aggregates segment improved slightly due to higher sales volumes.

Total investments in the half-year amounted to EUR 15.1 million, of which approximately EUR 11.6 million in the cement sector. Investments were focused on sustainability and production rationalisation projects. Investments in ready-mixed concrete amounted to EUR 3.3 million and related mainly to the restructuring of a plant (Hillerød) and leasing contracts for transport vehicles. Investments included EUR 2.1 million accounted according to IFRS 16.

Norway and Sweden

In **Norway**, ready mixed concrete sales volumes increased by around 3% compared to the same half of the previous year. The country continues to experience uncertain activity trends in both the public and private sectors. The trend is more favourable in the south of the country, while the north, the east and the islands have been hit harder by the economic downturn. At the beginning of the year, volumes were impacted by low temperatures and pandemic restrictions on the entry into the country of foreign workers without residence or fixed employment. Since March, however, there has been a significant recovery in sales compared to 2020, due to the start of some projects that had been delayed in the previous months.

It is important to underline that Norwegian krone earned 5.5% against the euro compared to the average euro exchange rate in the same half of 2020.

In **Sweden**, ready-mixed concrete volumes increased by 19% compared to the previous year, while sales of aggregates were 9% higher. In the first six months of 2021, the sector benefited from favourable weather conditions and a very solid construction market performance, especially in the residential and infrastructure sectors, evidenced by the rapid progress of some major projects around Malmö, also thanks to government stimuli.

The Swedish krona appreciated by 3.5% against the average euro exchange rate in the first half of 2020.

In the first half of 2021, revenues from sales in Norway and Sweden amounted to EUR 95.7 million (EUR 83.8 million in 2020) while EBITDA recorded a growth of 32% at EUR 9.3 million (EUR 7.1 million in the same period in 2020). The increase is mainly attributable to Sweden, both in ready-mixed concrete and aggregates, due to higher volumes despite inflationary trends in cement and raw material purchase costs and higher fixed costs. Norway also recorded an increase in EBITDA due to higher sales volumes and savings on general and administrative expenses.

Investments made in the area in the first half of 2021 amounted to EUR 5.4 million, of which EUR 3.2 million in Norway and EUR 2.2 million in Sweden. In Sweden, investments mainly related to aggregate extraction and crushing machinery, concrete transport vehicles and plant washing equipment, while in Norway they related to the renovation and expansion of plants and leasing contracts for transport vehicles. The total amount includes investments accounted for in accordance with IFRS 16 for EUR 1.5 million.

Belgium

(EUR'000)	1st Half 2021	1st Half 2020	Change %
Revenue from sales	139,902	120,163	16.4%
EBITDA	29,097	23,237	25.2%
EBITDA Margin %	*20.8%*	*19.3%*	
Investments	10,205	13,838	

In the first half of 2021, cement sales volumes increased by 10% compared to 2020 due to good weather conditions, with growth in all market segments. However, the negative performance in March and April 2020 as a result of by Covid-19 should be noted. During the half-year period, volumes were very positive in Belgium and France, and down in the Netherlands and Germany, which are not significant markets in terms of volumes.

Ready-mixed concrete sales volumes in Belgium and France increased by around 30% in the first six months of 2021, partly due to the start-up of a number of major projects, the full operational start-up of a new plant in France, despite strong competition for large projects in northern France in particular.

Sales volumes of aggregates increased by 10% compared to the corresponding first six months of 2020, due to the good performance of the Belgian market (+7%) thanks to the positive performance of main customers and despite some difficulties in river transport. Exports to France also rose sharply, benefiting from the increase in construction activity, precast elements and volumes in the ready-mixed concrete sector, while the contraction continued in road construction due to a lack of major projects. Only northern France still shows signs of weakness after the pandemic crisis.

Overall, in the first half of 2021, sales revenue amounted to EUR 139.9 million (EUR 120.2 million in the same period of 2020) and EBITDA amounted to EUR 29.1 million (EUR 23.2 million the previous year), an increase of 25.2%.

In the cement segment, EBITDA benefited from the growth in volumes and the decrease in fixed costs due to the timing of annual maintenance of kilns, against higher costs for the purchase of raw materials and clinker. In the ready-mixed concrete segment, the increase in EBITDA was driven by higher sales volumes and prices against higher variable costs for raw materials and cement. The growth in sales volumes contributed to aggregates, only partially offset by lower prices due to the effect of the mix.

Investments made in the half-year amounted to EUR 10.2 million and mainly related to the Gaurain cement plant and, in particular, the largest clinker kiln. Investments accounted for in accordance with IFRS 16 amounted to EUR 1.7 million and mainly related to contracts for aggregate vehicles.

North America

(EUR'000)	1st Half 2021	1st Half 2020	Change %
Revenue from sales	76,183	75,304	1.2%
EBITDA	10,925	10,119	8.0%
EBITDA Margin %	*14.3%*	*13.4%*	
Investments	2,145	2,387	

In the United States, white cement sales volume growth of 13% was supported by higher deliveries mainly in Florida and the York region, while sales in California and Texas were in line with the first six months of 2020. The year-on-year change reflects the negative impact in 2020 due to the spread of Covid-19. Despite a hurricane in Texas and heavy snowfall in York region in February, positive weather conditions and the development of the precast sector contributed favourably to the sales trend.

It should be noted that the dollar depreciated by 10% against the average euro exchange rate in the first half of 2020.

Total sales revenue in United States reached EUR 76.2 million (EUR 75.3 million in the first half of 2020), with an EBITDA of EUR 10.9 million (EUR 10.1 million in 2020).

Investments in the first half of the year amounted to approximately EUR 2.1 million, almost entirely relating to the cement plants. Investments recognised as a result of IFRS 16 came to EUR 0.6 million.

Turkey

(EUR'000)	1st Half 2021	1st Half 2020	Change %
Revenue from sales	82,551	57,174	44.4%
EBITDA	7,361	(8,837)	183.3%
EBITDA Margin %	*8.9%*	*-15.5%*	
Investments	6,143	6,117	

Revenue reached EUR 82.6 million, an increase of 44.4% compared to the first six months of 2020 (EUR 57.2 million), despite the devaluation of the Turkish lira against the euro (-33% compared with the average exchange rate in the first half of 2020).

The strongly increased demand led to a 94% increase in local-currency cement revenue and to a 29% increase in cement and clinker sales volumes. In particular, sales volumes in the domestic market grew by 40% due to increased demand, positive weather conditions~~,~~ especially in Elazig and Kars and, to a lesser extent, a decline in sales in 2020 due to the pandemic.

The largest increase in absolute terms was in Eastern Anatolia (Elazig), which was hit by an earthquake in January 2020, and in the Aegean area, due to the Samos-Izmir earthquake in October 2020, where dozens of buildings were damaged or destroyed. The Elazig region has been involved in a major restructuring effort, while in the Izmir region reconstruction started late and is still ongoing with positive prospects for the coming months. Of particular note is the strong growth in the European region of Turkey, where the Trakya plant is located, in the residential sector, industrial projects and public investments. The opening of new ready-mixed concrete plants in the Trakya and Elazig areas further boosted the growth of the business.

Exports of cement and clinker, on the other hand, fell by 8%, with a more favourable mix (less clinker and more cement) mainly going to Africa and Eastern Europe.

Average cement prices in local currency followed the strong recovery trend of the domestic market, although with very differing trends in the various areas.

Ready-mixed concrete volumes increased by 80% compared to the first half of 2020, thanks to the start of some major infrastructure projects postponed due to the Covid-19 pandemic and the opening of two new plants in April. The market outlook also remains positive for the coming months of 2021.

In the waste sector, both Turkey and England recorded revenue increases of 12% (in local currency) and 11% respectively compared to 2020, due to higher volumes of waste collected, higher sales of waste fuels, as well as higher quantities sent to landfill.

Overall, EBITDA reached EUR 7.4 million, a significant improvement on the previous year's negative EUR 8.8 million, which, however, included a negative extraordinary item of EUR 3.1 million relating to the sale of certain fixed assets of the Hereko division, which operates in the processing of municipal waste.

The increase in EBITDA is largely attributable to the cement segment, whose result benefited from higher sales volumes and prices, partially offset by higher raw material and fuel costs, higher maintenance expenses and higher personnel and general expenses. The ready-mixed concrete sector also recorded growing margins. The waste division also achieved a positive margin.

The Turkish lira depreciated by 33% against the average euro exchange rate in the first half of 2020.

Investments for the half-year amounted to EUR 6.1 million, with cement amounting to approximately EUR 3.7 million, mainly concentrated in the Izmir plant for the two kilns. Investments are attributable to the application of IFRS 16 for EUR 1.9 million, mainly concerning concrete transport vehicles. Investments of the Waste division amounted to approximately EUR 0.4 million.

Egypt

(EUR'000)	1st Half 2021	1st Half 2020	Change %
Revenue from sales	23,560	19,798	19.0%
EBITDA	5,324	3,756	41.8%
EBITDA Margin %	*22.6%*	*19.0%*	
Investments	939	788	

Sales revenues amounted to EUR 23.6 million (EUR 19.8 million in the first half of 2020), up 19% thanks to an increase of around 24% in volumes sold on both the local and export markets.

Sales volumes of white cement on the domestic market increased by 30% compared to the first half of 2020, which had been adversely affected in deliveries by the Covid-19 pandemic. Despite strong competition in the local market, the company consolidated its market share and increased sales of higher value-added cements and other innovative cements.

Exports, which grew by 20%, should also be considered in the light of the Covid-19 constraints in 2020. The destinations that are growing compared to the first half of 2020 are Russia and the United States, while Saudi Arabia is shrinking.

EBITDA increased by 41.7% to EUR 5.3 million (EUR 3.8 million in the first half of 2020), due to higher volumes sold, higher export sales prices and savings on energy costs, against higher transport, raw material and general and administrative costs due to inflation.

The Egyptian pound depreciated by 8,5% against the average euro exchange rate in the first half 2020.

Investments made in the first half of 2021 amounted to EUR 0.9 million and mainly concerned product production and packaging.

Asia Pacific

(EUR'000)	1st Half 2021	1st Half 2020	Change %
Revenue from sales	48,602	37,799	28.6%
China	*28,231*	*23,096*	*22.2%*
Malaysia	*20,371*	*14,917*	*36.6%*
Eliminations	-	*(214)*	
EBITDA	10,860	8,159	33.1%
China	*8,128*	*6,630*	*22.6%*
Malaysia	*2,732*	*1,529*	*78.6%*
EBITDA Margin %	*22.3%*	*21.6%*	
Investments	3,072	2,533	

China

Sales revenue reached EUR 28.2 million (EUR 23.1 million in the first half of 2020), an increase of 22.2% compared to 2020, also due to the suspension of activity in February 2020 due to the Covid-19 outbreak and despite the heavy rainfall in January 2021 that affected deliveries to customers.

Sales volumes increased by 16% compared to the corresponding half of 2020 due to the start of numerous infrastructure works, favoured by a substantial public spending plan by the government to support growth, and the recovery of both residential and industrial construction activity.

2021 is the first year of China's 14th Five-Year State Plan, which forecasts GDP growth of 6% in 2021, although the most recent forecasts estimate higher growth at around 8.5% (5.5% in 2022). In this regard, the recent 7th population census showed the lowest population growth rate in 60 years, which is why the government introduced measures to encourage third children in families. This will stimulate the construction of infrastructure works such as schools, hospitals and parks.

EBITDA increased by 22.6% to EUR 8.1 million (EUR 6.6 million in the same period of 2020), driven by the strong increase in volumes only partially offset by higher variable costs for raw materials and fuels and higher fixed costs for maintenance, overheads and personnel due to normal inflationary dynamics.

The Chinese Renminbi is broadly in line with the average euro exchange rate in the first half of 2020.

Investments in the first half of the year amounted to EUR 1.6 million, mainly related to works to increase plant efficiency, contain emissions and build a limestone storage facility.

Malaysia

Sales revenue amounted to EUR 20.4 million (EUR 14.9 million in the corresponding period of 2020) due to an increase of approximately 48% in overall sales volumes.

Volumes of white cement on the domestic market increased by 25%. It should be noted that from March to April 2020, the Malaysian government imposed some restrictions on sales and production to curb the spread of the pandemic, and that also in the first quarter of 2021 some restrictions were put in place between 13 January and 18 February. However, June 2021 was again impacted by a lock-down period from 1 to 26 June, which resulted in the closure of the kiln and reduced sales for the month, not only in the domestic market, but as well in exports to some countries also affected by the new restrictions (Australia and the Philippines). In addition, the market is suffering from the postponement of some major public works and a lack of skilled labour due to restrictions. Despite this, a substantial increase in sales was achieved.

Average selling prices in local currency on the other hand rose in line with inflation also due to the customer and product mix.

Exports increased overall by about 50% compared to 2020, with higher volumes of both cement and clinker. This increase is also readable as a result of the import restrictions implemented in 2020 from several countries due to the pandemic. The highest volumes of cement were produced in Australia and the Philippines, while volumes were lower in Vietnam and Cambodia. The largest volumes of clinker were recorded in Australia and Bangladesh.

EBITDA amounted to EUR 2.7 million, up 78% compared to EUR 1.5 million in the corresponding half year of 2020. The main positive factor was the higher volumes sold, against lower average sales prices on exports due to a different mix (more clinker than cement) and the exchange rate effect on exports in dollars. Finally, there were higher costs for fuel purchases, personnel costs and plant maintenance.

The local currency depreciated by 5.5% against the average euro exchange rate in the corresponding half year of 2020.

In the first half of 2021, investments amounted to EUR 1.4 million relating to maintenance and strategic spare parts for the kiln and mills, of which EUR 0.2 million attributable to the application of IFRS 16.

Holding and Services

(EUR'000)	1st Half 2021	1st Half 2020	Change %
Revenue from sales	62,339	45,210	37.9%
EBITDA	718	(5,933)	112.1%
EBITDA Margin %	*1.2%*	*-13.1%*	
Investments	998	1,088	

This grouping includes the parent company, Cementir Holding, the trading company Spartan Hive, and other minor companies. The 39% increase in Spartan Hive's revenues is attributable to higher volumes traded while EBITDA increased to EUR 2.9 million (EUR 1.7 million in the first half of 2020). Last year result included a non-recurring EUR 2.5 million payment made in execution of a settlement agreement.

INVESTMENTS

During the first half of 2021, the Group made total investments of approximately EUR 44.3 million (EUR 42.1 million in the first half of 2020), of which approximately EUR 8.3 million (EUR 15.7 million in the first half of 2020) related to the application of IFRS 16.

Investments included EUR 28.2 million in the cement sector, EUR 10.6 million in ready-mixed concrete, EUR 3.8 million in aggregates and EUR 1.7 million in other business sectors.

The breakdown by asset class shows that EUR 43.3 million (EUR 40.9 million in 2020) relates to property, plant and equipment and EUR 1.0 million (EUR 1.2 million in 2020) to intangible assets.

SIGNIFICANT EVENTS DURING THE HALF YEAR

On 4 February 2021, the Parent Company's Board of Directors approved the 2021-2023 Business Plan, to whose press release please refer (www.cementirholding.com in the Investors, Press Releases section).

The new Group business Plan envisages the achievement of the following targets in 2023:

- Cumulative investments in sustainability of EUR 102 million, for specific projects concerning the reduction of CO_2 emissions;
- Revenue of around EUR 1.5 billion, with growth driven by grey, white cement, ready-mix and aggregates sales volumes increase in all geographical areas, with prices in line with the market;
- EBITDA of around EUR 330 million, with an EBITDA margin expansion of 23% by 2023. Such results will be achieved also thanks to both Cementir 4.0 programme and the green investments;
- Annual investments of approximately EUR 70 million directed towards developing production capacity and maintaining plant efficiency.

The expected cash generation through improved earnings and optimisation of working capital will allow a positive cash position to be achieved in 2022 and around EUR 250 million at the end of the Plan.

On 26 May 2021, the rating agency Standard & Poor's announced that it had assigned Cementir Holding N.V. an Issuer Rating of "BBB - with Stable Outlook".

The assignment of the "Investment Grade" rating is the crowning achievement of a journey that began several years ago and that has seen Cementir significantly diversify its business and product portfolio, enabling it to achieve considerably stable results, confirmed even during the recent pandemic crisis.

On 28 May 2021, Cementir Holding repaid, ahead of the due date in October 2021, a term loan of EUR 330 million granted by a pool of banks with Mediobanca as agent bank.

On the same date, a senior term and revolving facility was signed for a total amount of EUR 190 million with a duration of three years at market conditions with a pool of banks with Banca Nazionale del Lavoro as agent bank and BNP Paribas Italian Branch as global coordinator.

HEALTH, SAFETY AND ENVIRONMENT

Health and safety

At the beginning of 2021, the Group Guidelines on Health and Safety Management were issued. This document defines the common management basis for which each operating company has application and control responsibility. With a view to continual improvement, specific action plans have been defined at site level to close any gaps found, also following the analysis of the causes of the accidents that occurred.

Employee involvement is a key factor in the Group's guidelines. During the World Day for Health and Safety at Work on 28 April, a number of awareness-raising initiatives were carried out at each site, focusing on awareness and unsafe behaviour, also linked to infection prevention and the response to the Covid-19 pandemic. The level of worker participation was more than satisfactory, covering almost the entire company population.

The implementation and maintenance of effective management systems for accident prevention is a key health and safety objective. In this context, the projects necessary to complete the plan for ISO 45001 certification of the management systems of all cement production plants by 2022 have begun. 73% of total establishments are already certified.

Environment

The Group aims to continuously improve its environmental performance to pursue the sustainable development of its business activities. Controlling energy consumption, increasing the use of alternative fuels in the production process and reducing the emission of greenhouse gases through the use of cutting-edge technology are some of the objectives that the Group pursues in order to combine its economic growth with its sustainable and long-term goals.

93% of total cement production comes from plants whose environmental management system is certified according to ISO 14001.

The Group is committed to reducing CO_2 emissions along the entire value chain and has set a series of targets, which were approved by the Science Based Targets Initiative (SBTi) in July 2021. SBTi certified that the targets are consistent with the scenario of limiting global temperature increase to well below 2°C compared to pre-industrial levels.

The management of water, a fundamental issue for communities and ecosystems, is also a key factor in both the definition of long-term corporate strategy and the operational practices of industrial plants. Consistent with its culture of sustainability, the Group is committed to managing and using water responsibly, promoting, for example, its reuse and the minimisation of withdrawals and consumption. The Group has defined its policy on this matter, identifying the main commitments and action areas. Specific Group Guidelines have been issued to define the minimum requirements of the water monitoring and control system, with a particular focus on geographical areas under high water stress. These requirements form an integral part of the environmental management system of operational sites.

For all other emissions other than CO_2 (NOx, SOx, HCl, dust), guidance on monitoring and reporting was also provided. In line with international industry guidelines (e.g. GCCA), minimum requirements for the control system and reporting frequencies were defined. These requirements are also an integral part of the environmental management system of production plants.

HUMAN RESOURCES

Changes in the workforce

At 30 June 2021, the Group workforce was equal to 3,090 employees, 95 fewer than at the end of 2020. The change is mainly due to the substantial resumption of activities post-pandemic and the consequent resumption of recruitment processes that, in some Regions/Business Units, had been limited in 2020 to mitigate the impact of Covid-19, and the change in the calculation methodology to include apprenticeship contracts not included previously.

Organisation

As of 30 June 2021, the Group's organisational model includes several geographical areas:

- Nordic & Baltic
- North America
- Asia Pacific
- Turkey
- Egypt
- Belgium

and two dedicated business units: Spartan Hive and Waste.

Amsterdam is the registered office of the Holding which regulates the aforementioned regions and operating companies, while the Rome office remains the secondary and operational headquarters.

The Holding Company governs these regions and operating companies. The General Manager of the Group is entrusted with overseeing the main operating undertakings of the company, allowing the Group CEO to focus on business activities with a strategic impact, such as mergers and acquisitions.

During the first half of the year, some important changes were implemented to strengthen the organisational model to guarantee some key processes and improve overall efficiency of the organisational structures. In particular, an organisational restructuring of the Nordic & Baltic region was implemented, involving the centralisation of certain activities at regional level (e.g. procurement) and the creation of a PMO & Transformation structure to support the region's growth process. The implementation of standard operating models continues, with the Maintenance technical structure as a pilot area with the "Maintenance 4.0" programme, and extended to the Turkey region in the first half of 2021.

RISKS AND UNCERTAINTIES

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Cementir Group's Internal Control and Risk Management System is defined as the set of tools, organisational structure, procedures and company rules to guarantee, through an adequate process of identification, measurement, management and monitoring of the main risks, correct and consistent business management with objectives set in terms of:

- compliance with laws and regulations;
- safeguarding of corporate assets;
- operating activity effectiveness and efficiency;
- reporting accuracy and completeness.

The Internal Control and Risk Management System ensures that:

- all the main risks that might threaten the achievement of the Group's objectives are identified, understood and visible to management throughout the Group, as well as to the Board of Directors;
- these risks are assessed by identifying their impact and their probability according to standard and uniform criteria;
- reasonable measures are taken – including in terms of the cost/benefit ratio – to control risks that could threaten the organisation's assets, ability to generate income or the achievement of operational objectives.

Risk management roles and responsibilities have been defined, starting from the company's Board of Directors which defines the strategy, policy and risk appetite, supported by the Audit Committee, and involving the management of the Group companies who are responsible for risk management within their area of responsibility.

The Cementir Group's Internal Control and Risk Management System is integrated into the Group's organisational, administrative, accounting and governance structure and has been prepared on the basis of the principles laid down by the Enterprise Risk Management - Integrated Framework, an international standard developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report), also ensuring greater detail for the risks of the companies and Group and integration with the results of the Audit activities. The methodology followed involves an iterative process consisting of the following steps:

- Risk identification: risks are identified with a two-pronged approach; "Top down" (risks identified on the basis of best practice and evidence emerging from the Internal Audit activities) and "bottom up" (the manager of each area reports specific risks that could hinder the achievement of targets set for their activities);
- Risk assessment: for each identified risk, management gives an inherent risk assessment (in the absence of controls / mitigation actions), in terms of probability and impact on the activity, using a 5-level assessment system (scoring). In terms of impact, three parameters are considered: economic (quantitative), operational (qualitative), reputational (qualitative);
- Identification and assessment of the adequacy of existing controls: for each identified risk, all the current controls / actions in place for risk mitigation are identified with management;
- Residual risk assessment: taking into account the individual controls for each risk and the relative adequacy, the residual risk is calculated by applying a uniform calculation methodology to all Group companies;

- Identification of further actions: in the event that the residual risk is higher than the level of risk appetite defined by management, further actions are agreed with management to mitigate the risk and contain it within acceptable levels. The initiatives are taken promptly and within budget limits, to effectively contribute to risk mitigation;
- Reporting: reports are prepared at company and Group level, showing the main risks and initiatives taken by management to reduce the risks to acceptable levels;
- Monitoring: periodic review for: existing risk assessments, assessment parameters and new risks to be identified if necessary.

The model, as described, subject to further and future updates, aims to provide support for the decision-making and operational processes of the company management, so as to reduce the possibility that specific events could compromise the Group's ordinary operations or the achievement of its strategic objectives.

To this end, the risk appetite level adopted in relation to strategic risks is consistent with the vision of creating value and maintaining market uniqueness, while always respecting the environment and promoting integration with local communities. In relation to operational risks, the risk appetite level is defined on the basis of the effectiveness and efficiency targets set by the management.

Provisions for compliance and financial reporting are different. The Group does not accept an assumption of non-compliance risk for laws and regulations (including those relating to safety), and of possible alterations to the integrity of financial reporting.

The Cementir Group's Internal Control and Risk Management System is integrated with the Group's Sustainability Strategy. For this purpose, a dedicated section has been added, in which specific risks relating to the achievement of the objectives and targets defined in the sustainability strategy are mapped and assessed. These risks are highlighted and are the subject of a separate report for the Audit Committee. The Internal Audit function carries out follow-up activities on the implementation of actions defined by management to mitigate risks.

In relation to accounting and financial reporting, the existing Internal Control System ensures its accuracy and completeness through constantly updated administrative and accounting procedures.

Furthermore, as part of the compliance activities with the COSO structure, during the year, the Internal Audit function carries out audit activities on the aforementioned procedures to ascertain that the provided key controls are being correctly applied by the involved company structures. The assessment of the internal control system on financial reporting provided for by Cementir Group procedures was carried out based on this activity.

On the basis of the activity carried out by the Internal Audit department and the related results, the Audit Committee assessed the Internal Control and Risk Management System as adequate, effective and appropriate for dealing with business, operational, financial and compliance risks.

MAIN RISKS TO WHICH THE GROUP IS EXPOSED

Increased competition on sales prices

Competitive trends in prices of finished products can lead to a reduction in sales margins and combine, in some geographical markets, with negative economic dynamics. To mitigate this risk, the Group companies analyse the relevant markets and plan initiatives to improve their ability to interpret market dynamics and trends, improving the services offered to customers and increasing the portfolio of products placed on the market with a particular focus on more sustainable solutions for the environment.

Fluctuations in fuel and electricity prices

The Group is exposed to the risk of fluctuations in the prices of all commodities used in the production process, and in particular petcoke, coal and electricity. The Group closely monitors the energy market trend and stocks of the various goods required for production and continuously seeks the most suitable supply conditions for its needs, with the aim of reducing the impact on production costs.

The activities necessary for the management and control of these risks are carried out by the local companies including with the support of the Group's trading company (Spartan Hive S.p.A.), through the use of derivative financial instruments commonly available on the market, in order to contain the exposure to risk within pre-established limits.

In addition, the Group aims to make greater use of alternative fuels in the production process.

Impacts of the Covid-19 pandemic

As of early March 2020, following the global spread of the SARS-CoV-2 virus, authorities in most countries adopted restrictive measures to curb the spread of the pandemic, such as travel restrictions and time-limited closures of production facilities and offices. To mitigate potential risks, the Group constantly monitors local emergency plans to deal with the medical/health risk on one hand and, on the other, follows the consequent evolution of financial and economic data in close collaboration with local management, to be able to intervene promptly with coordinated actions, including "cross-countries".

Licences and permits

This risk is related both to future renewals and to the possible increase in the costs of existing licences. The risk is mitigated through careful monitoring of permits and licenses and by evaluating alternative permits and/or supplies, taking suitable decisions on a case-by-case basis.

Non-availability of raw materials

The production of cement and ready-mixed concrete requires the use of raw materials such as blast-furnace slag and fly ash (two by-products respectively of coal-fired power plants and steel mills whose production is destined to decrease significantly). To mitigate this risk, we make the necessary long-term contractual arrangements with suppliers to ensure adequate long-term supply.

Climate Change

The Group is required to assess and manage risks related to climate change as the cement production process is associated with environmental impact in terms of CO_2 emissions released into the atmosphere. Specifically:

Transition risks:

Cementir's exposure to risks related to the transition to a low-carbon economy is assessed through an analysis of emissions, energy consumption and regulatory changes. For example, the tightening of European emission regulations could result in an increase in the Group's costs for purchasing CO_2 allowances established by the Emission Trading Scheme (ETS). The Group has defined a ten-year roadmap to reduce CO2 emissions by 30% by 2030 compared to 1990.

Physical risks:

Cementir's exposure to acute physical risks (hurricanes, cyclones, typhoons) and to the risk of water stress and consequent potential water supply problems is assessed. In the short term, the acute physical risk is relevant for Group companies that have plants located in areas with extreme weather conditions, such as snow and very low temperatures in winter or in areas under water stress. The latter is monitored as part of the Group's 2030 strategy to reduce water consumption.

Health and safety

This relates to the risk of accidents involving people working in Group facilities. The Group monitors workers' safety performance through specific indicators and takes actions to reduce this risk, such as targeted investments, safety training and information. Information on these actions and safety performance is provided in greater detail in the Non-Financial Statement.

Changes to the regulatory environment

This concerns the updating of applicable regulations (antitrust, anti-corruption, GDPR and Legislative Decree 231/2001). In relation to these updates, the Legal Department implements targeted programmes with guidelines, procedures and training to ensure compliance with the above regulations. The Organisation and Control Models required under Legislative Decree 231/2001 are periodically updated.

The Internal Audit function carries out specific audits on compliance with regulations.

Fraud risk

This risk relates to intentional acts perpetrated by deception by one or more members of Management, those responsible for governance activities, employees or third parties, in order to obtain unlawful advantages. Fraud, whether false financial reporting or misappropriation of company assets, implies the existence of incentives or pressure to commit it and the perception of an opportunity to do so.

Exposure to potential fraud risks is analysed during the risk assessment carried out by Internal Audit when drawing up the Audit Plan. All reports from whistleblowing channels, any risks to which the company is exposed (e.g. country risk, strong competition or market saturation) and cases of fraud detected in the last 12 months are taken into account. In the first half of 2021, only one alleged infringement was reported, which was not confirmed following investigation.

The Internal Audit Department shares the results of the audits with the companies' management, and requests that they define "action plans" to remedy the emerging criticalities. Each quarter, monitoring of agreed actions is carried out to identify their implementation status.

For audits with a rating of 'weak', follow-up fieldwork is carried out to verify the effective implementation of improvement actions.

FINANCIAL RISK MANAGEMENT AND INFORMATION RELATING TO FINANCIAL INSTRUMENTS

In the course of its business activities, the Cementir Holding Group is exposed to financial risks in connection with its operations; in particular to credit risk, liquidity risk and market risk.

Credit risk

Credit risk is related to possible losses that can occur if a counterparty fails to fulfil its obligations.

Credit risk could mainly derive from operating activities, in particular trade receivables from customers. The Cementir Group has entrusted local management with the regular management of trade receivables on the basis of specific policies that define the criteria for credit limits, achievement guarantees and payment conditions. Credit limits are generally defined for each customer after a risk analysis provided by external rating agencies and are periodically reviewed. Based on these policies, any order that exceeds the agreed credit limits must be reviewed and individually approved for creditworthiness.

With respect to bank deposits and derivatives, the Group has always worked with leading counterparties, thus limiting its credit risk in this sense.

All customers are monitored locally, based on their individual features, including their business, distribution channel, geographical position and any previous financial difficulties. Credit risk is regularly monitored also by analysing the performance of specific indicators based on variables such as total trade receivables and past due receivables.

Local Credit Risk Committees periodical meetings, at local level, analyse and discuss the Group's companies ageing, credit performance and any specific critical issues.

The Cementir Group establishes provisions for trade receivables, to cover potential losses, on the basis of regular follow-ups on customer situations.

Liquidity risk

The Group is exposed to liquidity risk in relation to the availability of financing and its access to credit markets and financial instruments in general. Given the Group's strong financial position and available credit lines, this risk is remote. However, the Group manages liquidity risk by carefully monitoring cash flows and financing needs. There is a particular focus on the Group's management to increase operating cash flow and control investments in both plant and equipment, both intangible and property, naturally safeguarding that required for the technical development and efficiency of the production plants with assigned cash generation objectives for all Group entities. Existing credit lines are however deemed adequate to meet any unexpected needs. Furthermore, as reported on the section covering the Business Plan approved by Group Board, it planned to be in a positive cash position at the end of 2022.

Market risk

Market risk is mainly linked to exchange rate and interest rate fluctuations.

Exchange rate risks are systematically monitored at Group level to assess any impact in advance and take the necessary mitigation actions. Since the purpose is to limit exchange rate risks, when a currency exposure is identified and the decision to hedge it is made, forward rate agreements are finalised with the banking system in both the "Forward contract without delivery option" and "Forward contract with delivery option" formats. Financial instruments must be used exclusively for hedging purposes and must not be traded, where trading is defined as taking positions where the Group does not have a natural underlying exposure.

Finally, the Cementir Group has variable rate bank loans and is exposed to the risk of **interest rate fluctuations**. However, this risk is considered moderate since the loans are currently only in Euros and the Danish krone and the medium/long-term rate curve is linear. However, the Cementir Group monitors interest rates and expected times for the repayment of the debt and purchases interest rate swaps as a partial hedge of the interest rate risk.

For information on financial risks, please refer to notes 13) and 32) of the consolidated financial statements.

OTHER INFORMATION

ALTERNATIVE PERFORMANCE INDICATORS

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

- EBITDA: is an indicator of operating performance calculated by adding together "EBIT" and "Amortisation, depreciation, impairment losses and provisions";
- Net financial debt: is an indicator of financial structure calculated according to Consob Communication No. 6064293/2006, as the sum of the items:
  - Current financial assets;
  - Cash and cash equivalents;
  - Current and non-current financial liabilities.
- Net capital employed: is calculated as the total amount of non-financial assets, net of non-financial liabilities.

NON-FINANCIAL STATEMENT

In recent years Cementir has implemented a programme inspired by circular economy principles, which envisages a series of initiatives focused on reducing the environmental impact of production processes and developing products with reduced CO_2 emissions.

Since 2019, Cementir has decided to take more decisive action to combat climate change by defining a Roadmap for the next 10 years that will maximise the positive effects of existing technologies and lay the groundwork for potential innovations that could lead to the production of 'net zero emissions' cement.

In July 2021, the Science Based Targets Initiative (SBTi) certified that the Group's emission reduction targets are consistent with the scenario of limiting global temperature increase to well below 2°C compared to pre-industrial levels.

To achieve the above-mentioned objectives, the Group has defined a 10-year Roadmap, which, for the period 2021-2023, provides for investments of EUR 107 million, already included in the relevant Business Plan approved by Cementir's Board of Directors in February 2021. The roadmap does not include investments in breakthrough technologies (e.g. carbon capture and storage) for which the Group is currently assessing the relevant business cases.

In 2021, the Group is continuing with its commitment to environmental transparency by confirming its participation in the "Climate Change" assessment by the Carbon Disclosure Project (CDP) and, for the first time, will also participate in the assessment on water management. Although cement production does not involve significant water consumption, over the years, the Group's plants have been constantly looking for technical solutions to reuse or make more efficient use of water resources. Participation in the assessment process will bring the Group into line with international best practices.

For more details, please see the specific document in the Non-Financial Statement.

RELATED-PARTY TRANSACTIONS

With regard to related-party transactions, as defined by IAS 24, the Group did not conduct any atypical and/or unusual transactions. All business and financial dealings with related parties were conducted on terms equivalent to those that prevail in arm’s length transactions.

It should be noted that the Group did not conduct any significant or material transactions concerning related-party transactions. Note 34 to the consolidated financial statements provides an analysis of transactions with all related parties.

TREASURY SHARES

In accordance with the resolution of the Extraordinary Shareholders' Meeting of 2 July 2020, the purchase of treasury shares continued. At 30 June 2021, the Company held 2,900,000 treasury shares equal to 1.8225% of the share capital (694,500 shares equal to 0.4365% of the share capital at 31 December 2020) for a total disbursement of EUR 22,989 thousand (EUR 4,543 thousand at 31 December 2020).

MANAGEMENT AND COORDINATION

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

PERSONAL DATA PROTECTION

The Parent Company ensures the protection of personal data in accordance with current laws.

The Company has adopted internal regulations and the relevant operational tools needed to ensure regulatory compliance at the date of entry into force of EU regulation 679/2016. In order to ensure full compliance with the legislation and review the system created also in light of Legislative Decree 101 of 10 August 2018, which came into force on 19 September 2018, Cementir Holding subsequently launched and completed a project to update and refine its privacy policy.

Litigation

The Company is responsible for leading the defence in proceedings, of which it is not a party in accordance with the terms and conditions set out in a settlement agreement with Italcementi S.p.A., relating to the sale of the shares of Cementir Italia S.p.A. (today Cemitaly S.p.A.), Cementir Sacci S.p.A. (today Italsacci S.p.A.) and Betontir S.p.A., finalised on 2 January 2018.

The main proceedings, relating to events in which the Company may be abstractly subject to compensation obligations based on the aforementioned settlement agreement, in relation to events prior to the transfer, are noted below.

Antitrust proceedings

On 7 August 2017, upon completion of an investigation, the Italian Competition Authority ("Authority") found there to have been an agreement aimed at coordinating cement selling prices across the entire country and imposed an administrative fine on the producers involved, including Cemitaly. The Company paid Cemitaly the sum of EUR 5,118,076 as compensation, to extinguish the fine and the interest accrued.

Proceedings in relation to the Cemitaly plant in Taranto

On 28 September 2017, Cemitaly was notified of criminal proceedings brought against it, Ilva S.p.A. and Enel Produzione S.p.A. in relation to administrative offences under Articles 5, 6 and 25 undecies paragraph 2 letter F) of Legislative Decree 231/2001. According to investigator allegations, (i) Cemitaly was aware of the fact that the fly ash it bought from Enel Produzione did not comply with applicable legislation, as traces of substances not derived solely from burning coal were found; (ii) the blast-furnace slag supplied by Ilva to Cemitaly should be qualified and treated as waste, due to its alleged "mechanical" impurities (presence of ferrous metals, crushed stone, debris, etc.), such as to require treatments such as sieving and deferrization, both of which, according to the investigator, are outside "normal industrial practice". At the outcome of the hearing of 15 April 2019, the Public Prosecutor requested that the company and natural persons appeared before the court, limited to answering the charges relating to the fly ash purchased from Enel Produzione. The dispute relating to the slag is awaiting the request for dismissal. The preliminary hearing is currently scheduled for 17 September 2021.

Other legal disputes

An administrative dispute is pending before the Court of Appeal in Turkey, brought by the Turkish company Cimentas AS, indirect subsidiary of Cementir Holding. The dispute relates to the order issued by the Turkish stock exchange's regulatory and supervisory body (Capital Market Board – CMB), requiring Cimentas AS to demand back from the concerned Cementir Group companies around 100 million Turkish Lira (now equal to around EUR 10 million) by way of hidden profit distribution, allegedly generated by an intragroup company sale in 2009. On 29 January 2017, CMB served a summons to Cementir Holding to appear before the Court of Izmir, requesting that the company be ordered to pay to Cimentas AS an amount provisionally set at approximately 1 million Turkish lira. The Company duly appeared in court, arguing the total lack of foundation of the plaintiff's argument and requested that the civil proceedings be suspended until the administrative proceeding is finally settled. With a ruling of 1 July 2020, the Court of Appeal in Turkey declared lack of jurisdiction in relation to the case in question. The sentence was challenged before the Supreme Court.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE HALF YEAR

On 6 July 2021, Science Based Targets Initiative (SBTi) validated Cementir's CO_2 emission reduction targets, which were judged to be consistent with the goal of keeping climate warming "well below 2°C", in line with the 2015 Paris Climate Agreement.

The treasury share purchase programme continued as at 27 July 2021 for a total of 3,099,350 shares equal to 1.9478% of the share capital (as at 30 June 2021 the Company held 2,900,000 treasury shares equal to 1.8225% of the share capital) for a total outlay of EUR 24,750 thousand (equal to EUR 22,989 thousand as at 30 June 2021).

No other significant facts occurred after the half year ended.

MANAGEMENT OPERATING OUTLOOK

In light of the results for the first half of the year, the Group expects to achieve consolidated revenues of approximately EUR 1.35 billion (previous target at EUR 1.3 billion), an EBITDA of between EUR 295 and EUR 305 million (previous target between EUR 285 and 295 million), a net financial debt at the end of 2021 of approximately EUR 30 million, including both a higher share buyback cash outlay than originally estimated and approximately EUR 95 million of investments. No substantial changes in the workforce are expected.

This forward-looking indication does not include any new outbreaks of the Covid-19 pandemic in the coming months.

The foregoing exclusively reflects the point of view of the company's management, and does not represent a guarantee, a promise, an operational suggestion or even just an investment advice. Therefore, it should not be taken as a forecast support on the future trend of the markets and financial instruments concerned.

RESPONSIBILITIES IN RESPECT TO THE HALF-YEAR FINANCIAL REPORT

The Board of Directors is responsible for preparing the Half-Year Financial Report, inclusive of the Condensed Interim Consolidated Financial Statements and the Directors' Report, in accordance with the Dutch Financial Supervision Act and the applicable International Financial Reporting Standards (IFRS) for interim reporting, IAS 34 - Interim Financial Reporting.

In accordance with Section 5:25d, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Condensed Interim Consolidated Financial Statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss of Cementir Holding and its subsidiaries, and the undertakings included in the consolidation as a whole, and the Directors' Report provides a fair review of the information required pursuant to Section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act.

Rome, 28 July 2021

Chairman of the Board of Directors

signed: /f/ Francesco Caltagirone Jr.

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

(Before profit appropriation)

(EUR'000)	Note	30 June 2021 Unaudited	31 december 2020 Audited
ASSETS			
Intangible assets with a finite useful life	1	191,968	195,931
Intangible assets with an indefinite useful life (goodwill)	2	326,740	329,776
Property, plant and equipment	3	815,327	817,771
Investment property	4	72,060	79,242
Equity-accounted investments	5	4,658	4,308
Other equity investments	6	267	271
Non-current financial assets		435	576
Deferred tax assets	20	50,096	48,770
Other non-current assets	11	4,691	5,003
TOTAL NON-CURRENT ASSETS		**1,466,242**	**1,481,648**
Inventories	7	159,803	150,266
Trade receivables	8	203,805	155,065
Current financial assets	9	6,110	2,614
Current tax assets	10	5,996	6,126
Other current assets	11	22,915	23,095
Cash and cash equivalents	12	226,754	413,565
TOTAL CURRENT ASSETS		**625,383**	**750,731**
TOTAL ASSETS		**2,091,625**	**2,232,379**
EQUITY AND LIABILITIES			
Share capital		159,120	159,120
Share premium reserve		35,711	35,711
Other reserves		817,131	759,870
Profit (loss) attributable to the owners of the parent		47,867	102,008
Equity attributable to owners of the Parent	13	**1,059,829**	**1,056,709**
Reserves attributable to non-controlling interests		126,638	118,898
Profit (loss) attributable to non-controlling interests		4,515	7,355
Equity attributable to non-controlling interests	13	**131,153**	**126,253**
TOTAL EQUITY		**1,190,982**	**1,182,962**
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefits	14	35,657	36,822
Non-current provisions	15	25,692	25,871
Non-current financial liabilities	17	253,417	162,469
Deferred tax liabilities	20	138,054	137,595
Other non-current liabilities	19	2,525	2,927
TOTAL NON-CURRENT LIABILITIES		**455,345**	**365,684**
Current provisions	15	4,055	4,576
Trade payables	16	233,102	225,937
Current financial liabilities	17	117,065	375,891
Current tax liabilities	18	24,771	17,892
Other current liabilities	19	66,305	59,437
TOTAL CURRENT LIABILITIES		**445,298**	**683,733**
TOTAL LIABILITIES		**900,643**	**1,049,417**
TOTAL EQUITY AND LIABILITIES		**2,091,625**	**2,232,379**

Consolidated income statement

(EUR'000)	Note	1st Half 2021 Unaudited	1st Half 2020 Unaudited
REVENUE	21	**664,543**	**570,361**
Change in inventories	7	(2,715)	(5,267)
Increase for internal work	22	4,439	3,471
Other income	22	3,898	3,897
TOTAL OPERATING REVENUE		**670,165**	**572,462**
Raw materials costs	23	(267,366)	(217,484)
Personnel costs	24	(95,000)	(95,197)
Other operating costs	25	(174,293)	(162,025)
EBITDA		**133,506**	**97,756**
Amortisation and depreciation	26	(54,291)	(53,884)
Additions to provision	26	(166)	(182)
Impairment losses	26	(3)	(503)
Total amortisation, depreciation, impairment losses and provisions		(54,460)	(54,569)
EBIT		**79,046**	**43,187**
Share of net profits of equity-accounted investees	27	395	(91)
Financial income	27	3,617	2,911
Financial expense	27	(11,845)	(11,881)
Net exchange rate losses	27	(1,906)	(2,126)
Net financial income (expense)	27	(10,134)	(11,096)
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES		**(9,739)**	**(11,187)**
PROFIT (LOSS) BEFORE TAXES		**69,307**	**32,000**
Income taxes	28	(16,925)	(10,113)
PROFIT FROM CONTINUING OPERATIONS		**52,382**	**21,887**
PROFIT (LOSS) FOR THE PERIOD		**52,382**	**21,887**
Attributable to:			
Non-controlling interests		4,515	1,912
Owners of the Parent		**47,867**	**19,975**

(EUR)			
Earnings per ordinary share			
Basic earnings per share	29	0.305	0.126
Diluted earnings per share	29	0.305	0.126

(EUR)			
Earnings per ordinary share from continuing operations			
Basic earnings per share	29	0.305	0.126
Diluted earnings per share	29	0.305	0.126

Consolidated statement of comprehensive income

(EUR'000)	Note	1st Half 2021 Unaudited	1st Half 2020 Unaudited
PROFIT (LOSS) FOR THE PERIOD		**52,382**	**21,887**
Other components of comprehensive income:			
Items that will never be reclassified to profit or loss for the period		-	-
Items that may be reclassified to profit or loss for the period:			
Foreign currency translation differences - foreign operations	30	(5,872)	(32,854)
Profit (losses) on derivatives	30	3,932	1,493
Taxes recognised in equity	30	(859)	(405)
Total items that may be reclassified to profit or loss		**(2,799)**	**(31,766)**
Total other comprehensive expense, net of tax		**(2,799)**	**(31,766)**
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		**49,563**	**(9,879)**

Attributable to:			
Non-controlling interests		6,532	71
Owners of the Parent		**43,051**	**(9,950)**

Consolidated statement of changes in equity

(EUR'000)	Note	Share capital	Share premium reserve	Other reserves				Profit (loss) attributable to the owners of the parent	**Equity attributable to the owners of the parent**	Profit (loss) attributable to non-controlling interests	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total Equity**
				Legal reserve	Translation reserve	Hedge reserve	Retained earnings						
Equity at 1 January 2021	**13**	**159,120**	**35,710**	**-**	**(648,715)**	**(393)**	**1,408,979**	**102,008**	**1,056,709**	**7,355**	**118,898**	**126,253**	**1,182,962**
Allocation of 2020 profit (loss)		-	-	-	-	-	102,008	(102,008)	**-**	(7,355)	7,355	**-**	**-**
Distribution of 2020 dividends		-	-	-	-	-	(21,663)	-	**(21,663)**	-	(2,426)	**(2,426)**	**(24,089)**
Treasury share purchase		-	-	-	-	-	(18,446)	-	**(18,446)**	-	-	**-**	**(18,446)**
Total transactions with investors		**-**	**-**	**-**	**-**	**-**	**61,899**	**(102,008)**	**(40,109)**	**(7,355)**	**4,929**	**(2,426)**	**(42,535)**
Profit (loss) for the year		-	-	-	-	-	-	47,867	**47,867**	4,515	-	**4,515**	**52,382**
Change in translation reserve	30	-	-	-	(7,868)	-	-	-	**(7,868)**	-	1,996	**1,996**	**(5,872)**
Net actuarial gains	30	-	-	-	-	-	-	-		-			
Gain on derivatives	30	-	-	-	-	3,052	-	-	**3,052**	-	21	**21**	**3,073**
Other comprehensive income (expense)		-	-	-	(7,868)	3,052		-	**(4,816)**	-	2,017	**2,017**	**(2,799)**
Total comprehensive income (expense)	**30**	**-**	**-**	**-**	**(7,868)**	**3,052**		**47,867**	**43,051**	**4,515**	**2,017**	**6,532**	**49,583**
Change in other reserves		-	-	-	-	-	178	**-**	**178**	-	794	**794**	**972**
Total other transactions		**-**	**-**	**-**	**-**	**-**	**178**	**-**	**178**	**-**	**794**	**794**	**972**
Equity at 30 June 2021 (Unaudited)	**13**	**159,120**	**35,710**	**-**	**(656,583)**	**2,659**	**1,471,056**	**47,867**	**1,059,829**	**4,515**	**126,638**	**131,153**	**1,190,982**

(EUR'000)	Note	Share capital	Share premium reserve	Other reserves				Profit (loss) attributable to the owners of the parent	**Equity attributable to the owners of the parent**	Profit (loss) attributable to non-controlling interests	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total Equity**
				Legal reserve	Translation reserve	Hedge reserve	Retained earnings						
Equity at 1 January 2020	**13**	**159,120**	**35,710**	**-**	**(580,956)**	**(5,737)**	**1,352,921**	**83,569**	**1,044,627**	**6,860**	**130,080**	**136,940**	**1,181,567**
Allocation of 2018 profit		-	-	-	-	-	83,569	(83,569)	**-**	(6,860)	6,860	**-**	-
Distribution of 2018 dividends		-	-	-	-	-	(22,277)	-	**(22,277)**	-	(8,625)	**(8,625)**	**(30,902)**
Treasury share purchase		-	-	-	-	-	(4,543)	-	**(4,543)**	-	-	**-**	**(4,543)**
Total transactions with investors		**-**	**-**	**-**	**-**	**-**	**56,749**	**(83,569)**	**(26,820)**	**(6,860)**	**(1,765)**	**(8,625)**	**(35,445)**
Profit (loss) for the year		-	-	-	-	-	-	102,008	**102,008**	7,355	-	**7,355**	**109,363**
Change in translation reserve	30	-	-	-	(67,759)	-	-	-	**(67,759)**	-	(12,539)	**(12,539)**	**(80,298)**
Net actuarial gains	30	-	-	-	-	-	559	-	**559**	-	(185)	**(185)**	**374**
Gain on derivatives	30	-	-	-	-	5,344	-	-	**5,344**	-	(35)	**(35)**	**5,309**
Other comprehensive income (expense)		-	-	-	(67,759)	5,344	559	-	**(61,856)**	-	(12,759)	**(12,759)**	**(74,615)**
Total comprehensive income (expense)	**30**	**-**	**-**	**-**	**(67,759)**	**5,344**	**559**	**102,008**	**40,152**	**7,355**	**(12,759)**	**(5,404)**	**34,748**
Change in other reserves		-	-	-	-	-	(1,250)	-	**(1,250)**	-	3,342	**3,342**	**2,092**
Total other transactions		**-**	**-**	**-**	**-**	**-**	**(1,250)**	**-**	**(1,250)**	**-**	**3,342**	**3,342**	**2,092**
Equity at 31 December 2020 (Audited)	**13**	**159,120**	**35,710**	**-**	**(648,715)**	**(393)**	**1,408,979**	**102,008**	**1,056,709**	**7,355**	**118,898**	**126,253**	**1,182,962**

Consolidated statement of cash flows

(EUR'000)	Note	1st Half 2021 Unaudited	1st Half 2020 Unaudited
Profit/(loss) for the period		**52,382**	**21,887**
Amortisation and depreciation	26	54,291	53,884
Net Reversals of impairment losses		3	342
Share of net profits of equity-accounted investees	27	(395)	91
Net financial income (expense)	27	10,134	11,257
Gains on disposals		(401)	2,598
Income taxes	28	16,925	10,113
Change in employee benefits		(1,221)	97
Change in provisions (current and non-current)		(739)	(11,564)
Operating cash flows before changes in working capital		**130,979**	**88,705**
(Increase) decrease in inventories		(9,536)	1,102
(Increase) decrease in trade receivables		(47,432)	(24,656)
Increase (decrease) in trade payables		6,942	(33,203)
Change in other non-current and current assets and liabilities		8,241	13,519
Change in current and deferred taxes		3,586	673
Operating cash flows		**92,780**	**46,140**
Dividends collected		102	-
Interest collected		1,327	1,747
Interest paid		(5,006)	(6,144)
Other net income (expense) collected (paid)		(5,504)	(4,284)
Income taxes paid		(16,320)	(11,849)
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**67,379**	**25,610**
Investments in intangible assets		(1,022)	(1,409)
Investments in property, plant and equipment		(36,606)	(26,289)
Investments in equity investments and non-current securities		-	-
Proceeds from the sale of intangible assets		-	-
Proceeds from the sale of property, plant and equipment		1,021	1,785
Proceeds from the sale of equity investments and non-current securities		-	-
Proceeds from assets sold net of cash		-	-
Change in non-current financial assets		141	544
Change in current financial assets		2,768	(347)
Other changes in investing activities		-	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)		**(33,698)**	**(25,716)**
Change in non-current financial liabilities	17	93,238	(8,584)
Change in current financial liabilities	17	(270,027)	139,511
Dividends distributed		(24,081)	(24,247)
Other changes in equity		(22,806)	2,607
CASH FLOWS USED IN FINANCING ACTIVITIES (C)		**(223,676)**	**109,287**
NET EXCHANGE RATE LOSSES ON CASH AND CASH EQUIVALENTS (D)		**3,184**	**(3,323)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(186,811)**	**105,858**
Opening cash and cash equivalents	**12**	**413,565**	**330,948**
Closing cash and cash equivalents	**12**	**226,754**	**436,806**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information

On 28 June 2019, the Extraordinary Shareholders' Meeting approved the transformation of the company Cementir Holding SpA from a joint-stock company under Italian law into a Naamloze Vennootschap under Dutch law, consequent to the transfer of the registered office to Amsterdam (36, Zuidplein, 1077 XV). The transfer and transformation process was completed on 5 October 2019.

On that date the Board of Directors resolved to establish an operational and secondary headquarters in Rome, at Corso Francia 200. The company's tax residence remained in Italy. As part of this transformation, Management aligned the equity composition from the Italian Law requirements with the Dutch Civil Code requirements.

The company remained listed on the STAR segment of the Milan Stock Exchange.

Cementir Holding NV (the “Parent”) and its subsidiaries make up the Cementir Holding Group (the “Group”), mainly active in the cement and ready-mixed concrete sector in Italy and around the world.

At 30 June 2021 shareholders holding shares exceeding 3% of share capital, as indicated in the book of shareholders, from communications received pursuant to Art. 5:28 of Financial Supervision Act and other information available, are:

1) Francesco Gaetano Caltagirone – 104,862,053 shares (65.901%). The shareholding is held as follows:
    - Direct ownership of 1,327,560 shares (0.834%)
    - Indirect ownership through the companies:
        - Calt 2004 Srl – 47,860,813 shares (30.078%)
        - Caltagirone SpA – 22,820,015 shares (14.341%)
        - FGC SpA – 17,585,562 shares (11.052%)
        - Gamma Srl – 5,575,220 shares (3.504%)
        - Pantheon 2000 SpA – 4,466,928 shares (2.807%)
        - Ical 2 SpA – 2,614,300 shares (1.643%)
        - Capitolium Srl – 2,604,794 shares (1.637%)
        - Vianini Lavori SpA – 6,861 shares (0.004%)
2) Francesco Caltagirone – 8,520,299 shares (5.355%). The above investment is held indirectly through the company Chupas 2007 Srl for 8,520,299 shares (5.355%).

On 28 July 2021, the Board of Directors approved this half-year financial report at 30 June 2021. The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on 5 August 2021.

Cementir Holding NV is included line-by-line in the interim consolidated financial statements of the Caltagirone Group. At the date of this interim financial report, the ultimate Parent is FGC SpA due to the shares held via its subsidiaries.

The condensed interim consolidated financial statements at 30 June 2021 include the condensed interim financial statements of the Parent and its subsidiaries. The financial statements of the individual companies at the same date prepared by their directors were used for the consolidation.

Going Concern

The condensed interim consolidated financial statements of the Group have been prepared on the basis of the going concern assumption.

Statement of compliance with the IFRS

These condensed interim consolidated financial statements at 30 June 2021, drawn up on a going concern basis for the Parent and the subsidiaries, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2:362(9) of the Dutch Civil Code.

Specifically, the condensed interim consolidated financial statements have been prepared in accordance with IAS 34 and as such do not disclose all the information required of annual financial statements. Accordingly, the condensed interim consolidated financial statements should be read together with the consolidated financial statements as at and for the year ended 31 December 2020, filed at the head office of Cementir Holding NV in Amsterdam (36, Zuidplein, 1077 XV), and available on the corporate website www.cementirholding.com.

The accounting policies adopted in preparing these condensed interim consolidated financial statements are the same as those applied in the preparation of the Group's annual consolidated financial statements as at and for the year ended 31 December 2020, with the exception of new standards applicable commencing as of 1 January 2021. The effects of the latter on this interim financial report are described below.

Certain parts of these condensed interim consolidated financial statements contain alternative indicators that are not financial performance or liquidity indicators under IFRS. These are commonly referred to as alternative (non-IFRS) performance indicators and include items such as earnings before interest, taxes, depreciation and amortisation (EBITDA) and earnings before income tax (EBIT). The Company calculates EBITDA before provisions.

Basis of presentation

The condensed interim consolidated financial statements at 30 June 2021 are presented in euros, the Parent's functional currency. All amounts are expressed in thousands of euros, unless indicated otherwise. The condensed interim consolidated financial statements consist of a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and these notes. The Group has opted to present these statements as follows:

- the statement of financial position presents current and non-current assets and liabilities separately;
- the income statement classifies costs by nature;
- the statement of comprehensive income presents the effect of gains and losses recognised directly in equity, starting from the profit or loss for the year;
- the statement of cash flows is presented using the indirect method.

The general criterion adopted is the historical cost method, except for items recognised and measured at fair value based on specific IFRS, as described below in the section on accounting policies.

The IFRS have been applied consistently with the guidance provided in the "Framework for the preparation and presentation of financial statements". The Group was not required to make any departures as per IAS 1.19.

In the financial statements, in addition to those specifically requested by IAS 1 and the other standards, when material, so as to show transactions with related parties separately or, in the case of the income statement, profits and losses on non-recurring or unusual transactions.

Standards and amendments to standards adopted by the Group

a) As of 1 January 2021, the Group has adopted the following new accounting standards:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2, the EU endorsement of which took place on 13 January 2021 with Regulation 25. The aim of the document is to modify the existing standards impacted by the reform to include some practical expedients and facilities to limit the accounting impacts resulting from the reform of IBORs.
- Amendments to IFRS 4 Contracts - deferral of IFRS 9, the EU endorsement of which took place on 16 December 2020 with Regulation 2097. The objective of the document is to clarify some application aspects of IFRS 9 pending the final application of IFRS 17.

The adoption of the new standards applicable from 1 January 2021 did not have any effects.

b) Standards and interpretations of standards applicable for the financial years starting after 2021 and not adopted in advance by the Group:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Asset; and Annual Improvements 2018-2020 with the aim of making some specific improvements to these standards. This document, which was adopted by the European Union in Regulation No. 1080 of 28 June 2021, is applicable for financial years beginning on or after 1 January 2022.

The potential impact of the amendments to be applied in the future on the Group's financial reports is currently being studied and assessed.

c) Accounting standards, amendments and interpretations not yet approved by the European Union:

At the date of approval of these condensed interim consolidated financial statements, the IASB has issued certain accounting standards, interpretations and amendments that the European Union has yet to endorse, some of which are still at the discussion stage. They include:

- On 18 May 2017, the IASB published the new IFRS 17 Insurance Contracts standard, which replaces the current IFRS 4. The new standard on insurance contracts aims to increase transparency on the sources and quality of profits made and to ensure high comparability of results, introducing a single revenue recognition principle that reflects the services provided. In addition, on 25 June 2020, the IASB published the document "*Amendments to IFRS 17*" which includes some amendments to IFRS 17 and the deferral of the entry into force of the new accounting standard to 1 January 2023. At the reference date of these financial statements, the endorsement process was still in progress.
- On 23 January 2020, the IASB published some amendments to IAS 1. The document "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" requires that a liability be classified as current or non-current based on the rights existing at the reporting date. In addition, it states that the classification is not affected by the entity's expectation that it will exercise its right to defer settlement of the liability. Finally, it clarifies that such settlement consists of the transfer of cash, equity instruments, other assets or services to the counterparty. The amendments were initially expected to become effective on 1 January 2022, however, the IASB, in a second document published on 15 July 2020 entitled "Classification of Liabilities as Current or Non-current - Deferral of Effective

Date", deferred their effective date to 1 January 2023. Early application is permitted. At the reference date of these financial statements, the endorsement process was still in progress.

- On 12 February 2021, the IASB published Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, with the aim of improving the information provided about the accounting policies and measurement criteria adopted in order to provide users of the financial statements with more useful information. The amendments are applicable to annual reporting periods beginning on or after 1 January 2023. Early application is permitted. The endorsement process is still in progress.
- On 12 February 2021, the IASB published Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimate and Errors: Definition of Accounting Estimates", with the aim of distinguishing changes in accounting policies from changes in accounting estimates. The amendments are applicable to annual reporting periods beginning on or after 1 January 2023. Early application is permitted. The endorsement process is still in progress.
- On 31 March 2021, the IASB published the document 'Amendments to IFRS 16 Leases: Covid 19-Related Rent Concessions beyond 30 June 2021", which amended IFRS 16 Leases to extend the practical expedient introduced by "Leases Covid 19-Related Rent Concessions" issued on 28 May 2020 relating to the accounting by lessees for rent concessions obtained as a result of the Covid-19 pandemic for a further twelve months until 30 June 2022. This practical expedient is optional, does not apply to lessors, and allows lessees not to account for rent concessions (suspension of rent, deferral of lease payments due, reductions in rent for a period of time, possibly followed by increases in rent in future periods) as lease modifications if they are a direct result of the Covid-19 pandemic and meet certain conditions. The amendments to IFRS 16 relating to the 2021 amendment are effective for annual periods beginning on or after 1 April 2021, but early application is permitted for annual periods before that date for which publication has not yet been authorised. The endorsement process is still in progress.
- On 7 May 2021, the IASB published the document "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The amendments require drafters of financial statements to recognise deferred taxes on transactions that give rise to an equivalent amount of taxable and deductible temporary differences on initial recognition. The amendments are effective for financial years beginning on or after 1 January 2023. Early application is permitted. The endorsement process is still in progress.

The potential impact of the accounting standards, amendments and interpretations to be applied in the future on the Group's financial reports is currently being studied and assessed.

Basis of consolidation

Consolidation scope

The scope of consolidation includes the parent, Cementir Holding NV, and the companies over which it has direct or indirect control.

Subsidiaries subject to direct or indirect control include companies for which the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence of potential voting rights is considered when determining whether control exists.

A list of the companies included in the scope of consolidation at 30 June 2021 is provided in annex 1.

Translation of financial statements of foreign operations

The financial statements of subsidiaries, associates and joint ventures are prepared using the currency of the primary economic environment in which they operate (the functional currency).

The financial statements of group companies operating outside the eurozone are translated into euros using the closing rate for the statement of financial position items and the average annual rate for the income statement items if no major fluctuations are detected in the reference period, in which case the exchange rate on the date of the transaction applies. Translation differences arising on the adjustment of opening equity at the closing spot rates and the differences arising from the different methods used to translate profit for the year are recognised in equity through the statement of comprehensive income and shown separately in a special reserve.

When a foreign operation is sold, the translation differences accumulated in the specific equity reserve are reclassified to profit or loss.

The main exchange rates used in translating the financial statements of companies with functional currencies other than the euro are as follows:

	1st Half 2021		31 December 2020	1st Half 2020
	Final	Average	Finale	Average
Turkish lira – TRY	10.32	9.52	9.11	7.15
US dollar – USD	1.19	1.21	1.23	1.10
British pound – GBP	0.86	0.87	0.90	0.87
Egyptian pound – EGP	18.52	18.81	19.20	17.33
Danish krone – DKK	7.44	7.44	7.44	7.46
Icelandic krona – ISK	146.50	151.65	156.10	148.37
Norwegian krone – NOK	10.17	10.18	10.47	10.73
Swedish krona – SEK	10.11	10.13	10.03	10.66
Malaysian ringgit – MYR	4.93	4.94	4.93	4.68
Chinese renminbi yuan – CNY	7.67	7.80	8.02	7.75

Use of estimates

The preparation of condensed interim consolidated financial statements requires management to use accounting policies and methods that are sometimes based on difficult and subjective judgements, estimates based on past experience and assumptions that are considered reasonable and realistic in the circumstances. The application of these estimates and assumptions affects the amounts presented in the financial statements and disclosures. The actual results for which these estimates and assumptions were used may differ due to the uncertainties that characterise the assumptions and the conditions on which the estimates were based.

The accounting policies and financial statements items that require greater subjective judgement by management when making estimates and for which a change in the conditions underlying the assumptions could have a significant impact on the Group's consolidated financial statements are the following:

- *Intangible assets with an indefinite life:* goodwill is tested for impairment annually to identify any impairment losses to be recognised in the income statement. Specifically, testing entails the calculation of the recoverable amount of the CGUs to which goodwill is allocated by estimating the related value in use or fair valueless costs to sell; if the recoverable amount is lower than the CGUs' carrying amount, the goodwill allocated to it is impaired. Allocation of goodwill to the CGUs and determination of their fair value involves the use of estimates that rely on factors that may change over time, with potentially significant effects compared to the valuations made by management.
- *Impairment losses on non-current assets:* in accordance with the Group's accounting policies, property, plant and equipment and intangible assets with a finite life are tested for impairment when indicators exist showing that recovery of the relative carrying amount through the assets' use is unlikely. Management makes use of subjective judgments based on information available within the Group and on the market as well as past experience to check the existence of these indicators. If there is indication of impairment, the Group determines impairment using valuation techniques deemed suitable. The correct identification of impairment indicators and the estimates used to determine impairment rely on factors that may vary over time, affecting management's judgement and estimates.
- *Amortisation and depreciation of non-current assets:* amortisation and depreciation are significant costs for the Group. The cost of property, plant and equipment is depreciated systematically over the assets' estimated useful life. The estimated useful life of the Group's assets is determined by management when the asset is purchased, on the basis of past experience of similar assets, market conditions and expectations about future events that could impact the assets' useful life, such as technological change. As such, effective useful life may differ from estimated useful life. The Group regularly assesses technological and sector changes, dismantlement costs and the recoverable amount to update useful life. This regular update could lead to a change in the depreciation period and, therefore, the amount of depreciation in future years. Management regularly reviews the estimates and assumptions and the effects of each change are recognised in the income statement. When the review affects current and future years, the change is recognised in the year in which it is made and in the related future years, as explained in more detail in the next section.
- *Purchase price allocation:* as part of business combinations, the identifiable assets purchased and the liabilities assumed are recognised in the consolidated financial statements at fair value on the acquisition date, through a Purchase price allocation process, against the consideration transferred to acquire the control of a company, which corresponds to the fair value of the assets acquired and the liabilities assumed, as well as of capital instruments issued. During the measurement period, the calculation of the aforementioned their values requires Directors to make estimates on the information available on all facts and circumstances that exist on the acquisition date and may affect the value of the acquired assets and assumed liabilities.

- *Estimate of the fair value of investment property:* at each reporting data investment property is measured at fair value and is not subject to depreciation. When determining their fair value, the Directors based their valuation on assumptions about the trend of the reference real estate market in particular. Such assumptions may vary over time, influencing evaluations and forecasts to be performed by the Directors.
- *Provisions*: for the purpose of the basic assumptions concerning a probable outflow of resources for the recognition and measurement of provisions, as described in the accounting policies Provisions for risks and charges, Property, plant and equipment and Emission rights.

Changes in accounting policies, errors and changes in estimates

The Company modifies the accounting policies adopted from one reporting period to another only if the change is required by a standard or contributes to providing more reliable and relevant information about the effects of transactions on the company's financial position, performance and cash flows.

Changes in accounting policies are recognised retrospectively in the opening balance of each affected component of equity for the earliest prior period presented. Other comparative amounts shown for each previous period presented are adjusted as if the new accounting policy had always been applied. The prospective approach is only applied when it is impracticable to reconstruct the comparative amounts.

The application of a new or amended accounting standard is accounted for as required by the standard. If the standard does not govern the transition method, the change is accounted for retrospectively or, if impracticable, on a prospective basis.

This same approach is applied to material errors. Non-material errors are recognised in the income statement in the period in which the error is identified.

Changes in estimates are recognised prospectively in the income statement in the period in which the change takes place, if it only affects that period, or in the period in which the change takes place and subsequent periods, if the change also affects these periods.

Financial risk management

The Group is exposed to financial risks related to its operations, namely:

Credit risk

The Group is not particularly exposed to credit risk, despite operating in different geographical markets, as it is not overly exposed to a limited number of positions. Moreover, its operating procedures require checks on credit risk, with the sale of products and/or services limited to customers with suitable credit ratings and guarantees.

Receivables are recognised net of the loss allowance, calculated considering the rules set out by IFRS 9, as mentioned above. Therefore, the maximum exposure to credit risk is equivalent to the carrying amount.

With respect to bank deposits and derivatives, the Group has always worked with leading counterparties, thus limiting its credit risk in this sense.

Liquidity risk

Liquidity risk concerns the availability of financial resources and access to credit market and financial instruments.

Specifically, the Group monitors and manages its cash flows, funding requirements and liquidity levels in order to ensure the effective and efficient use of its financial resources.

It meets its liquidity requirements for investing activities, working capital and the payment of amounts payable drawing on cash flows generated constantly by its operating activities and on credit facilities.

The Group aims to maintain its ability to generate cash flows through operating activities, given the current market conditions. In fact, thanks to its strong financial position, any unplanned financial requirements can be funded through its access to credit facilities.

Market risk

Market risk mainly concerns exchange rates, interest rates and raw materials costs, as the Group operates internationally in areas with different currencies. It uses financial instruments to hedge these risks.

The Group monitors the financial risks to which it is exposed regularly so as to assess in advance any potential impacts and take the most suitable action to mitigate them; it does this through the use of derivatives.

Currency risk

Group companies operate internationally; as such they are structurally exposed to currency risk for cash flows from operating activities and financing operations in currencies other than the functional currency.

The Group's operating activities are exposed differently to changes in exchange rates: in particular the cement sector is exposed to currency risk on both revenues, for exports, and costs to purchase solid fuels in USD; whereas the ready-mixed concrete sector is less exposed as both revenue and costs are in local currency. The Group assesses the natural hedging of cash flows and financing for these risks and purchases currency forwards and currency put and call options for hedging purposes. Transactions involving derivatives are performed for hedging purposes.

The Group's presentation currency is the euro. As a result, it is exposed to currency risk in relation to the translation of the financial statements of consolidated companies based in countries outside the Economic Monetary Area (except for Denmark whose currency is historically tied to the euro). The income statements of these companies are translated into euros using the average annual rate in the event that changes in value are not significant, and changes in exchange rates may affect the value in euros, even when the revenue and profits in local currency remain unchanged. Pursuant to the IFRS, translation differences on assets and liabilities are recognised directly in equity in the translation reserve (note 13).

Interest rate risk

As the Group has net financial debt, it is exposed to the risk of fluctuations in interest rates. The Group purchases interest rate swaps to partly hedge the risk after assessing forecast interest rates and timeframes for the repayment of debt by using estimated cash flows.

The Group's operating and financial policies aim to minimise the impact of these risks on its performance.

Raw materials price risk

The Group is exposed to the risk of fluctuations in raw materials prices. It manages this risk through supply agreements with Italian and foreign suppliers which set prices and quantities for roughly 12 months. It also uses suppliers in different geographical areas to avoid the risk of supply chain concentration and to obtain the most competitive prices.

Also refer to note 32 for quantitative information on risks.

Group's value

Market capitalisation of Cementir shares at 30 June 2021 was EUR 1,368.4 million (EUR 1,058.1 million at 31 December 2020), against Group shareholders' equity of EUR 1,059.8 million (EUR 1,056.7 million at 31 December 2020); as the investors are assigning to the company a value higher than that resulting from the economic value of its net assets as according to the Group balance sheet as of 30 June 2020.

Segment reporting

In accordance with IFRS 8, the Group has identified its operating segments on the basis of the Parent’s internal reporting system for management purposes.

The Group’s operations are organised on a regional basis, divided into Regions that represent the following geographical areas: Nordic & Baltic, Belgium, North America, Turkey, Egypt, Asia Pacific and Holding and Services.

The Nordic & Baltic includes Denmark, Norway, Sweden, Iceland, Poland, Russia and the white cement operations in Belgium and France. Belgium includes the activities of the Compagnie des Ciments Belges S.A. group in Belgium and France. North America includes the United States. The Asia Pacific area includes China, Malaysia and Australia. Holding and Services includes the Parent Company, Spartan Hive and Aalborg Portland Digital and other smaller companies.

The Group’s geographical segments consist of the non-current assets of each company based and operating in the above areas. Transfer prices applied to transactions between segments for the exchange of goods and services comply with normal market conditions.

The following table shows the performance of each operating segment for the first half of 2021:

(EUR'000)	**Nordic & Baltic**		**Belgium**	**North America**	**Turkey**	**Egypt**	**Asia Pacific**	**Holding and Services**	Unallocated items and adjustments	**CEMENTIR HOLDING GROUP**
	Denmark	**Other ***		**USA**						
Operating revenue	**211,563**	**128,014**	**143,044**	**73,654**	**85,298**	**23,012**	**50,644**	**67,661**	(112,726)	**670,164**
Intra-segment operating revenue	(42,533)	(1,596)	(13)	(470)	(8,071)	(1,630)	-	(58,413)	112,727	
Contributed operating revenue	169,030	126,418	143,031	73,184	77,227	21,382	50,644	9,248		670,164
Segment result (EBITDA)	**57,689**	**11,532**	**29,097**	**10,925**	**7,361**	**5,324**	**10,860**	**718**	-	**133,506**
Amortisation, depreciation, impairment losses and provisions	(17,855)	(5,214)	(13,000)	(6,892)	(4,447)	(1,574)	(3,895)	(1,583)	-	(54,460)
EBIT	**39,834**	**6,318**	**16,097**	**4,033**	**2,914**	**3,750**	**6,965**	**(865)**	-	**79,046**
Net profit (loss) of equity-accounted investees	(130)	330	195	-	-	-	-	-		395
Net financial income (expense)									(10,134)	(10,134)
Profit (loss) before taxes										**69,307**
Income taxes									(16,925)	(16,925)
Profit (loss) for the year										**52,382**

* "Others" includes the operations in Norway, Sweden, Iceland, Poland and Russia.

The following table shows the results of the operating segments as at 30 June 2020:

(EUR'000)	Nordic & Baltic		Belgium	North America	Turkey	Egypt	Asia Pacific	Holding and Services	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
	Denmark	Other *		USA						
Operating revenue	**196,105**	**113,467**	**117,141**	**72,171**	**58,514**	**21,099**	**40,035**	**48,559**	**(94,629)**	**572,462**
Intra-segment operating revenue	(40,387)	(1,474)	-	(528)	(6,311)	(1,909)	**-**	(44,020)	94,629	
Contributed operating revenue	155,718	111,993	117,141	71,643	52,203	19,190	40,035	4,539		572,462
Segment result (EBITDA)	**59,172**	**8,083**	**23,237**	**10,119**	**(8,837)**	**3,756**	**8,159**	**(5,933)**	-	**97,756**
Amortisation, depreciation, impairment losses and provisions	(17,729)	(4,599)	(11,475)	(7,967)	(5,827)	(1,537)	(3,777)	(1,658)	-	(54,569)
EBIT	**41,443**	**3,484**	**11,762**	**2,152**	**(14,664)**	**2,219**	**4,382**	**(7,591)**	-	**43,187**
Net profit (loss) equity-accounte investees	(207)	116	-	-	-	-	-	-		(91)
Net financial income (expense)									(11,096)	(11,096)
Profit (loss) before taxes										**32,000**
Income taxes									(10,113)	(10,113)
Profit (loss) for the year										**21,887**

The following table shows other data for each geographical segment at 30 June 2021:

	Segment assets	**Non current segment assets**	**Segment liabilities**	**Equity-accounted investments**	**Investments in property, plant and equipment and intangible asset***
Nordic & Baltic:					
Denmark	565,035	460,536	291,544	2,817	15,144
Others*	143,675	78,833	71,760	1,672	5,684
Belgium	486,862	394,358	168,306	169	10,205
North America	291,766	206,580	47,306	-	2,145
Turkey	211,730	140,943	61,845	-	6,143
Egypt	110,287	35,960	19,198	-	939
Asia Pacific	127,536	70,511	21,785	-	3,072
Holding and Services	154,734	78,521	218,899	-	998
Total	**2,091,625**	**1,466,242**	**900,643**	**4,658**	**44,330**

* "Others" includes the operations in Norway, Sweden, Iceland, Poland and Russia.
**Investments made in the period.

The following table shows other data for each geographical segment at 31 December 2020 and at 30 June 2020:

	31.12.2020				30.06.2020
	Segment assets	Non current segment assets	Segment liabilities	Equity-accounted investments	Investments in property, plant and equipment and intangible asset**
Nordic & Baltic:					
Denmark	587,511	463,018	294,318	2,956	11,780
Others*	138,794	77,007	69,825	1,352	3,534
Belgium	475,475	397,386	161,981	-	13,838
North America	285,988	204,330	48,183	-	2,387
Turkey	219,253	157,053	55,986	-	6,117
Egypt	104,258	35,317	19,349	-	788
Asia Pacific	152,880	69,354	23,798	-	2,533
Holding and Services	268,220	78,183	375,977	-	1,088
Total	**2,232,379**	**1,481,648**	**1,049,417**	**4,308**	**42,065**

Also refer to note 21) for information on segment revenue by product.

* "Others" includes the operations in Norway, Sweden, Iceland, Poland and Russia.

**Investments made in the first half of 2020.

Notes

1) Intangible assets with a finite useful life

At 30 June 2021, intangible assets with a finite useful life amounted to EUR 191,968 thousand (EUR 195,931 thousand at 31 December 2020). Concession rights and licences mainly consisted of concessions to use quarries and software licences for the IT system (SAP R/3). Other intangible assets include the values assigned to certain assets upon acquisition of the CCB Group and LWCC, such as customer lists and contracts for the exclusive exploitation of quarries. These amounts were recognised as part of the purchase price allocation for the acquisition of these companies.

Amortisation is applied over the assets' estimated useful life.

(EUR'000)	Development expenditure	Concessions, licences and trademarks	Other intangible assets	Assets under development and advances	Total
Gross amount at 1 January 2021	**1,786**	**51,003**	**231,135**	**3,412**	**287,336**
Additions	-	-	36	985	1,021
Disposals	-	-	-	-	-
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Exchange differences	-	1,191	2,849	-	4,040
Reclassifications	-	-	15	(6)	9
Gross amount at 30 June 2021	**1,786**	**52,194**	**234,035**	**4,391**	**292,406**
Amortisation at 1 January 2021	**1,786**	**20,908**	**68,711**	**-**	**91,405**
Amortisation	-	1,549	6,687	-	8,236
Decrease	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Exchange differences	-	290	507	-	797
Reclassifications	-	-	-	-	-
Gross amount at 30 June 2021	**1,786**	**22,747**	**75,905**	**-**	**100,438**
Gross amount at 30 June 2021	**-**	**29,447**	**158,130**	**4,391**	**191,968**

(EUR'000)	Development expenditure	Concessions, licences and trademarks	Other intangible assets	Assets under development and advances	Total
Gross amount at 1 January 2020	**1,786**	**55,337**	**237,401**	**456**	**294,980**
Additions	-	1,105	1,475	4,013	6,593
Disposals	-	(3,781)	(1,390)	-	(5,171)
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Exchange differences	-	(2,257)	(8,249)	2	(10,504)
Reclassifications	-	599	1,898	(1,059)	1,438
Gross amount at 31 December 2020	**1,786**	**51,003**	**231,135**	**3,412**	**287,336**
Amortisation at 1 January 2020	**1,786**	**21,487**	**57,319**	**-**	**80,592**
Amortisation	-	3,413	13,978	-	17,391
Decrease	-	(3,781)	(1,390)	-	(5,171)
Change in consolidation scope	-	-	-	-	-
Exchange differences	-	(211)	(1,596)	-	(1,807)
Reclassifications	-	-	400	-	400
Amortisation at 31 December 2020	**1,786**	**20,908**	**68,711**	**-**	**91,405**
Net amount at 31 December 2020	**-**	**30,095**	**162,424**	**3,412**	**195,931**

2) Intangible assets with an indefinite useful life (goodwill)

The Group regularly tests intangible assets with an indefinite useful life, consisting of goodwill allocated to CGUs, for impairment.

At 30 June 2021, the item amounted to EUR 326,740 thousand (EUR 329,776 thousand at 31 December 2020). The following table shows CGUs by macro geographical segment.

30.06.2021	Nordic & Baltic		North America	Turkey	Egypt	Asia Pacific	Holding and Services	Total
	Denmark	Other	USA					
Opening balance	**230,687**	**24,864**	**25,072**	**44,157**	**1,982**	**3,014**	**-**	**329,776**
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-	-
Exchange differences	10	729	817	(4,675)	73	10	-	(3,036)
Reclassifications	-	-	-	-	-	-	-	-
Closing balance	**230,697**	**25,593**	**25,889**	**39,482**	**2,055**	**3,024**	**-**	**326,740**

31.12.2020	Nordic & Baltic		North America	Turkey	Egypt	Asia Pacific	Holding and Services	Total
	Denmark	Other	USA					
Opening balance	**230,632**	**26,392**	**27,387**	**59,284**	**2,124**	**3,228**	**-**	**349,047**
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-	-
Exchange differences	55	(1,528)	(2,315)	(15,127)	(142)	(214)	-	(19,271)
Reclassifications	-	-	-	-	-	-	-	-
Closing balance	**230,687**	**24,864**	**25,072**	**44,157**	**1,982**	**3,014**	**-**	**329,776**

Intangible assets with an indefinite useful life are regularly tested for impairment. For the purposes of these condensed interim consolidated financial statements, it was assessed whether any indicators existed suggesting the impairment of the assets. On the basis of the information available, taking into account the foreseeable future results and the absence of significant trigger events, it was deemed unnecessary to perform impairment tests, which will however be carried out when preparing the annual consolidated financial statements.

At the date of preparation of this half-year financial report, there are no changes to the strategic lines reported in the press releases issued following the approval of the 2021-2023 Business Plan on 4 February 2021.

3) Property, plant and equipment

At 30 June 2021, property, plant and equipment reached EUR 815,327 thousand (EUR 817,771 thousand at 31 December 2020) and included EUR 78.3 million (EUR 83.9 million at 31 December 2020) in *Right of Use* assets.

Additional disclosures for each category of property, plant and equipment are set out below:

(EUR'000)	**Land and buildings**	**Quarries**	**Plant and equipment**	**Other**	**Right-of-use assets**	**Assets under development and advances**	**Total**
Gross amount at 1 January 2021	**397,233**	**189,816**	**1,103,876**	**144,815**		**39,074**	**1,874,814**
Additions	2,567	818	4,671	5,841	-	29,411	43,308
Disposals	(5)	(39)	(1,675)	(4,543)	-	(37)	(6,299)
Impairment losses	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-
Exchange differences	(157)	854	(4,279)	(764)	-	204	(4,142)
Reclassifications and similar changes	715	279	14,694	553	-	(16,161)	80
Gross amount at 30 June 2021	**400,353**	**191,728**	**1,117,287**	**145,902**		**52,491**	**1,907,761**
Depreciation at 1 January 2021	**222,794**	**19,031**	**742,112**	**73,106**			**1,057,043**
Depreciation	6,730	1,882	25,288	12,155	**-**	-	46,055
Decrease	(4)	-	(1,664)	(3,886)	**-**	-	(5,554)
Change in consolidation scope	-	-	-	-	-	-	**-**
Exchange differences	56	443	(5,114)	(602)	**-**	-	(5,217)
Reclassifications and similar changes	-	-	(163)	270	**-**	-	107
Depreciation at 30 June 2021	**229,576**	**21,356**	**760,459**	**81,043**			**1,092,434**
Net amount at 30 June 2021	**170,777**	**170,372**	**356,828**	**64,859**	**-**	**52,491**	**815,327**

Note 31 IFRS 16 – "Leases" gives a breakdown of Right of use assets categorised according to their nature.

(EUR'000)	Land and buildings	Quarries	Plant and equipment	Other	Right-of-use assets	Assets under development and advances	Total
Gross amount at 1 January 2020	**490,051**	**194,727**	**1,499,290**	**65,330**	**102,138**	**41,612**	**2,393,148**
Right of use reclassifications	17,933	-	16,914	67,291	(102,138)	-	-
Gross amount at 1 January 2020	**507,984**	**194,727**	**1,516,204**	**132,621**		**41,612**	**2,393,148**
Additions	4,033	2,314	19,890	25,021	-	28,055	79,313
Disposals	(1,904)	-	(9,247)	(8,263)	-	(359)	(19,773)
Impairment losses	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-
Exchange differences	(21,612)	(635)	(58,640)	(4,490)	-	(584)	(85,961)
Reclassifications and similar changes	(91,268)	(6,590)	(364,331)	(74)	-	(29,650)	(491,913)
Gross amount at 31 December 2020	**397,233**	**189,816**	**1,103,876**	**144,815**		**39,074**	**1,874,814**
Depreciation at 1 January 2020	**307,689**	**24,688**	**1,133,182**	**47,750**	**19,454**	**-**	**1,532,763**
Right of use reclassifications	3,281	-	3,041	13,132	(19,454)	-	-
Depreciation at 1 January 2020	**310,970**	**24,688**	**1,136,223**	**60,882**			**1,532,763**
Depreciation	13,842	1,768	47,561	23,661	**-**	-	86,832
Decrease	(1,234)	-	(7,294)	(5,651)	**-**	-	(14,179)
Change in consolidation scope	-	-	-	-	-	-	**-**
Exchange differences	(9,677)	(613)	(42,879)	(3,015)	**-**	-	(56,184)
Reclassifications and similar changes	(91,107)	(6,812)	(391,499)	(2,771)	**-**	-	(492,189)
Depreciation at 31 December 2020	**222,794**	**19,031**	**742,112**	**73,106**			**1,057,043**
Net amount at 31 December 2020	**174,439**	**170,785**	**361,764**	**71,709**	**-**	**39,074**	**817,771**

4) Investment property

Investment property of EUR 72,060 thousand (EUR 79,242 thousand at 31 December 2020) is recognised at fair value, calculated annually based on independent expert opinions.

(EUR'000)	30.06.2021			31.12.2020		
	Land	**Buildings**	**Total**	**Land**	**Buildings**	**Total**
Opening balance	**51,251**	**27,991**	**79,242**	**61,896**	**28,706**	**90,602**
Increase	-	-	**-**	-	-	**-**
Decrease	(1,408)	-	**(1,408)**	(782)	-	**(782)**
Fair value gains (losses)	-	-	**-**	6,336	133	**6,469**
Exchange differences	(5,476)	(298)	**(5,774)**	(16,199)	(848)	**(17,047)**
Reclassifications	-	-	**-**	-	-	**-**
Closing balance	**44,367**	**27,693**	**72,060**	**51,251**	**27,991**	**79,242**

At 30 June 2021, approximately EUR 6.9 million of investment property was pledged as collateral for bank loans totalling a residual, undiscounted amount of approximately EUR 3.7 million at the reporting date.

5) Equity-accounted investments

The item includes the Group's share of equity in equity-accounted associates and joint ventures. The carrying amount of these investments and the Group's share of the investees' profit or loss are shown below:

Companies	Business	Registered office	% owned	Carrying amount 30.06.2021	Share of profit or loss 30.06.2021
ECOL Unicon Spzoo	Ready-mixed concrete	Gdańsk (Poland)	49%	2,817	(130)
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	1,672	330
Recybel	Other	Liège-Flémalle (Belgium)	25.5%	169	195
Total				**4,658**	**395**

Companies	Business	Registered office	% owned	Carrying amount 31.12.2020	Share of profit or loss 30.06.2020
ECOL Unicon Spzoo	Ready-mixed concrete	Gdańsk (Poland)	49%	2,956	(207)
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	1,352	116
Recybel	Other	Liège-Flémalle (Belgium)	25.5%	-	-
Total				**4,308**	**(91)**

No indicators of impairment were identified for these investments.

6) Other investments

(EUR'000)	30.06.2021	31.12.2020
Available-for-sale equity investments Opening balance	**271**	**285**
Increase (decrease)	-	-
Fair value gains (losses)	-	-
Change in consolidation scope	-	-
Reclassifications to assets held for sale	-	-
Exchange differences	(4)	(14)
Reclassifications - Recybel	-	-
Available-for-sale equity investments Closing balance	**267**	**271**

No indicators of impairment were identified.

7) Inventories

The carrying amount of inventories approximates their fair value; a breakdown of the item is shown below:

(EUR'000)	**30.06.2021**	**31.12.2020**
Raw materials, consumables and supplies	94,325	82,649
Work in progress	35,157	33,170
Finished goods	29,816	33,837
Advances	505	610
Inventories	**159,803**	**150,266**

Changes were recorded over the period in the different inventory categories as a result of manufacturing processes and sales, the costs of factors of production and the foreign exchange rates used to translate financial statements stated in foreign currencies.

The decrease in raw materials, consumables and supplies, totalling EUR 12,611 thousand (negative for EUR 8,614 thousand at 30 June 2020) was expensed in the income statement as "Raw materials costs" (note 23). The negative change in work in progress and finished goods was recorded in the income statement for a total of EUR 2,715 thousand (30 June 2020: negative EUR 5,267 thousand).

8) Trade receivables

Trade receivables totalled EUR 203,805 (EUR 155,065 thousand at 31 December 2020) and break down as follows:

(EUR'000)		**30.06.2021**	**31.12.2020**
Trade receivables		201,797	158,100
Loss allowance		(7,377)	(7,784)
Net trade receivables		**194,420**	**150,316**
Advances to suppliers		7,322	3,902
Trade receivables - related parties	(note 34)	2,063	847
Trade receivables		**203,805**	**155,065**

The carrying amount of trade receivables equals their *fair value*. They arise on commercial transactions for the sale of goods and services and do not present any significant concertation risks.

The increase in trade receivables compared to 31 December 2020 is due to the cyclical nature of working capital and to the positive trend of revenue.

The breakdown by due date is shown below:

(EUR'000)	30.06.2021	31.12.2020
Not yet due	184,806	135,790
Overdue:	16,991	22,310
0-30 days	*10,865*	*14,615*
30-60 days	*1,528*	*3,069*
60-90 days	*751*	*714*
More than 90 days	*3,847*	*3,912*
Total trade receivables	201,797	158,100
Loss allowance	(7,377)	(7,784)
Net trade receivables	**194,420**	**150,316**

9) Current financial assets

Current financial assets totalled EUR 6,110 thousand (EUR 2,614 thousand 31 December 2020) and break down as follows:

(EUR'000)		30.06.2021	31.12.2020
Fair value of derivatives		5,636	2,134
Accrued income/ Prepayments		65	77
Loan assets - related parties	(note 34)	408	402
Other loan assets		1	1
Current financial assets		**6,110**	**2,614**

10) Current tax assets

Current tax assets, totalling EUR 5,996 thousand (EUR 6,126 thousand at 31 December 2020), mainly refer to IRES and IRAP payments on account to tax authorities, approximately EUR 0.5 million, withholdings (EUR 3.1 million).

11) Other current and non-current assets

Other non-current assets totalled EUR 4,691 thousand (EUR 5,003 thousand at 31 December 2020) and mainly consisted of VAT assets and deposits.

Other current assets totalled EUR 22,915 thousand (EUR 23,095 thousand at 31 December 2020) and consisted of non-commercial items. The item breaks down as follows:

(EUR'000)	30.06.2021	31.12.2020
VAT assets	10,032	10,369
Personnel	157	86
Accrued income	361	132
Prepayments	5,123	3,297
Other receivables	7,242	9,211
Other current assets	**22,915**	**23,095**

12) Cash and cash equivalents

Totalling EUR 226,754 thousand (EUR 413,565 thousand at 31 December 2020), the item consists of liquidity held by the Group, which is usually invested in short-term financial transactions. The item breaks down as follows:

(EUR'000)		30.06.2021	31.12.2020
Bank and postal deposits		226,330	413,231
Bank deposits - related parties	(note 34)	-	-
Cash-in-hand and cash equivalents		424	334
Cash and cash equivalents		**226,754**	**413,565**

Cash and cash equivalents decreased compared to 31 December 2020, due to the net impact of the early repayment of the term loan and the subscription of a senior term facility, the purchase of treasury shares, payment of dividends, offset by cash generation in the period.

13) Equity

Equity attributable to the owners of the parent

Equity attributable to the owners of the parent amounted to EUR 1,059,829 thousand at 30 June 2021 (EUR 1,056,709 thousand at 31 December 2020). Profit for the first half of 2021 attributable to the owners of the parent totalled EUR 47,867 thousand (EUR 19,975 thousand for the first half of 2020).

Share capital

The Parent's share capital consists of 159,120,000 ordinary shares with a par value of EUR 1 each. It is fully paid-up and has not changed with respect to the previous year end. There are no pledges or restrictions on the shares.

Other reserves

Treasury shares

In accordance with the resolution of the Shareholders' Meeting of 2 July 2020, the purchase of treasury shares continued. At 30 June 2021, the Company held 2,900,000 treasury shares equal to 1.8225% of the share capital (694,500 shares equal to 0.4365% of the share capital at 31 December 2020) for a total disbursement of EUR 22,989 thousand (equal to EUR 4,543 thousand at 31 December 2020).

Translation reserve

At 30 June 2021, the translation reserve had a negative balance of EUR 656,584 thousand (negative EUR 648,715 thousand at 31 December 2020), broken down as follows:

(EUR'000)	30.06.2021	31.12.2020	Change
Turkey (Turkish lira – TRY)	(599,866)	(583,295)	(16,571)
USA (US dollar – USD)	366	(2,151)	2,517
Egypt (Egyptian pound – EGP)	(59,973)	(62,173)	2,200
Iceland (Icelandic krona – ISK)	(2,801)	(2,972)	171
China (Chinese renminbi yuan – CNY)	8,565	5,936	2,629
Norway (Norwegian krone – NOK)	(6,177)	(7,114)	937
Sweden (Swedish krona – SEK)	(1,012)	(829)	(183)
Other countries	4,314	3,883	431
Total translation reserve	**(656,584)**	**(648,715)**	**(7,869)**

Equity attributable to non-controlling interests

Equity attributable to non-controlling interests amounted to EUR 131,153 thousand at 30 June 2021 (EUR 126,253 thousand at 31 December 2020). Profit for the first half of 2021 attributable to non-controlling interests totalled EUR 4,515 thousand (EUR 1,912 thousand for the first half of 2020).

Capital management

The Board's policy is to maintain a strong capital base aiming to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the capital structure by means of tracking the trend of Net Financial Debt/Position, Net Gearing Ratio and Equity Ratio. For this purpose, Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Adjusted Equity comprises all components of equity other than amounts accumulated in the hedging and cost of hedging reserves.

It is noted that, in the meeting of 4 February 2021, the Board of Directors of Cementir Holding NV approved the update of the Business Plan with the aim of achieving a positive cash position at the end of the plan of approximately EUR 250 million).

The following table highlights the financial indicators:

Ratio	30.06.2021	31.12.2020
Total Liabilities	370,482	538,360
- Less cash and cash equivalents and current financial assets	(232,864)	(416,179)
Net Financial Debt	**137,618**	**122,181**
Total Equity	1,190,982	1,182,962
- Hedging reserve	3,782	(123)
Adjusted Equity	1,194,764	1,182,839
Net Gearing Ratio	**11.52%**	**10.33%**
Adjusted Equity	1,194,764	1,182,839
Total Assets	2,091,625	2,232,379
Equity ratio	**57.12%**	**52.99%**

The Management of the Group monitors the trend of Return on Equity with a ratio given by Profit on continuing operation over Equity. This indicator is 11.7% as at 30 June 2021 (7.2% as at 30 June 2020), thanks to the positive performance of operations.

14) Employee benefits

Employee benefits at 30 June 2021 totalled EUR 35,657 thousand (EUR 36,822 thousand at 31 December 2020) did not change significantly over the year and includes provisions for employee benefits and post-employment benefits.

Where conditions are met for their recognition, liabilities are also recognised for future commitments connected with medium/long-term incentive plans that will be paid to employees at the end of the plan period. The long-term incentive plan envisages the payment of a variable monetary reward, calculated on the basis of the gross annual salary of the beneficiary, which is tied to the achievement of the business and financial objectives in the Industrial Plans prepared and approved. It amounted to EUR 3,091 thousand at 30 June 2021 (EUR 3,760 thousand at 31 December 2020).

Liabilities for employee benefits, mainly in Turkey, Belgium and Norway, are included in the defined benefit plans and are partly funded by insurance plans. In particular, plan assets refer to the pension plans in Belgium and Norway. Liabilities are valued applying actuarial methods and assets have been calculated based on the fair value at the reporting date. Post-employment benefits are an unfunded and fully provisioned liability recognised for benefits attributable to employees upon or after termination of employment. As they are defined benefit plans, actuarial assumptions are used for their measurement.

15) Provisions

Non-current and current provisions amounted to EUR 25,692 thousand (EUR 25,871 thousand at 31 December 2020) and EUR 4,055 thousand (EUR 4,576 thousand at 31 December 2020) respectively.

(EUR'000)	Provision for quarry restoration	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2021	**22,298**	**3,584**	**4,565**	**30,447**
Provisions	240	-	124	**364**
Utilisations	(60)	(344)	(26)	**(430)**
Decrease	-	(225)	(72)	**(297)**
Change in consolidation scope	-	-	-	**-**
Exchange differences	(137)	(280)	80	**(337)**
Reclassifications	-	-	-	**-**
Net actuarial gains recognised in the year	-	-		**-**
Other changes	-	-	-	-
Balance at 30 June 2021	**22,341**	**2,735**	**4,671**	**29,747**
Including:				
Non-current provisions	22,053	716	2,923	**25,692**
Current provisions	288	2,019	1,748	**4,055**

(EUR'000)	Provision for quarry restoration	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2020	**23,188**	**4,243**	**15,823**	**43,254**
Provisions	488	541	393	**1,422**
Utilisations	(471)	(329)	(11,037)	**(11,837)**
Decrease	(166)	(17)	(56)	**(239)**
Change in consolidation scope	-	-	-	**-**
Exchange differences	(741)	(854)	(101)	**(1,696)**
Reclassifications	-	-	-	**-**
Net actuarial gains recognised in the year	-	-	(457)	**(457)**
Other changes	-	-	-	**-**
Balance at 31 December 2020	**22,298**	**3,584**	**4,565**	**30,447**
Including:				
Non-current provisions	22,018	1,010	2,843	**25,871**
Current provisions	280	2,574	1,722	**4,576**

The provision for quarry restructuring is allocated for the cleaning and maintenance of quarries where raw materials are extracted, to be performed before the utilisation concession expires.

Other provisions mainly consist of environmental provisions totalling approximately EUR 1.5 million (EUR 1.6 million at 31 December 2020), provision for risks for corporate restructuring costs for around EUR 1.5 million (EUR 1.5 million at 31 December 2020).

16) Trade payables

The carrying amount of trade payables approximates their fair value; the item breaks down as follows:

(EUR'000)		30.06.2021	31.12.2020
Suppliers		226,422	220,849
Related parties	(note 34)	291	289
Advances		6,389	4,799
Trade payables		**233,102**	**225,937**

17) Financial liabilities

Non-current and current financial liabilities are shown below:

(Euro '000)		30.06.2021	31.12.2020
Debiti verso banche	(nota 33)	194.255	101.243
Passività del leasing	(nota 31)	53.628	58.109
Passività del leasing – parti correlate	(nota 34)	1.117	1.855
Fair value degli strumenti derivati		4.417	1.262
Debito finanziario – parti correlate		-	-
Passività finanziarie non correnti		**253.417**	**162.469**
Debiti verso banche		20.000	-
Quote a breve di passività finanziarie non correnti		65.034	342.220
Debiti correnti -parti correlate	(nota 34)	-	-
Passività correnti del Leasing	(nota 31)	24.029	24.247
Passività correnti del Leasing – parti correlate	(nota 34)	1.470	1.460
Altri debiti finanziari		81	43
Fair value degli strumenti derivati		6.451	7.921
Passività finanziarie correnti		**117.065**	**375.891**
Totale passività finanziarie		**370.482**	**538.360**

The carrying amount of non-current and current financial liabilities approximates their fair value.

It should be noted that during the period, a new senior term loan with a duration of three years, to be reimbursed in half-yearly instalments, at market conditions with a pool of banks with Banca Nazionale del Lavoro as agent bank and BNP Paribas Italian Branch as global coordinator. In addition, on 28 May 2021, Cementir Holding repaid, ahead of the due date in October 2021, a term loan of EUR 330 million granted by a pool of banks with Mediobanca as agent bank.

At 30 June 2021, the total financial exposure was EUR 370.5 million (EUR 538.4 million at 31 December 2020), the change in debt of approximately EUR 168 million is mainly related to the repayment of the loan (EUR 330 million), the new loan (EUR 150 million) and the total *fair value* of derivative instruments, negative for about EUR 10.9 million (negative for about EUR 9.2 million at 31 December 2020), which represents the valuation at 30 June 2021 of the derivatives put in place to hedge against changes in interest rates, commodities and exchange rates maturing between January 2021 and February 2027.

About 75.4% of these financial liabilities requires compliance with financial covenants which were complied with at 30 June 2021. In particular, the *covenants* to be complied with are the debt/EBITDA ratio at consolidated level.

The Group's exposure, broken down by residual expiry of the financial liabilities, is as follows:

(EUR'000)	30.06.2021	31.12.2020
Within three months	31,865	19,410
Between three months and one year	85,200	356,481
Between one and two years	83,990	35,277
Between two and five years	130,982	69,610
After five years	38,445	57,582
Total financial liabilities	**370,482**	**538,360**

(EUR'000)	30.06.2021	31.12.2020
Floating rate	368,937	538,360
Fixed rate	1,545	
Financial liabilities	**370,482**	**538,360**

As required by CONSOB Communication 6064293 of 28 July 2006, the Group's net financial debt is shown in the next table:

(EUR'000)	30.06.2021	31.12.2020
A. Cash	424	334
B. Other cash equivalents	226,330	413,231
C. Securities held for trading	-	-
D. Cash and cash equivalents	**226,754**	**413,565**
E. Current loan assets	**6,110**	**2,614**
F. Current bank loans and borrowings	(20,000)	-
G. Current portion of non-current debt	(52,427)	(329,605)
H. Other current loan liabilities	(44,638)	(46,286)
I. Current financial debt (F+G+H)	**(117,065)**	**(375,890)**
J. Net current financial debt (I-E-D)	**115,799**	**40,288**
K. Non-current bank loans and borrowings	(253,417)	(162,469)
L. Bonds issued	-	-
M. Other non-current liabilities	-	-
N. Non-current financial debt (K+L+M)	**(253,417)**	**(162,469)**
O. Net financial debt (J+N)	**(137,618)**	**(122,181)**

18) Current tax liabilities

Current tax liabilities amounted to EUR 24,771 thousand (EUR 17,892 thousand at 31 December 2020) and relate to income tax liabilities, net of payments on account.

19) Other non-current and current liabilities

Other non-current liabilities totalled EUR 2,525 thousand (EUR 2,927 thousand at 31 December 2020) and included around 2.0 million of deferred income (EUR 2.5 million at 31 December 2020) relating to future benefits from a business agreement which started to accrue from 1 January 2013, which are payable within five years (31 December 2019: EUR 3.3 million within five years).

Other current liabilities totalled EUR 66,305 thousand (EUR 59,437 thousand at 31 December 2020) and break down as follows:

(EUR'000)		30.06.2021	31.12.2020
Personnel		35,014	33,584
Social security institutions		4,479	3,667
Related parties	(note 34)	3	4
Deferred income		988	963
Accrued expenses		2,482	2,184
Other sundry liabilities		23,339	19,035
Other current liabilities		**66,305**	**59,437**

Deferred income refers to the future benefits of the above-mentioned business agreement (approximately EUR 0.8 million in line with 31 December 2020).

Other sundry liabilities mainly includes payables to the revenue office for employee withholdings, VAT and other payables.

20) Deferred tax assets and liabilities

Deferred tax liabilities totalling EUR 138,054 thousand (31 December 2020: EUR 137,595 thousand) and deferred tax assets totalling EUR 50,096 thousand (31 December 2020: EUR 48,770 thousand) break down as follows:

(EUR'000)	Deferred tax liabilities	Deferred tax assets
Balance at 1 January 2021	**137,595**	**48,770**
Accrual, net of utilisation in profit or loss	(97)	2,018
Increase (decrease) in equity	549	(143)
Change in consolidation scope	-	-
Exchange differences	7	(549)
Other changes	-	-
Balance at 30 June 2021	**138,054**	**50,096**

(EUR'000)	Deferred tax liabilities	Deferred tax assets
Balance at 1 January 2020	**146,001**	**49,695**
Accrual, net of utilisation in profit or loss	(3,294)	4,317
Increase (decrease) in equity	713	(826)
Change in consolidation scope	-	-
Exchange differences	(5,735)	(4,073)
Other changes	(90)	(343)
Balance at 31 December 2020	**137,595**	**48,770**

Recovery of the deferred tax assets is expected in the following years within the timeframe defined by the relevant legislation.

The Group is involved in a transfer pricing case between the Danish and the Italian tax authorities to reach an agreement on royalty payments through Mutually Agreed Procedures ("MAP"). Outcome of case can impact the tax payments for the period 2008-2019. Management remains convinced that the royalty payments are justifiable, and based thereon, Management has not recognised any potential tax adjustments related to the case at 30 June 2021, since management assessed it is not probable this will result in an additional tax payment. For Danish entities total exposure amounts to EUR 12.5 million. At Italian tax group level, net exposure resulting from MAP process will be nil.

21) Revenue

(Euro '000)		1st Half 2021	1st Half 2020
Product sales		619,633	531,839
Product sales to related parties	(note 34)	28	9
Services		44,882	38,513
Revenue		**664,543**	**570,361**

Group revenue reached EUR 664.5 million, up 16.5% compared to EUR 570.4 million in the first half of 2020. Positive revenue trends were reported in Turkey, Belgium and Denmark.

The caption Services is mainly related to transport services which are recognised at the time the service is provided.

Revenue by product is shown below:

1st Half 2021	**Nordic & Baltic**		**Belgium**	**North America**	**Turkey**	**Egypt**	**Asia Pacific**	**Holding and Services**	Unallocated items and adjustments**	**CEMENTIR HOLDING GROUP**
(Euro '000)	**Denmark**	**Other***		**USA**						
Cement	140,838	32,676	70,212	69,766	58,530	23,560	48,502	-	*(31,241)*	**412,843**
Ready-mixed concrete	80,078	80,600	41,270	-	20,967	-	-	-	-	**222,915**
Aggregates	2,659	15,145	28,420	-	609	-	1,144	-	-	**47,977**
Waste	-	-	-	-	6,196	-	-	-	-	**6,196**
Other	-	-	-	6,417	5,702	-	-	62,339	*(20,986)*	**53,472**
Unallocated items and adjustments	*(19,028)*	-	-	-	*(9,453)*	-	*(1,044)*	-	*(49,335)*	**(78,860)**
Revenue	**204,547**	**128,421**	**139,902**	**76,183**	**82,551**	**23,560**	**48,602**	**62,339**	**(101,562)**	**664,543**

1st Half 2020	**Nordic & Baltic**		**Belgium**	**North America**	**Turkey**	**Egypt**	**Asia Pacific**	**Holding and Services**	Unallocated items and adjustments**	**CEMENTIR HOLDING GROUP**
(Euro '000)	**Denmark**	**Other***		**USA**						
Cement	131,251	27,587	63,535	69,174	40,133	19,798	37,776		*(27,646)*	**361,608**
Ready-mixed concrete	70,419	70,384	30,612	-	11,662	-		-		**183,077**
Aggregates	2,240	13,411	26,015	-	-	-	1,019	-	-	**42,685**
Waste	-	-	-	-	6,002	-	-	-	-	**6,002**
Other	-	-	-	6,129	5,198	-	-	45,210	*(11,739)*	**44,798**
Unallocated items and adjustments	*(16,298)*	-	-	-	*(5,822)*	-	*(996)*	-	*(44,692)*	**(67,808)**
Revenue	**187,611**	**111,382**	**120,162**	**75,303**	**57,173**	**19,798**	**37,799**	**45,210**	**(84,077)**	**570,361**

22) Increase for internal work and other income

Increase for internal work of EUR 4,439 thousand (EUR 3,471 thousand in the first half of 2020) refers to the capitalisation of costs of materials and personnel costs used in the realisation of property, plant and equipment and intangible fixed assets.

Other income

Other income of EUR 3,898 thousand (EUR 3,897 thousand in the first half of 2020) breaks down as follows:

(Euro '000)		**1st Half 2021**	**1st Half 2020**
Rent, lease and hires		596	760
Rent, lease and hires - related parties	(note 34)	58	58
Gains		367	136
Release of provision for risks		297	34
Insurance refunds		39	130
Other income		2,499	2,778
Other income from related parties	(note 34)	42	1
Other income		**3,898**	**3,897**

23) Raw materials costs

(Euro '000)	**1st Half 2021**	**1st Half 2020**
Raw materials and semi-finished products	148,090	115,885
Fuel	57,929	45,182
Electrical energy	44,626	40,178
Other materials	29,332	24,853
Change in raw materials, consumables and goods	(12,611)	(8,614)
Raw materials costs	**267,366**	**217,484**

* "Others" includes the operations in Norway, Sweden, Iceland, Poland and Russia
** "Unallocated items and adjustments" mainly refers to infra-group transactions

The cost of raw materials amounted to EUR 267.4 million (EUR 217.5 million in the first half of 2020), up due to higher business volumes mainly in Turkey, Denmark and Belgium as well as the generalised increase in fuel prices on international markets.

24) Personnel costs

(Euro '000)	1st Half 2021	1st Half 2020
Wages and salaries	75,047	74,904
Social security charges	14,427	14,580
Other costs	5,526	5,713
Personnel costs	**95,000**	**95,197**

The Group's workforce breaks down as follows:

	30.06.2021	31.12.2020	30.06.2020	average 30.06.2021	average 30.06.2020
Executives	69	69	76	70	76
Middle management, white-collar workers and intermediates	1,188	1,172	1,165	1,204	1,173
Blue-collar workers	1,833	1,754	1,759	1,787	1,784
Total	**3,090**	**2,995**	**3,000**	**3,061**	**3,033**

More specifically, at 30 June 2021, employees in service at the Parent numbered 41 (44 at 31 December 2020); those at the Cimentas Group numbered 756 (748 at 31 December 2020), those at the Aalborg Portland Group numbered 1,142 (1,097 at 31 December 2020), those at the Unicon Group numbered 684 (644 at 31 December 2020), and those at the CCB Group numbered 467 (462 at 31 December 2020). The Group's workforce at 30 June 2021 include apprenticeship contracts, not included previously, due to the change in the calculation methodology.

The Group has no employees in the Netherlands.

25) Other operating costs

(Euro '000)		1st Half 2021	1st Half 2020
Transport		85,373	71,053
Services and maintenance		47,279	43,825
Consultancy		5,497	5,285
Insurance		2,276	2,595
Other services - related parties	(note 34)	246	221
Rent, lease and hires		5,003	5,386
Rent, lease and hires - related parties	(note 34)	66	25
Other costs		28,553	33,635
Other operating costs		**174,293**	**162,025**

26) Amortisation, depreciation, impairment losses and additions to provision

(Euro '000)	1st Half 2021	1st Half 2020
Amortisation	8,236	8,997
Depreciation	46,055	44,887
Provisions	166	182
Impairment losses	3	503
Amortisation, depreciation, impairment losses and provisions	**54,460**	**54,569**

Amortisation, depreciation, impairment losses and provisions include EUR 13.7 million (EUR 13.1 million in the first half of 2020) in amortisation of *right-of-use* assets in the application of the IFRS 16.

27) Net financial income (expense) and share of net profits of equity-accounted investees

The negative balance for the first half of 2021 of EUR 9,739 thousand (first half of 2020: negative EUR 11,187 thousand) relates to the share of net profits of equity-accounted investees and net financial income, broken down as follows:

(Euro '000)		1st Half 2021	1st Half 2020
Share of profits of equity-accounted investees		525	116
Share of losses of equity-accounted investees		(130)	(207)
Share of net profits of equity-accounted investees		**395**	**(91)**
Interest and financial income		1,362	1,759
Interest and financial income - related parties	(note 34)	42	16
Grants related to interest		-	-
Financial income on derivatives		2,213	975
Revaluation of equity investments		-	161
Total financial income		*3,617*	*2,911*
Interest expense		(5,169)	(6,562)
Other financial expense		(2,641)	(3,119)
Interest and financial expense - related parties	(note 34)	(23)	(34)
Losses on derivatives		(4,012)	(2,166)
Total financial expense		*(11,845)*	*(11,881)*
Exchange rate gains		4,653	5,188
Exchange rate losses		(6,559)	(7,314)
Net exchange rate losses		*(1,906)*	*(2,126)*
Net financial income (expense)		**(10,134)**	**(11,096)**
Net financial income (expense) and share of net profits of equity-accounted investees		**(9,739)**	**(11,187)**

In the first half of 2021, net financial expense was negative for EUR 9.7 million compared to EUR 11.2 million in the first half of 2020. The result shows net financial expenses of EUR 6.4 million (EUR 7.8 million in 2020), exchange rate charges of EUR 1.9 million (EUR 2.1 million in 2020) and the effect of the valuation of derivatives.

Interest expense included EUR 0.9 million (EUR 1.0 million in the first half of 2020) thousand in interest on lease liabilities arising from the application of the IFRS 16 accounting standard.

Financial income and expense on derivatives mainly reflect the mark-to-market accounting of derivatives purchased to hedge currency and interest rate risks. In the light of the aforementioned measurements, around EUR 1.6 million (around EUR 0.5 million in the first half of 2020) are unrealised gains and around EUR 2.1 million (around EUR 1.8 million in the first half of 2020) are unrealised losses.

Regarding exchange gains (EUR 4.7 million) and losses (EUR 6.6 million), approximately EUR 1.3 million were unrealised gains (EUR 2.3 million in the first half of 2020) and approximately EUR 2.7 million were unrealised losses (EUR 3.5 million in the first half of 2020).

28) Income taxes

(Euro '000)	1st Half 2021	1st Half 2020
Current taxes	19,207	14,540
Deferred taxes	(2,282)	(4,427)
Income taxes	**16,925**	**10,113**

29) Earnings per share

Basic earnings per share are calculated by dividing profit attributable to the owners of the Parent by the monthly weighted average number of ordinary shares outstanding in the year.

(Euro)	1st Half 2021	1st Half 2020
Profit (EUR '000)	47,867	19,975
Weighted average number of outstanding ordinary shares ('000)	157,148	159,120
Basic earnings per ordinary share	**0.305**	**0.126**
Diluted earnings per ordinary share	**0.305**	**0.126**

(Euro)	1st Half 2021	1st Half 2020
Profit (EUR '000)	47,867	19,975
Weighted average number of outstanding ordinary shares ('000)	157,148	159,120
Basic earnings per ordinary share from continuing operations	**0.305**	**0.126**
Diluted earnings per ordinary share from continuing operations	**0.305**	**0.126**

Diluted earnings per share equal the basic earnings per share as the only outstanding shares are the ordinary shares of Cementir Holding NV.

30) Other comprehensive expense

The following table gives a breakdown of other comprehensive expense, including and excluding the related tax effect:

(Euro '000)	1st Half 2021			1° semestre 2020		
	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Foreign currency translation differences - foreign operations	(5,872)	-	**(5,872)**	(32,854)	-	**(32,854)**
Financial instruments	3,932	(859)	**3,073**	1,493	(405)	**1,088**
Total other comprehensive income (expense)	**(1,940)**	**(859)**	**(2,799)**	**(31,361)**	**(405)**	**(31,766)**

31) IFRS 16 Leases

The following table shows the impact of the application of IFRS 16 for the Group at 30 June 2021 and the related disclosures:

(Euro '000)	Land and buildings	Plant and equipment	Other	Total Right-of-use assets
Gross amount at 1 January 2021	**18,670**	**22,173**	**86,113**	**126,956**
Increase	2,468	1,210	4,604	8,282
Decrease	-	(98)	(1,794)	(1,892)
Exchange differences	282	272	(202)	352
Reclassifications	-	10	78	88
Gross amount at 30 June 2021	**21,420**	**23,567**	**88,799**	**133,786**
Amortisation at 1 January 2021	**6,079**	**6,277**	**30,675**	**43,031**
Amortisation	1,649	1,974	10,062	13,685
Decrease		(98)	(1,367)	(1,465)
Exchange differences	82	132	(98)	116
Reclassifications		2	104	106
Amortisation at 30 June 2021	**7,810**	**8,287**	**39,376**	**55,473**
Net amount at 30 June 2021	**13,610**	**15,280**	**49,423**	**78,313**

(Euro '000)	Land and buildings	Plant and equipment	Other	Total Right-of-use assets
Gross amount at 1 January 2020	**17,933**	**16,914**	**67,291**	**102,138**
Increase	2,135	6,042	22,055	30,232
Decrease	(436)	(143)	(3,098)	(3,677)
Exchange differences	(670)	(826)	(1,257)	(2,753)
Reclassifications	(292)	186	1,122	1,016
Gross amount at 31 December 2020	**18,670**	**22,173**	**86,113**	**126,956**
Amortisation at 1 January 2020	**3,281**	**3,041**	**13,132**	**19,454**
Amortisation	3,114	3,525	19,496	26,135
Decrease	(188)	(256)	(2,152)	(2,596)
Exchange differences	(102)	(228)	(461)	(791)
Reclassifications	(26)	195	660	829
Amortisation at 31 December 2020	**6,079**	**6,277**	**30,675**	**43,031**
Net amount at 31 December 2020	**12,591**	**15,896**	**55,438**	**83,925**

As at 30 June 2021, right-of-use assets reached EUR 78,313 thousand (EUR 83,925 thousand at 31 December 2020) and the “Other” category equal to EUR 49.4 million (EUR 55.4 million at 31 December 2020) mainly included lease contracts for vehicles and means of transport for EUR 48.9 million (EUR 54.9 million at 31 December 2020).

Current and non-current lease liabilities are shown below:

(Euro '000)		30.06.2021	31.12.2020
Non-current lease liabilities		53,628	58,109
Non-current lease liabilities - related parties	(note 34)	1,117	1,855
Non-current lease liabilities		**54,745**	**59,964**
Current lease liabilities		24,029	24,247
Current lease liabilities - related parties	(note 34)	1,470	1,460
Current lease liabilities		**25,499**	**25,707**
Total lease liabilities		**80,244**	**85,671**

Amounts recognised in the consolidated income statement

(Euro '000)		1st Half 2021	1st Half 2020
Depreciation	(note 26)	13,685	13,098
Interest expense on lease liabilities		926	1,011
Short-term lease costs		93	3
Costs of leases of low-value assets		1,733	1,917

Amounts recognised in cash flow statement

(Euro '000)	1st Half 2021	1st Half 2020
Total cash outflow for leases	14,591	13,814

32) Financial risks

Credit risk

The Group's maximum exposure to credit risk at 30 June 2021 equals the carrying amount of loans and receivables recognised in the statement of financial position.

Management of the credit risks is based on internal credit limits, which are based on the customer's and the counterparties' creditworthiness, based on both internal and external credit ratings as well as the Group's experience with the counterparty. If no satisfactory guarantee is obtained when credit rating the customer/counterparty, payment in advance or separate guarantee for the sale, e.g. a bank guarantee, will be required.

Given the sector's collection times and the Group's procedures for assessing customers' creditworthiness, the percentage of disputed receivables is low. If an individual credit position shows irregular payment trends, the Group blocks further supplies and takes steps to recover the outstanding amount.

Due to the market situation, the Group has in recent years increased the resources used on follow-up on customers, which contributes to early warnings of possible risks. Historically the Group has had relatively small losses due to customers' or counterparties' inability to pay.

Recoverability is assessed considering any collateral pledged that legally can be attached and advice from legal advisors who oversee collection procedures. The Group impairs all receivables for which a loss is probable at the reporting date, based on whether the entire amount or a part thereof will not be recovered.

The credit risk limit of financial assets corresponds to the values recognised on the balance sheet.

No individual customer or co-operator poses any material risk to the Group.

With respect to bank deposits and derivatives, the Group has always worked with leading counterparties, thus limiting its credit risk in this sense.

Notes 8 and 11 provide information on trade and other receivables.

At 30 June 2021 the break down by Region of Net trade receivables, as follows:

(Eur '000)	**30.06.2021**	**31.12.2020**
Nordic & Baltic:		
Denmark	36,196	22,241
Others *	34,278	24,363
Belgium	52,594	41,648
North America	21,960	18,531
Turkey	41,970	34,516
Egypt	1,234	2,309
Asia Pacific	5,985	5,703
Italy	203	1,005
Total	**194,420**	**150,316**

* "Others" includes the operations in Norway, Sweden, Iceland, Poland and Russia.

In Nordic and Baltic Region, receivables are attributable to Danish customers and export customers characterised as medium-sized and major customers. The Group is familiar with the Danish customers, who have not been granted long credit lines. Experience shows that export customers pose a low credit risk.

Regarding ready-mixed concrete and aggregates business, the Group's customers primarily consist of contractors, builders and other customers posing a higher credit risk.

In North America, Asia Pacific and Egypt, activities are attributable to minor local customers and medium-sized to major customers on a global scale. Credits are granted in accordance with usual, local trading terms. Credit rating is applied to some types of customers, but experience shows that customers in Overseas pose a low credit risk.

In Turkey, there are both dealers and end users (contractors and other customers) within both the ready-mixed concrete, cement and waste business. All customers are generally required to provide security for deliveries unless the management has assessed that there are no significant risks associated with selling to that customer. The waste business sales are only to large customers.

Liquidity risk

The Group has credit facilities which cover any unforeseen requirements.

Note 17 Financial Liabilities provides a breakdown of financial liabilities by due date.

Market risk

Information necessary to assess the nature and scope of financial risks at the reporting date is provided in this section.

Currency risk

The Group is exposed to the risk of fluctuations in exchange rates, which may affect its earnings performance and equity.

With respect to the main effects of consolidating foreign companies, if the exchange rates for the Turkish lira (TRY), Norwegian krone (NOK), Swedish krona (SEK), US dollar (USD), Chinese renminbi yuan (CNY), Malaysian ringgit (MYR) and Egyptian pound (EGP) were an average 10% below the effective exchange rate, the translation of equity would have generated a decrease of EUR 54 million at 30 June 2021, equal to about 4.5% on consolidated equity (reduction of EUR 56 million equal to about 4.8% as at 31 December 2020). Other currency risks connected with the consolidation of other foreign companies are negligible.

The Group entered into a swap agreement (hedge accounting) with a termination date in 2024, where both currency risk and interest risk have been hedged. Related to the interest risk the Group has agreed to pay a fixed rate of 0.43% + a spread of 3.63% and the Group will receive EURIBOR + a spread of 2.88% each 30 April and 31 October until maturity. The effective part of the hedge is equal to all future cash flow payments and nominal instalments.

The fair value liability is included in a separate line item in the balance sheet "Derivatives financial instruments". The ineffective part is recognised as financial income.

30.06.2021 EURm	Notional amount	Maturity < 1 year	Maturity 1-5 years	Maturity > 5 years	Strike	Fair value liability	Change in fair value recognised in hedge	Ineffective part recognised in income statement
Swap USD/EUR	98.0	11.2	86.7	0	1,00 EUR/ 1,235 USD	-4.4	0.6	0.6

31.12.2020 EURm	Notional amount	Maturity < 1 year	Maturity 1-5 years	Maturity > 5 years	Strike	Fair value liability	Change in fair value recognised in hedge reserve	Ineffective part recognised in income statement
Swap USD/EUR	99.8	11.4	88.4	0	1,00 EUR/ 1,235 USD	-1.3	1.5	0.4

Interest rate risk

The Group is exposed to the risk of fluctuations in interest rates. Consolidated net financial debt at 30 June 2021 totalled EUR 137.6 million (EUR 122.2 million at 31 December 2020) and is subject to floating interest rates.

Assuming all the other variables remain stable, an annual 1% increase in interest rates, for all the currencies in which the Group has borrowings, would have had a negative effect on profit before taxes of EUR 1.3 million (31 December 2020: EUR 1.8 million) and on equity of EUR 0.9 million (31 December 2020: EUR 1.3 million) with respect to the floating rates applicable to the Group's loans and cash and cash equivalents. A similar decrease in interest rates would have an identical positive impact.

Raw materials price risk

The Group uses a range of raw materials for production purposes, which expose it to price risk, especially for fuel and energy. The Group enters into contracts with defined price conditions for certain raw materials. The market value of swap contracts open at 31 December is as follows:

30/06/2021

EUR million	Total
Market value - swap contract	5.1

31/12/2020

EUR million	Total
Market value - swap contract	2.1

33) Fair value hierarchy

IFRS 13 requires that assets and liabilities carried at fair value be classified using a hierarchy which reflects the sources of the inputs used to measure their fair value. The hierarchy consists of the following levels:

- Level 1: measurement of fair value using quoted prices on active markets for identical assets or liabilities.

- Level 2: measurement of fair value using inputs other than the quoted prices included within Level 1 which are directly observable (such as prices) or indirectly observable (i.e., derived from prices) on the market.

- Level 3: measurement of fair value using inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of assets and liabilities is classified as follows:

30 June 2021	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
(Eur '000)					
Investment property	4	-	43,079	28,981	**72,060**
Current financial assets (derivative instruments)	9	-	5,636	-	**5,636**
Total assets		**-**	**48,715**	**28,981**	**77,696**
Non current financial liabilities (derivative instruments)	17	-	(4,417)	-	**(4,417)**
Current financial liabilities (derivative instruments)	17	-	(6,451)	-	**(6,451)**
Total liabilities		**-**	**(10,868)**	**-**	**(10,868)**

31 december 2020	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
(Eur '000)					
Investment property	4	-	50,261	28,981	**79,242**
Current financial assets (derivative instruments)	9	-	2,134	-	**2,134**
Total assets		**-**	**52,395**	**28,981**	**81,376**
Non current financial liabilities (derivative instruments)	17	-	(1,262)	-	**(1,262)**
Current financial liabilities (derivative instruments)	17	-	(7,921)	-	**(7,921)**
Total liabilities		**-**	**(9,183)**	**-**	**(9,183)**

During the first half of 2021, there were no transfers between levels and no changes in level 3.

Investment property classified in Level 3 of the fair value hierarchy refers to assets held by Italian companies. For this type of asset, the fair value was determined using the following methodologies commonly accepted in the valuation practice:

- Synthetic - comparative method, on the basis of which the fair value of the asset is determined by referring to the unit market value (€/m2) multiplied by the surface of the asset;
- Direct capitalisation method, according to which the fair value of the asset is determined by dividing the annual income by a capitalisation rate.

33.1) Financial instruments - Fair value and risk management

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2021		**Carrying amount**			**Fair value**
(Eur '000)	**Note**	**Fair value – hedging instruments**	**Financial assets/ liabilities**	**Other financial liabilities**	**Level 2**
Financial assets measured at fair value					
Commodity swap	9	5,112			5,112
Forwards	9	-			-
Cross Currency Swap	9	525			525
		5,637	**-**	**-**	**5,637**
Financial assets not measured at fair value					
Trade and other receivables	8-11		226,720		
Cash and cash equivalents	12		226,754		
		-	**453,474**	**-**	**-**
Financial liabilities measured at fair value					
Interest rate swap	17	5,367			5,367
Cross Currency Swap	17	4,417			4,417
Forwards	17	1,084			1,084
Commodity swap		-			0
		10,868	**-**	**-**	**10,868**
Financial liabilities not measured at fair value					
Bank loans and borrowing	17		194,255		
Bank overdrafts	17		20,000		
Current loan liabilities	17		65,033		
Other loan liabilities	17			81	
		-	**279,288**	**81**	**-**

31 december 2020		Carrying amount			Fair value
(Eur '000)	Note	Fair value – hedging instruments	Financial assets/ liabilities	Other financial liabilities	Level 2
Financial assets measured at fair value					
Commodity swap	9	2,020			2,020
Forwards	9	114			114
		2,134	**-**	**-**	**2,134**
Financial assets not measured at fair value					
Trade and other receivables	8-11		178,160		
Cash and cash equivalents	12		413,565		
		-	**591,725**	**-**	**-**
Financial liabilities measured at fair value					
Interest rate swap	17	7,305			7,305
Cross Currency Swap	17	1,262			1,262
Forwards	17	616			616
Commodity swap		-			0
		9,183	**-**	**-**	**9,183**
Financial liabilities not measured at fair value					
Bank loans and borrowing	17		101,243		
Bank overdrafts	17		-		
Current loan liabilities	17		342,219		
Other loan liabilities	17			42	
		-	**443,462**	**42**	**-**

34) Related party transactions

Transactions performed by group companies with related parties are part of normal business operations and take place at arm's-length conditions. No atypical or unusual transactions took place. The following tables show the value of related party transactions:

30 June 2021 (Eur '000)	Ultimate Parent	Associates	Companies under common control	Other related parties	Total related parties	Total financial statements	% of item
Statement of financial position							
Non-current financial assets	-	-	242	-	**242**	**435**	55.6%
Current financial assets	-	-	408	-	**408**	**6,110**	6.7%
Trade receivables	21	-	2,042	-	**2,063**	**203,805**	1.0%
Trade payables	225	-	66	-	**291**	**233,102**	0.1%
Other current liabilities	-	-	3	-	**3**	**66,305**	0.0%
Non-current financial liabilities	-	-	1,117	-	**1,855**	**253,417**	0.7%
Current financial liabilities	-	-	1,470	-	**1,460**	**117,064**	1.2%
Income statement							
Revenue	-	-	28	-	**28**	**664,543**	0.0%
Other operating revenue	-	-	99	-	**99**	**3,898**	2.5%
Other operating costs	225	-	87	-	**312**	**174,293**	0.2%
Financial income	-	-	42	-	**42**	**3,617**	1.2%

31 december 2020 (Eur '000)	Ultimate Parent	Associates	Companies under common control	Other related parties	Total related parties	Total financial statements	% of item
Statement of financial position							
Non-current financial assets	-	-	447	-	**447**	**576**	77.6%
Current financial assets	-	-	402	-	**402**	**2,614**	15.4%
Trade receivables	42	-	805	-	**847**	**155,065**	0.5%
Trade payables	250	-	39	-	**289**	**225,937**	0.1%
Other current liabilities	-	-	4	-	**4**	**59,438**	0.0%
Non-current financial liabilities	-	-	1,855	-	**1,855**	**162,469**	1.1%
Current financial liabilities	-	-	1,460	-	**1,460**	**375,890**	0.4%
30 June 2020							
Income statement							
Revenue	-	-	9	-	**9**	**570,361**	0.0%
Other operating revenue	-	-	59	-	**59**	**3,897**	1.5%
Other operating costs	200	-	46	-	**246**	**162,025**	0.2%
Financial income	-	-	16	-	**16**	**2,911**	0.5%

The main related-party transactions are summarised below.

Business transactions with associates concern the sale of products and semi-finished products (cement and clinkers) at arm's-length conditions. Revenue and costs connected with business transactions with the ultimate Parent and companies under common control include various services, such as leases.

The Group did not grant loans to directors or key management personnel during the reporting period and did not have loan assets due from them at 30 June 2021.

35) Events after the reporting period

On 6 July 2021, Science Based Targets Initiative (SBTi) validated Cementir's CO2 emission reduction targets, which were judged to be consistent with the goal of keeping climate warming "well below 2°C", in line with the 2015 Paris Climate Agreement.

The treasury share purchase programme continued as at 27 July 2021 for a total of 3,099,350 shares equal to 1.9478% of the share capital (as at 30 June 2021 the Company held 2,900,000 treasury shares equal to 1.8225% of the share capital) for a total outlay of EUR 24,750 thousand (equal to EUR 22,989 thousand as at 30 June 2021).

No other significant facts occurred after the half year ended.

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ANNEX

Annex 1

List of equity investments at 30 June 2021

Company name	Registered office	Share capital	Currency	Type of % Direct	Type of % Indirect	Investment held by Group companies	Method
Cementir Holding NV	Amsterdam (NL)	159,120,000	EUR			Parent	Line-by-line
Aalborg Cement Company Inc.	West Palm Beach (USA)	1,000	USD		100	Aalborg Portland US Inc,	Line-by-line
Aalborg Portland Holding A/S	Aalborg (DK)	300,000,000	DKK		75 23	Cementir Espana SL Globocem SL	Line-by-line
Aalborg Portland A/S	Aalborg (DK)	100,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Belgium SA	Antwerp (B)	500,000	EUR		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Digital Srl	Rome (I)	500,000	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland España SL	Madrid (E)	3,004	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland France SAS	Rochefort (FR)	10,010	EUR		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Islandì EHF	Kopavogur (IS)	303,000,000	ISK		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Malaysia Sdn Bhd	Perak (MAL)	95,400,000	MYR		70	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Polska Spzoo	Warszawa (PL)	100,000	PLN		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland US Inc	West Palm Beach (USA)	1,000	USD		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Anqing) Co Ltd	Anqing (CN)	265,200,000	CNY		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Australia) Pty Ltd	Brisbane (AUS)	1,000	AUD		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
Aalborg Portland OOO	Kingisepp (RUS)	14,700,000	RUB		99.9 0.1	Aalborg Portland A/S Aalborg Portland Holding A/S	Line-by-line
Aalborg Resources Sdn Bhd	Perak (MAL)	2,543,972	MYR		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
AB Sydsten	Malmö (S)	15,000,000	SEK		50	Unicon A/S	Line-by-line
AGAB Syd Aktiebolag	Svedala (S)	500,000	SEK		40	AB Sydsten	Equity
Alfacem Srl	Rome (I)	1,010,000	EUR	99.99		Cementir Holding NV	Line-by-line
Basi 15 Srl	Rome (I)	400,000	EUR	100		Cementir Holding NV	Line-by-line
Cementir Espana SL	Madrid (E)	3,007	EUR	100		Cementir Holding NV	Line-by-line
Cimbeton AS	Izmir (TR)	1,770,000	TRY		50.28 0.06	Cimentas AS Kars Cimento AS	Line-by-line
Cimentas AS	Izmir (TR)	87,112,463	TRY		97.1 0.12 0.48	Aalborg Portland España Cimbeton AS Kars Cimento AS	Line-by-line
Compagnie des Ciments Belges SA	Gaurain (B)	179,344,485	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Compagnie des Ciments Belges France SAS (CCBF)	Villenueve d'Ascq (FR)	34,363,400	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Destek AS	Izmir (TR)	50,000	TRY		99.99 0.01	Cimentas AS Cimentas Foundation	Line-by-line

Annex 1 *(cont'd)*

Company name	Registered office	Share capital	Currency	Type of % Direct	Type of % Indirect	Investment held by Group companies	Method
ECOL Unicon Spzoo	Gdansk (PL)	1,000,000	PLN		49	Unicon A/S	Equity
Gaetano Cacciatore LLC	West Palm Beach (USA)	-	USD		100	Aalborg Cement Company Inc	Line-by-line
Globocem SL	Madrid (E)	3,007	EUR		100	Alfacem Srl	Line-by-line
Ilion Cimento Ltd	Izmir (TR)	300,000	TRY		100	Cimbeton AS	Line-by-line
Kars Cimento AS	Izmir (TR)	513,162,416	TRY		41.55 58.45	Cimentas AS Alfacem Srl	Line-by-line
Kudsk & Dahl A/S	Vojens (DK)	10,000,000	DKK		100	Unicon A/S	Line-by-line
Lehigh White Cement Company	West Palm Beach (USA)	-	USD		24.52 38.73	Aalborg Cement Company Inc White Cement Company LLC	Line-by-line
Neales Waste Management Ltd	Preston (GB)	100,000	GBP		100	NWM Holdings Ltd	Line-by-line
NWM Holdings Ltd	Preston (GB)	5,000,001	GBP		100	Recydia AS	Line-by-line
Quercia Ltd	Preston (GB)	5,000,100	GBP		100	NWM Holdings Ltd	Line-by-line
Recybel SA	Liegi-Flemalle (B)	99,200	EUR		25.5	Compagnie des Ciments Belges SA	Equity
Recydia AS	Izmir (TR)	759,544,061	TRY		67.39 23.72 8.89	Kars Cimento AS Cimentas AS Aalborg Portland Holding	Line-by-line
Sinai White Portland Cement Co. SAE	Cairo (ET)	350,000,000	EGP		71.11	Aalborg Portland Holding A/S	Line-by-line
Skane Grus AB	Ljungbyhed (S)	1,000,000	SEK		60	AB Sydsten	Line-by-line
Société des Carrières du Tournaisis SA	Gaurain (B)	12,297,053	EUR		65	Compagnie des Ciments Belges SA	Proportionate
Spartan Hive SpA	Rome (I)	300,000	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Sureko AS	Izmir (TR)	43,443,679	TRY		100	Recydia AS	Line-by-line
Svim 15 Srl	Rome (I)	400,000	EUR	100		Cementir Holding NV	Line-by-line
Unicon A/S	Copenaghen (DK)	150,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Unicon AS	Oslo (N)	13,289,100	NOK		100	Unicon A/S	Line-by-line
Vianini Pipe Inc	Branchburg N.J. (USA)	4,483,396	USD		99.99	Aalborg Portland US Inc	Line-by-line
White Cement Company LLC	West Palm Beach (USA)	-	USD		100	Aalborg Cement Company Inc.	Line-by-line

Rome, 28 July 2021

Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.