



Half-Yearly financial report as at June 30, 2021

Buzzi Unicem S.p.A.

Registered office in Casale Monferrato (AL) - Via Luigi Buzzi 6

Share capital €123,636,658.80

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Buzzi Unicem is an international multiregional, “heavy-side“ group, focused on cement, ready-mix concrete and aggregates.

The company’s dedicated management has a long-term view of the business and commitment towards a sustainable development, supported by high quality assets.

Buzzi Unicem pursues value creation through lasting, experienced know-how and operating efficiency of its industrial operations.

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Interim management report

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Business review

During the first half of 2021, the continuation of the vaccination campaigns led to a sharp decline in the severity and frequency of Covid-19 infections, allowing a gradual relaxation of the social distancing measures in the areas where a high vaccination coverage was achieved, such as the United States of America and the European Union. The identification of a more contagious virus variant has caused a new wave of infections starting from June, which, however, where a good part of the population has already been vaccinated, did not mean a proportional increase in the admission to hospitals.

The rapid progress of vaccination campaigns was matched by a clear recovery in economic activity. The development prospects, although heterogeneous according to the different geographies, significantly improved compared to what was expected at the start to the year, thanks to more sound demand and to the contribution of expansive policies launched by government authorities.

In this context, the growth prospects of world GDP for the current year foreshadow an expansion of 6.0%. International trade is also expected to grow in 2021 (+11%), supported by the recovery of economic activity on a global scale, exceeding at year-end the pre-pandemic levels. In the United States of America, the rapid progress of vaccination campaigns significantly reduced the spread of the Covid-19 disease in the country, allowing for a gradual relaxation of restrictions. Thanks also to the fiscal stimulus programs launched by the federal government, GDP is expected to return to pre-pandemic levels by June, while for the entire year the most recent estimates indicate growth of 7.0%. In Europe, after the contraction observed in the first quarter (-0.3%), which penalized the major countries, Germany in particular, a recovery in the spring quarter was recorded, laying the foundations for more significant growth in the second part of the year, thanks to the recovery of international trade and to the stimulus of the Next Generation EU plan. However, some uncertainties related to the evolution of the pandemic continue to weigh on the development prospects. For the current year, the updated estimates assume GDP growth of 4.6%. In Italy, after the slight expansion recorded in the first quarter, in spring, thanks to the acceleration of vaccinations and to the gradual easing of restrictions, GDP growth became more evident: the improvement in activity in the industrial sector was accompanied by a recovery in the services sector.

Among the emerging countries, in China the economic activity returned to pre-pandemic levels and indicators foresee further strengthening during the year, favored by the upswing in global demand and by the recovery in the services sector. In Mexico, the positive dynamics of the US economy positively impacted the manufacturing sector, improving GDP growth expectations for the current year. In Brazil, on the other hand, the persistent instability of the epidemiological framework fueled some uncertainties about the prospects for a recovery in economic activity during the first half of the year.

The bullish trend of oil prices was driven by the increase in demand and, on the supply side, by the lack of agreement among the OPEC countries on the output increase. The prospects, however, indicate a possible decline in prices in the medium run.

The financial conditions in the advanced economies remained accommodative: both the Federal Reserve and the ECB confirmed their expansive stance, which is essential to support the economic recovery.

In this scenario, the overall cement and ready-mix concrete volumes sold by the group, after the progress recorded at the start to the year, confirmed a similar positive development also in the second quarter, closing the first six months clearly progressing both in the cement business and in the ready-mixed concrete one.

In the period under review, the most significant increase in volumes was recorded in Italy, thanks not only to the strengthening of demand but also to the favorable comparison basis with the previous year which, as recalled, was characterized by the production lockdown. A volume expansion was also recorded in Eastern Europe, Ukraine and Russia in particular, and in the United States of America. Germany and Poland, on the other hand, showed a slight slowdown in shipments, mainly due to adverse weather conditions.

Net sales achieved in the first six months increased +5.8% on 2020, standing at € 1,608.7 million versus €1,520.1 million in 2020, while Ebitda improved by 12.3%, increasing from €313.9 to €352.5 million. The price effect in local currency showed a favorable variance in the most countries where we operate. The foreign currency trend had a net unfavorable impact of €80.8 million on net sales and of €22.2 million on Ebitda. Net of exchange rate differences, turnover and Ebitda would have been up 11.1% and 19.4% respectively. After amortization and depreciation of €122.8 million (€128.4 million in the previous year), Ebit came in at €229.7 million (€185.5 million in 2020). The income statement for the half year closed with a net profit of € 209.7209,7111 million, compared to €216.7 million in the same period of 2020.

Operating and financial performance

Cement sales of the group in the first six months of 2021 stood at 14.8 million tons, up compared to the same period of 2020 (+10.9%). The positive development in sales volumes, already recorded in the first three months of the year, continued also in the second quarter. Changes were favorable in all the markets where we operate, except for a limited decline in Poland and a more marginal one in Germany. However, it should be remembered that the same period last year was penalized, in April and May, by heavy economic restrictions aimed at containing the pandemic, above all in Italy and Benelux. Ready-mix concrete output also increased, reaching 5.8 million cubic meters, up 7.0% compared to the previous year. In this business, the positive development recorded in Italy, Poland and Ukraine more than offset the unfavorable changes in the United States of America, Germany and the Czech Republic.

In Italy, net sales stood at €305.6 million, up 38.4% versus 2020, thanks to the lively domestic demand, to the easy comparison with the same period last year, as well as to the positive performance of selling prices.

In the United States, sales volumes showed a very satisfactory development, favored by the soundness of demand, net of a marginal slowdown in shipments caused by the heavy rains that hit the country in June. In this scenario, characterized by a positive price effect and an unfavorable exchange rate effect, sales revenues achieved €599.0 million, down 2.1%.

In Central Europe, the adverse weather conditions slowed down shipments in Germany, while in Luxembourg, where unlike the first half of 2020 the production and commercial activity took place regularly, sales volumes increased. In a context of improving prices, net sales amounted to €428.5 million, up 2.9% compared to 2020. In Eastern Europe, the positive development of deliveries recorded in Russia, Ukraine and the Czech Republic more than offset the slowdown observed in Poland, affected by a very negative first quarter and a recovering second one. Turnover reached €278.3 million, up 1.6% compared to 2020.

Consolidated Ebitda came in at €352.5 million, increasing (+12.3%) compared to €313.9 million in 2020. Changes in exchange rates had an unfavorable net impact essentially due to the depreciation of the dollar, the ruble and the hryvnia. At constant exchange rates the recurring Ebitda in the first half of 2021 would have increased by 19.4%.

The recurring Ebitda margin of the group improved during the first six months of 2021: with reference to the different markets where we operate, progress was achieved in Italy, the Czech Republic, Poland and Germany; the level of the United States of America and Russia remained stable, while Ukraine and Benelux recorded a lower profitability compared to the previous period.

Inflation, that affected energy factors, fuels in particular, caused an unfavorable trend in production and distribution costs, despite an extensive control of fixed expenses.

After amortization and depreciation of €122.8 million (€128.4 in the first half of 2020), Ebit amounted to €229.7 million (€185.5 million in June 2020). Profit before tax stood at €262.1 million (€279.4 million in 2020), considering a contribution of €48.4 million from equity earnings (€145.3 million in 2020, of which €108.1 million related to the asset sale carried out by Kosmos Cement), no gains on the disposal of investments (almost €3.6 million in 2020) and net financial charges of €16.0 million (€55.0 million in 2020, influenced by the fair value estimation of derivative financial instruments). After income taxes of €52.4 million (€62.7 million in 2020), the income statement closed with a net profit of €209.7million, compared to €216.7 million in the first half of 2020. Net financial position as at 30 June 2021 amounted to €108.8 million, up €132.8 million improvement compared to €241.6 million at 31 December 2020. It should be noted that the figure as at 30 June 2021 includes the loan, equal to \$242 million, that the group granted to the joint venture BCPAR, in support of the acquisition of all the companies of the CRH group operating in Brazil. In the six months under review the group distributed dividends to the owners of the company for €47.3 million (on top of €143.3 million being already considered

as a liability of the net financial position at year-end 2020) and incurred capital expenditures for a total of €101.9 million. Investments in property, plant and equipment referring to expansion or special projects totaled €3.6 million, attributable to the continuation of the works for the new grinding department at Korkino (Russia) and the new clinker storage at San Antonio (Texas).

The assets and liabilities included in the net financial position, broken down by their degree of liquidity, are reported in the following table:

(millions of euro)	30/06/2021	31/12/2020
Cash and short-term financial assets:		
Cash and cash equivalents	923.3	1,218.3
Other current financial receivables	28.4	2.6
Short-term financial liabilities:		
Current portion of long-term debt	(89.2)	(53.0)
Current portion of lease liabilities	(21.1)	(21.4)
Short-term debt	(9.1)	(12.9)
Extraordinary dividend	-	(144.1)
Other current financial liabilities	(3.9)	(4.2)
Net short-term cash	828.4	985.3
Long-term financial liabilities:		
Long-term debt	(1,084.2)	(1,166.3)
Lease liabilities	(65.0)	(64.6)
Derivative financial instruments	-	(4.1)
Other non-current financial liabilities	(2.8)	(2.9)
Net debt	(323.6)	(252.6)
Long-term financial assets:		
Other non-current financial receivables	214.8	11.0
Net financial position	(108.8)	(241.6)

As at 30 June 2021, total equity, inclusive of non-controlling interests, amounted to €3,907.4 million vs. €3,603.0 million as at 31 December 2020. Consequently, the debt/equity ratio was equal to 0.03 (0.07 at 2020 year-end).

Italy

Economic activity in the first half proved to be more resilient than expected. Already during the first quarter, unlike the other major Eurozone countries, GDP change was slightly positive (+0.1%), supported by the soundness of the manufacturing and the construction sectors, net of the weakness of the services sector. GDP expansion accentuated during the second quarter, reaching more than 1%, thanks to the acceleration of the vaccination campaign and to the gradual relaxation of the restrictive measures. The recovery was supported by the further strengthening of industrial activity, by the upswing in the services and by the growth in consumption, despite a still high propensity to save. Based on the recent estimates GDP for the entire current year is expected to increase by 5.1%, favored by the recovery in exports and by the strong contribution of capital spending, which are expected to increase clearly thanks to the prospects of demand, to the favorable financing conditions and to the support deriving from the National Recovery and Resilience Plan, which was recently approved by the EU Council. In this framework GDP should return to pre-pandemic levels in the second half of 2022. Inflation, which was pushed up by the increase in the raw materials, is expected to stand at 1.3% for the current year. The investment activity in the construction industry showed an expansive trend during the first half, thanks to the development of the residential renovation and to the gradual recovery of the public works segment.

Our sales of hydraulic binders and clinker closed the first six months with a strong improvement (+31.8%), thanks to a resilient demand and to the comparison with a second quarter of the previous year being heavily penalized by the restrictions aimed at containing the pandemic. Selling prices also showed a favorable variance. The ready-mix concrete sector recorded an even higher recovery (+42.3%) with prices improving, too. Net sales in Italy stood at €305.6 million, up 38.4% from €220.8 million in 2020). Ebitda of the first six months reached €32.7 million, clearly increasing compared to €8.8 million in 2020. Unit production costs showed an unfavorable trend, influenced by the marked increase in the prices of energy factors, despite the lower incidence of fixed cost items due to the improvement in operating leverage.

(millions of euro)	1st Half 2021	1st Half 2020	21/20
Net sales	305.6	220.8	38.4%
EBITDA	32.7	8.8	272.8%
% of net sales	10.7	4.0	
Capital expenditures	12.8	32.1	-60.1%
Headcount end of period n.	1,559	1,584	-1.6%

Germany

After some weakness in the economic activity (-1.8%) observed in the first quarter, thanks to the rapidity in the administration of vaccines and to the decline in the rate of infection, GDP started growing again in the second quarter. The positive trend should also continue during the summer quarter, at a more sustained pace, thanks to the soundness of domestic demand and to the contribution of public spending. Despite some temporary slowdowns in supply chains, the manufacturing sector should also show a positive trend, driven by the strong recovery in orders. Public and private investments are expected to strengthen, thanks to the more favorable prospects of domestic demand and exports, in addition to the positive impact of the implementation of the NextGeneration EU plan, of which Germany is one of the main beneficiaries. The latest forecasts, which were recently revised upwards, point to a GDP growth of 3.6% for 2021, while inflation is estimated at 2.8%, driven upwards by the prices of energy commodities. Activity in the construction sector, after the weakness shown in the first quarter, is expected to recover, favored by the stability of the residential category.

After the slight decrease in sales volumes achieved during the first quarter, shipments of hydraulic binders showed a substantial stability during the second quarter. In the first six months as a whole, our cement operations posted slightly declining sales (-2.2%) compared to 2020, with average prices strengthening. The ready-mix concrete sector showed a decreasing production (-3.8%) compared to the same period of 2020, with prices improving. Overall net sales came in at €341.7 million (€339.4 million in 2020), up 0.7%, while Ebitda stood at €60.6 million (€51.8 million in 2020, +16.9%). It should be remembered that no operating costs for CO₂ emission rights were accrued in the half year under review (approximately €7.6 million in the first six months of 2020). Due to the unfavorable trend in fuels and electric power, as well as a slight worsening of fixed costs, the unit production costs showed a visible increase compared to the same period of 2020.

(millions of euro)	1 st Half 2021	1 st Half 2020	21/20
Net sales	341.7	339.4	0.7%
EBITDA	60.6	51.8	16.9%
% of net sales	17.7	15.3	
Capital expenditures	15.1	18.6	-19.2%
Headcount end of period n.	1,756	1,780	-1.3%

Luxembourg and the Netherlands

In Luxembourg, the brilliant trend of the financial markets in the first half of the year had a positive effect on the finance industry, the country's main source of income. In the January-March period, GDP grew by 1.4% and this trend is expected to continue throughout the current year, thanks to the acceleration of the vaccination campaign and to the favorable export performance, supported by the improved economic prospects of the country's main trading partners. The most recent estimates indicate a GDP growth for 2021 equal to 4.8%, while inflation is expected to be 2.5%.

In the Netherlands, during the first quarter the economy slowed down (-0.8%) due to the sharp contraction in domestic consumption, penalized by the measures to contain the infections. In the following quarter, thanks to progress in the administration of vaccinations and to the gradual reopening of the non-essential and recreational services activities, the economy started to grow again (+2.3%). GDP for the entire year is expected to increase by 3.3%, mainly supported by the recovery of domestic demand.

Our cement deliveries, inclusive of exports, after a first quarter clearly recovering, maintained a strong trend also in the second one, closing the first half of the year up (+13.5%), despite demand somewhat worsening in May and June. Prices confirmed a favorable performance. Production volumes in the ready-mix concrete sector remained stable (-0.3%), however with prices improving. Net sales amounted to €100.6 million, higher than the previous year (€91.2 million). Ebitda increased by €0.5 million, from €6.4 million in 2020 to €6.9 million in the period under review. It should be remembered that no operating costs for CO₂ emission rights were

accrued in the half year under review (approximately €1.2 million in the first half of 2020). The unit production costs recorded a considerable increase, due to the unfavorable trend of both fixed and variable items.

(millions of euro)	1 st Half 2021	1 st Half 2020	21/20
Net sales	100.6	91.2	10.4%
EBITDA	6.9	6.4	8.4%
% of net sales	6.9	7.0	
Capital expenditures	3.7	2.8	32.4%
Headcount end of period n.	308	307	0.3%

Czech Republic and Slovakia

During the first quarter, due to the high increase in infections and the related containment measures, the drop in private consumption and public spending led to a clear decline in the economic activity (-0.3%), although investments and exports have been showing a favorable trend. However, starting from April, the improvement in the health situation and the gradual relaxation of the restrictive measures favored the recovery of domestic consumption, supported by the stability of employment and the revival of pent-up demand. The interruptions in the supply chain due to the continuing shortage of semiconductors, albeit temporary, weighed on manufacturing activity and exports linked to the automotive industry. Overall, GDP for 2021 is expected to grow by 3.9%, also thanks to the fiscal stimulus plan, intended to support private and public investments.

Cement sales, after a first quarter which was particularly penalized by unfavorable weather conditions, starting from April have maintained a robust trend, closing the first half up 4.6%, with average prices, in local currency, improving. Ready-mix concrete output, which also includes Slovakia, performed slightly decreasing levels (-1.1%), associated with a favorable change in prices. Net sales came in at €80.4 million, up (+6.9%) compared to €75.2 million in 2020, while Ebitda increased by €3.7 million, from €19.7 million in 2020 to €23.4 million in the period under review. It should be remembered that, in the semester no operating costs for CO₂ emission rights were accrued (approximately €0.1 million in the first half of 2020). At constant exchange rates, net sales and Ebitda would have increased by 5.2% and 16.6% respectively. The unit production costs in local currency improved marginally, thanks to the savings recorded in energy factors and to the control of fixed costs.

(millions of euro)	1 st Half 2021	1 st Half 2020	21/20
Net sales	80.4	75.2	6.9%
EBITDA	23.4	19.7	18.7%
% of net sales	29.1	26.2	
Capital expenditures	4.0	3.9	3.6%
Headcount end of period n.	729	743	-1.9%

Poland

The slight contraction in GDP recorded at the end of 2020 was followed by positive developments in the first quarter of 2021 (+1.1%), favored by the recovery of external demand. The period was characterized by the upswing of the economy of the main trading partners, by the increase in private consumption, supported by the stability of the labor market and by the higher propensity to spend, as well as by the positive trend of investments in the manufacturing industry. These dynamics should also be confirmed in the second and third quarters, allowing for a further strengthening of economic activity. For the whole of 2021, the most recent estimates indicate a GDP growth of 4.8% and expected inflation of around 4%, driven upwards mainly by the increase in energy costs. Construction investments, which were weak at the start to the year, should recover also thanks to the contribution of the national recovery plan.

Cement volumes sold by our plant, after a particularly negative first quarter, penalized by the weak demand and the unfavorable weather, closed the first semester declining (-4.2%), despite a brilliant trend observed in May and June. The average price level, in local currency, progressed. Ready-mix concrete output proved, on the contrary, quite brilliant (+21.0%), however accompanied by a decline of prices in local currency. These market dynamics led to net sales of €53.7 million, down (-2.6%) compared to €55.2 million in 2020, but Ebitda increased from €15.4 to €16.2 million (+5.4%). It should be remembered that in the half year under review no operating costs for CO₂ emission rights were accrued (approximately €3.6 million in the first six months of 2020). The slight weakening of the zloty (-2.8%) led to a negative exchange rate effect: on a like-for-like basis, net sales would have increased by 0.1% and Ebitda would have been up 8.4%. The unit production costs in local currency recorded an unfavorable change, following an increase in the electric power cost and a worsening of the fixed costs.

(millions of euro)	1 st Half 2021	1 st Half 2020	21/20
Net sales	53.7	55.2	-2.6%
EBITDA	16.2	15.4	5.4%
% of net sales	30.2	27.9	
Capital expenditures	2.9	1.5	97.2%
Headcount end of period n.	358	350	2.3%

Ukraine

In Ukraine, the slowdown in economic activity recorded in the first quarter, caused by the extension of the Covid-19 containment measures and by slow progress of the vaccination campaign, was followed by the recovery of domestic demand, industrial production and exports during the second quarter. The turnaround occurred thanks to the easing of restrictions and to the recovery in demand for raw materials. For the entire current year, the most recent estimates indicate a GDP growth of 4.0%, supported by the strengthening of domestic consumption, by the resumption of investment activity and by the contribution of public support to the economy. In this context, inflation is expected to reach 7.9%, due to the global increase in the prices of commodities and food.

Starting from April, the recovery in demand and a gradual decrease in the import flows from Turkey allowed volumes sold to clearly recover and to close the first half of 2021 markedly progressing compared to the same period last year (+23.3%). Average prices in local currency confirmed some negative variance. Overall net sales amounted to €51.0 million, down 1.4% from €51.7 million in 2020, while Ebitda stood at €5.6 million compared to €6.7 million in the first half of 2020 (-15.9%). The depreciation of the local currency (-16.9%) had an unfavorable impact on the translation of the results into euros: net of the exchange rate effect, net sales would have been up 15.3% and Ebitda down 1.7% (-€0.1 million). The lower incidence of fixed costs, thanks to the higher capacity utilization, together with some savings in fuels led to a slight decrease in unit production costs in local currency, even considering the increase of the power cost.

(millions of euro)	1 st Half 2021	1 st Half 2020	21/20
Net sales	51.0	51.7	-1.4%
EBITDA	5.6	6.7	-15.9%
% of net sales	11.0	12.9	
Capital expenditures	3.0	3.3	-9.0%
Headcount end of period n.	1,324	1,311	1.0%

Russia

In Russia, a new increase in infection rate at the start to the year and the slow and not particularly effective vaccination campaign caused a slight contraction of GDP in the first quarter. However, starting from April, despite a still uncertain epidemiological picture, economic activity started to grow again, thanks to the recovery in internal consumption and investment activity. The growth forecast for the second quarter is also supported by the favorable trend of industrial production and mining, while the manufacturing sector is estimated to be slightly down, also due to interruptions in the supply chain of some components. The recovery of economic activity on a global scale, as well as the increase in the price of oil and raw materials had a positive impact on exports. In this context, GDP for the entire current year is expected to grow by 4.4% while inflation should be 4.5%. Public infrastructure modernization and improvement programs should continue to support construction investments.

During the second quarter, thanks to the soundness of demand and to favorable weather conditions, cement sales confirmed the good progress already recorded in the first quarter, closing the first half clearly improving (+16.6%) compared to the volumes reached in the previous year. Average unit prices, in local currency, remained almost stable, largely determined by the mix effect. The increase in oil prices led to growth in the demand for special oil well cements, which was particularly evident in the second quarter. Net sales stood at €93.9 million, up 1.2% from €92.9 million in the same period of 2020, while Ebitda was almost flat at €25.2 million (€24.8 million in 2020). The weakening of the ruble (-16.8%) negatively impacted the translation of the results into euros. Net of the exchange rate effect, net sales and Ebitda would have been up 18.2% and 18.6% respectively. The unit production costs in local currency improved slightly, thanks to the stabilization of variable costs and to fixed costs being well under control.

(millions of euro)	1 st Half 2021	1 st Half 2020	21/20
Net sales	93.9	92.9	1.2%
EBITDA	25.2	24.8	1.6%
% of net sales	26.8	26.7	
Capital expenditures	8.1	5.7	42.6%
Headcount end of period n.	1,521	1,438	5.8%

United States of America

The significant improvement in the epidemiological picture, favored by the rapid progress of the vaccination campaign, allowed the gradual relaxation of the containment measures already during the first quarter. The growth in consumption and disposable income strengthened the economy, which confirmed its expansion also during the spring months. The American Rescue Plan, approved in March, provided a significant additional fiscal stimulus aimed primarily at supporting disposable income and employment. In addition, the export business should benefit from the resumption of international trade and the country's main trading partners. For the entire current year, therefore, GDP shall grow by 7.0% while inflation should stand at 2.3%. Investments in construction are expected to increase (+2.6%): the clear weakness in the commercial sector (-5.9%) is offset by progress in the residential segment (+11.8%) and by a certain stability in infrastructures. Cement consumption, on the other hand, is expected to rise by 3.1%.

Our sales of hydraulic binders, after the progress recorded in the first quarter, suffered some slowdown in May and June, due to the very rainy weather in some of the regions where we operate. Therefore, the whole first half 2021 showed volumes up 6.8% compared to the levels of the previous year, with selling prices in local currency improving. Ready-mix concrete output, mainly present in Texas, closed the first half down (-4.3%) compared to the same period of 2020, with selling prices in local currency almost unchanged. In this context, net revenues came in at €599.0 million, down 2.1% compared to €611.6 million in the first six months of 2020, penalized by the depreciation of the dollar (-9.4%). Ebitda increased by 0.8%, from €180.1 to €181.6 million. Ignoring the variance due to foreign exchange differences, net sales and Ebitda would have been up 7.1% and 10.3% respectively. The unit costs of cement produced had an unfavorable trend, mainly attributable to the visible increase of variable costs, above all electrical power and even more fuels.

(millions of euro)	1st Half 2021	1st Half 2020	21/20
Net sales	599.0	611.6	-2.1%
EBITDA	181.6	180.1	0.8%
% of net sales	30.3	29.4	
Capital expenditures	52.3	58.7	-10.9%
Headcount end of period n.	2,277	2,313	-1.6%

Mexico

(valued by the equity method)

Economic activity, after the slowdown observed at the start to the year, when a new rise in the contagion curve made it necessary to restore restrictions on social mobility, showed the first signs of recovery starting from February. In the second quarter the economy was expanding again. The manufacturing industry exports and the flow of remittances sent by migrants were driven by the soundness of the US economy. GDP growth for 2021 is expected to reach 6.3%, supported by exports, by the strengthening of domestic consumption and by the resumption of investment activity, which will also benefit from the contribution of the planned infrastructure projects.

The liveliness of demand, already recorded in the first three months of the year and confirmed in the second quarter, supported the cement sales of our associate, which closed the first half clearly progressing (+23.9%) and with an increasing prices level. Ready-mix concrete output also recorded significant progress, with a positive price change in local currency. With reference to 100% of the associate, net sales stood at €337.1 million, up 26.4% and Ebitda increased from €126.4 to €150.9 million (+19.5%). The depreciation of the Mexican peso (-2.0%) penalized the translation of the results into euros. At constant exchange rates net sales and Ebitda would have increased by 28.9% and 21.9% respectively. The equity earnings referring to Mexico, which are included in the line item that encompasses the investments valued by the equity method, amount to €33.6 million (€29.5 million in 2020).

Brazil

(valued by the equity method)

Economic activity, after a promising start to the year favored by the recovery of services and retail, contracted in March, due to the high contagion rate and the introduction of new restrictions. With the worsening of the health situation, the fiscal stimulus measures launched by the government to support the weakest subjects of the population were not sufficient to avoid a decrease in consumption. However, in the second half of the current year, the recovery of domestic demand, favored by the acceleration of the vaccination campaign and by more effective measures to contain the infections, in addition to the positive trend in exports, should support the picking up of economic activity. Therefore, GDP for the entire 2021 is estimated to grow by 5.3%, while inflation is forecast at 4.6%.

The cement sales of our joint venture, thanks also to the additional contribution from the recent acquisition of the CRH companies operating in Brazil, in the first half continued to show brilliant progress: cement and clinker volumes were up (+45.0%) compared to the levels of the previous year, with selling prices, in local currency, clearly improving. Net sales, with reference to 100% of the associate, stood at €106.4 million, up 73.9% compared to €61.2 million in 2020, while Ebitda came in at €37.0 million versus €16.5 million in 2020. The sizeable depreciation of the Brazilian real (-20.0%) impacted the translation of the results into euros: like for like, net sales would have increased by 90.8%, while Ebitda would have been up more than 100% compared to 2020. The equity earnings referring to Brazil, which are included in the line item that encompasses the investments valued by the equity method, amount to €9.2 million (€0.3 million in 2020).

Algeria

(valued by the equity method)

The first half of 2021 was characterized by the persistence of the Covid-19 pandemic. Despite the significant recovery in the oil price, primary source of income for the country, the macroeconomic scenario still presents a high degree of uncertainty. The newly installed government pays extreme attention to the economic condition of the nation, which saw its reserves in foreign currencies fall sharply and is struggling with a rising unemployment rate. The complementary finance law which, among other things, abolished the rule that prevented a foreign entity (company or individual) from holding the majority interest of a domestic company, undoubtedly represented a significant change after a decade of substantial absence of foreign investments. A year after its approval, however, it has not yet produced encouraging effects of opening up to foreign capital but a widespread and shared optimism remains in this regard, also in view of the difficult financial situation of the country. After a substantially stable first half, still penalized by the effects of the pandemic, the estimates for the current year indicate a domestic consumption of cement equal to about 20 million tons, in line with 2020, against a production capacity in the country which remained virtually unchanged.

In this context, cement and clinker sales at the Sour El Ghozlane plant slowed down compared to the same period of the previous year (-5%). The Hadjar Soud cement plant also showed a negative trend in volumes (-9%). In both plants the clinker quota sales intended for export increased. With reference to 100% of both associates, the first six months of the current year recorded net sales at €31.0 million, down (-9.2%) compared to €34.2 million in 2020, while Ebitda decreased by 25.2%, reaching €11.8 million, expressing in any case an interesting level of recurring Ebitda margin. The equity earnings referring to Algeria, included in the line item that encompasses the investments valued by the equity method, amount to €0.6 million (€0.9 million in 2020).

Slovenia

(valued by the equity method)

In Slovenia, the economy showed signs of recovery as early as in the first quarter (+1.4%), thanks to the positive dynamics of domestic consumption, investments and exports. In addition, the support measures put in place by the government helped the employment rate. Growth was also confirmed during the second quarter, favored by the easing of restrictions and by the ongoing economic recovery of the main trading partners. On an annual basis, On an annual basis, GDP is expected to grow by 5.7% in 2021.

Cement sales of our associate, after a weak start to the year, recovered in spring, benefiting from the upswing in domestic demand and exports. Net sales of the first six months of the current year reached €42.5 million, up 5.6% compared to the same period of 2020, while Ebitda decreased from €12.3 to €9.7 million (-21.1%), penalized by the increase in energy factors and raw material costs. The equity earnings referring to Slovenia, which are included in the line item that encompasses the investments valued by the equity method, amount to €1.1 million (€2.3 million in 2020).

Risk management and description of main risks

Buzzi Unicem has defined an internal control and risk management system with procedures aimed at allowing the identification, measurement, management and monitoring of the main corporate risks. The companies included in the scope of risk assessment are the parent company Buzzi Unicem SpA and its subsidiaries.

Risks are assessed by considering their likelihood of occurrence and their impact on consolidated equity, in accordance with certain standards, as well as their relevance. We analyze the risks categories attached to the entire business activity of our companies.

Concerning the most significant categories, the following should be highlighted:

- increasing currency risks on intercompany loans, on future collection of dividends and their possible economic impacts due to the translation into euros of the financial statements prepared by the subsidiaries;
- insurance risks persist in the United States for damages resulting from natural disasters not covered by insurance policy;
- about trading conditions, the risks are expected to be stable, decreasing for Italian companies;
- for procurement, the risk relating to the purchases of pet-coke was estimated, as a consequence of its market price and the related maritime transport;
- inclusion of the risk for a likely increase in the prices of CO₂ emission rights to be purchased on the market.

To better cope with the risks associated with the Covid-19 pandemic, the group's priorities have been to implement all the measures to protect employees' health. Given the current conditions of uncertainty, high attention is still paid to the working environments, in particular with distancing and sanitation, the limitation of business trips and the use of work from home with the increase in the use of videoconferencing systems.

As regards the economic and organizational issues, we estimate possible impacts and probability of occurrence which are not negligible in countries where the current situation could worsen for:

- employees: presence at work and feasibility of travelling among the group units and outside
- supply chain: possible lower availability or interruptions in the supply of raw materials, fuels and/or spare parts
- new rules and regulations issued with restrictions on movement and/or industrial operations.

The organizational departments implemented effective actions to contain the negative impacts that have arisen and are ready to intervene to deal with those that may still occur.

Following the mitigation actions already implemented or envisaged, the residual risks represent a limited share of book equity.

Transactions with related parties

Information on transactions with related parties is available in note 47 of these half-yearly condensed consolidated financial statements as at 30 June 2021.

Outlook

The first six months of 2021 were characterized by broadly favorable operating conditions, net of a modest slowdown in Central Europe and Poland, mainly attributable to a harsher winter than expected.

Thanks to the generalized recovery in economic activity and to the greater propensity to spend, investments in construction, both public and private, also showed a positive evolution. These dynamics allowed the group to achieve better sales volumes than initially expected in the first half of 2021. Ebitda margin improved overall but in some markets the favorable price change did not manage to offset the sharp rise in the main cost items. Looking at the second half of the year, the most recent estimates indicate that economic growth should continue, supported by the stability of the industrial sector and by the recovery in the services sector. However, some uncertainties remain on the macroeconomic framework about the future evolution of the pandemic, in particular regarding the spread of the new Covid-19 variants.

In Italy, we believe that the positive development of demand already noted in the first half of the year is likely to continue in the second six months, thanks to the progress of construction investments, particularly in the residential renovation and infrastructure segments. The confirmation of the favorable price effect and the higher capacity utilization should balance the increase in energy costs. We expect the full year to be able to confirm operating results much higher than the previous period.

In Central Europe, we believe that the marginal weakness in demand may continue in the second half of the year, while the price effect is expected to continue to strengthen. The increase in the cost of energy and CO₂ emission rights will penalize operating results, expected to reach a lower level than 2020.

In the Czech Republic and Poland, thanks to the recovery in demand observed in May and June, we expect a modest evolution in volumes, associated with a favorable price effect. However, the visible increase in costs, mainly those relating to CO₂ emission rights, will result in a probable, slight decline in operating results.

In Ukraine, unlike what was outlined at the start to the year and despite the persistent uncertainty affecting the macroeconomic situation, sales volumes will be better than 2020. However, we expect an unfavorable price effect, associated with the increase in production costs. This scenario, combined with the weakness of the local currency, suggests a decline in operating results.

In Russia, in line with the figures achieved throughout June, we expect a positive second half. Assuming that the ruble exchange rate remains around current values, we expect operating results similar to or some points higher than the previous year.

In the second half of the year, we believe that the level of activity in the United States of America remains high, allowing us to achieve a favorable price and volume effect, able to offset the sharp rise in the main cost items. These trends, therefore, should translate into operating results in dollars similar to those of the previous year. Throughout July, the average euro/dollar exchange rate is showing a devaluation of approximately 5%.

In Mexico, in the wake of the results achieved so far, we expect an equally sound second half, thanks to the favorable volume and price effect. The increase in energy costs will slightly penalize the operating results that, however, we expect to improve compared to last year. In Brazil, the good trend in volumes shown at June end should continue in the following quarters, accompanied by a favorable price effect. Despite the negative movement of the exchange rate, we expect a clear improvement in operating results, driven by the additional contribution of the change in scope. The encouraging prospects of Mexico and Brazil give us a glimpse of a greater contribution to consolidated net profit generated from the results of investments.

In conclusion, based on all the above considerations, we expect the consolidated recurring Ebitda for the financial year 2021 to be confirmed at a highly satisfactory level and probably not above the result achieved in the previous year.

* * *

Pursuant to articles 70 and 71 of Consob Regulation no 11971/99, the company avails itself of the faculty of making exception to the obligations to publish the Information Documents required in the event of significant transactions of mergers, spin-offs, capital increases by means of the contribution of assets in kind, acquisitions and disposals.

* * *

Alternative performance measures

Buzzi Unicem uses in its financial disclosure some alternative performance measures that, although widespread, are not defined or specified by the accounting standards applicable to the preparation of the annual financial statements or interim consolidated reports.

Pursuant to Consob Communication no. 92543/2015 and the guidelines ESMA/2015/1415 set out below are the definitions of such measures.

- **EBITDA:** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

- **EBITDA recurring:** it is calculated starting from the subtotal presented in the financial statements named EBITDA and applying to it the following adjustments (non-recurring income/expense):

- restructuring costs, in relation to defined and significant plans
- write downs/ups of current assets except trade receivables greater than €1 million
- addition to/release of provisions for legal, fiscal or environmental risks greater than €1 million
- dismantling costs greater than €1 million
- gains/losses from the sales of fixed assets and non-instrumental real estate greater than €3 million
- other sizeable non-recurring income or expense (greater than €3 million), that is attributable to significant events unrelated to the usual business.

In the first half of 2021, in line with last year, no non-recurring expenses and/or income were recognized.

- **Operating profit (EBIT):** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

- **Net financial position:** it is a measure of the capital structure determined by the difference between financial liabilities and assets, both short and long term; under such items are included all interest-bearing liabilities or assets and those connected to them, such as derivatives and accruals.

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Consolidated Income Statement

(thousands of euro)	Note	1 st Half 2021	1 st Half 2020
Net sales	8	1,608,719	1,520,095
Changes in inventories of finished goods and work in progress		(25,308)	(24,689)
Other operating income	9	21,052	18,913
Raw materials, supplies and consumables	10	(591,942)	(549,731)
Services	11	(377,998)	(361,665)
Staff costs	12	(253,700)	(255,992)
Other operating expenses	13	(28,357)	(33,018)
EBITDA		352,466	313,913
Depreciation, amortization and impairment charges	14	(122,752)	(128,422)
Operating profit		229,714	185,491
Equity in earnings of associates and joint ventures	15	48,433	145,336
Gains (losses) on disposal of investments	16	-	3,610
Finance revenues	17	29,072	38,349
Finance costs	17	(45,080)	(93,395)
Profit before tax		262,139	279,391
Income tax expense	18	(52,428)	(62,735)
Profit for the period		209,711	216,656
Attributable to:			
Owners of the company		209,623	216,518
Non-controlling interests		88	138
(euro)			
Earnings per share	19		
basic			
ordinary		1.091	1.047
savings		-	1.071

Consolidated Statement of Comprehensive Income

(thousands of euro)	1 st Half 2021	1 st Half 2020
Profit for the period	209,711	216,656
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	35,875	(18,514)
Fair value changes of equity investments	64	380
Income tax relating to items that will not be reclassified	(10,204)	4,623
Total items that will not be reclassified to profit or loss	25,735	(13,511)
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	103,515	(70,010)
Share of currency translation differences of associates and joint ventures valued by the equity method	15,658	(77,505)
Total items that may be reclassified subsequently to profit or loss	119,173	(147,515)
Other comprehensive income for the period, net of tax	144,908	(161,026)
Total comprehensive income for the period	354,619	55,630
Attributable to:		
Owners of the company	354,528	55,492
Non-controlling interests	91	138

Consolidated Balance Sheet

(thousands of euro)	Note	30/06/2021	31/12/2020
Assets			
Non-current assets			
Goodwill	20	606,711	603,603
Other intangible assets	20	60,083	60,718
Right-of-use assets	21	87,446	87,725
Property, plant and equipment	22	2,974,574	2,909,405
Investment property	23	18,780	18,762
Investments in associates and joint ventures	24	440,287	409,210
Equity investments at fair value	25	12,277	11,402
Deferred income tax assets		69,860	81,961
Other non-current assets	26	235,409	31,019
		4,505,427	4,213,805
Current assets			
Inventories	27	436,141	469,360
Trade receivables	28	502,689	399,222
Other receivables	29	88,342	72,204
Cash and cash equivalents	30	923,335	1,218,279
		1,950,507	2,159,065
Assets held for sale	31	4,988	13,890
Total Assets		6,460,922	6,386,760

(thousands of euro)	Note	30/06/2021	31/12/2020
Equity			
Equity attributable to owners of the company			
Share capital	32	123,637	123,637
Share premium		458,696	458,696
Other reserves	33	(195,705)	(314,922)
Retained earnings		3,522,994	3,337,796
Treasury shares		(7,699)	(7,699)
		3,901,923	3,597,508
Non-controlling interests	34	5,461	5,499
Total Equity		3,907,384	3,603,007
Liabilities			
Non-current liabilities			
Long-term debt	35	1,084,163	1,166,309
Lease liabilities	31	65,034	64,554
Derivative financial instruments	36	-	4,060
Employee benefits	37	411,597	445,140
Provisions for liabilities and charges	38	88,954	87,800
Deferred income tax liabilities		351,149	334,016
Other non-current liabilities	39	9,200	9,469
		2,010,097	2,111,348
Current liabilities			
Current portion of long-term debt	35	89,166	52,958
Short-term debt	35	9,100	12,901
Current portion of lease liabilities	21	21,102	21,443
Trade payables	40	253,233	229,247
Income tax payables	41	26,827	56,056
Provisions for liabilities and charges	38	20,905	47,986
Other payables	42	123,108	251,814
		543,441	672,405
Total Liabilities		2,553,538	2,783,753
Total Equity and Liabilities		6,460,922	6,386,760

Consolidated Statement of Cash Flows

(thousands of euro)	Note	1 st Half 2021	1 st Half 2020
Cash flows from operating activities			
Cash generated from operations	43	313,147	256,154
Interest paid		(16,646)	(18,266)
Income tax paid		(77,362)	(23,458)
Net cash generated from operating activities		219,139	214,430
Cash flows from investing activities			
Purchase of intangible assets	20	(891)	(1,966)
Purchase of property, plant and equipment	22	(98,965)	(105,605)
Acquisition of subsidiaries, net of cash acquired		(639)	-
Purchase of other equity investments	24, 25	(1,392)	222
Proceeds from sale of property, plant and equipment		14,799	4,692
Proceeds from sale of equity investments		-	5,700
Changes in financial receivables		(228,964)	(1,506)
Dividends received from equity investments		31,315	171,034
Interest received		3,482	6,391
Net cash generated from (used in) investing activities		(281,255)	78,962
Cash flows from financing activities			
Repayment of long-term debt	35	(52,912)	(706)
Net change in short-term debt	35	(3,803)	(3,967)
Repayment of lease liabilities	21	(11,845)	(11,678)
Changes in other financial payables		3,467	5,285
Changes in ownership interests without loss of control		(1)	(19,219)
Purchase of treasury shares		-	(7,326)
Dividends paid to owners of the company	44	(190,549)	(31,802)
Dividends paid to non-controlling interests	44	(105)	(96)
Net cash generated from (used in) financing activities		(255,748)	(69,509)
Increase (decrease) in cash and cash equivalents		(317,864)	223,883
Cash and cash equivalents at beginning of period		1,218,279	837,403
Currency translation differences		22,919	(19,424)
Cash and cash equivalents at end of period		923,334	1,041,862

Consolidated Statement of Changes in Equity

(thousands of euro)	Attributable to owners of the company						Non-controlling interests	Total Equity
	Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	Total		
Balance as at 1 January 2020	123,637	458,696	116,798	2,986,360	(373)	3,685,118	5,703	3,690,821
Profit for the period	-	-	-	216,518	-	216,518	138	216,656
Other comprehensive income for the period, net of tax	-	-	(147,250)	(13,776)	-	(161,026)	-	(161,026)
Total comprehensive income for the period	-	-	(147,250)	202,742	-	55,492	138	55,630
Dividends paid	-	-	-	(31,802)	-	(31,802)	(127)	(31,929)
Withholding tax on foreign dividends	-	-	-	(6,974)	-	(6,974)	-	(6,974)
Acquisition of non-controlling interests	-	-	-	352	-	352	(204)	148
Purchase of treasury shares	-	-	-	-	(7,326)	(7,326)	-	(7,326)
Other changes	-	-	(13,313)	10,272	-	(3,041)	(2)	(3,043)
Balance as at 30 June 2020	123,637	458,696	(43,765)	3,160,950	(7,699)	3,691,819	5,508	3,697,327
Balance as at 1 January 2021	123,637	458,696	(314,922)	3,337,796	(7,699)	3,597,508	5,499	3,603,007
Profit for the period	-	-	-	209,623	-	209,623	88	209,711
Other comprehensive income for the period, net of tax	-	-	119,217	25,688	-	144,905	3	144,908
Total comprehensive income for the period	-	-	119,217	235,311	-	354,528	91	354,619
Dividends paid	-	-	-	(48,033)	-	(48,033)	(128)	(48,161)
Withholding tax on foreign dividends	-	-	-	(1,937)	-	(1,937)	-	(1,937)
Acquisition of non-controlling interests	-	-	-	33	-	33	(1)	32
Other changes	-	-	-	(176)	-	(176)	-	(176)
Balance as at 30 June 2021	123,637	458,696	(195,705)	3,522,994	(7,699)	3,901,923	5,461	3,907,384

Notes to the half-yearly consolidated financial report

1. General information

Buzzi Unicem SpA ('the company') and its subsidiaries (together 'the group' or 'Buzzi Unicem') manufacture, distribute and sell cement, ready-mix concrete and aggregates. The group has manufacturing plants in several countries, which also represent the natural outlet for its goods and services. The operations are located mainly in Italy, the United States of America, Germany, Luxembourg, the Netherlands, Poland, the Czech Republic and Slovakia, Ukraine, Russia, Mexico and Brazil.

Buzzi Unicem SpA is a stock corporation organized under the laws of Italy. The address of its registered office is Via Luigi Buzzi 6, Casale Monferrato (AL).

The company has its primary listing on the Borsa Italiana stock exchange (Euronext group).

These consolidated interim financial statements were authorized for issue by the board of directors on 3 August 2021.

2. Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with art. 154 ter of Legislative Decree 58/1998 and drawn up in compliance with International Financial Reporting Standards (IFRS), according to the provisions of IAS 34 Interim Financial Reporting. They should be read in conjunction with the annual financial statements for the year ended 31 December 2020.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from such estimates. In preparing these interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020, with the exception of changes in estimates that are required in determining the income tax expense for the period.

The company does not show in the income statement, balance sheet and cash flow statement the amount of balances with related parties, separately by line item (pursuant to Consob resolution no. 15519 of 27 July 2006). This indication would not be significant for the representation of the financial and economic position of the group; furthermore, transactions with related parties are disclosed in note 47 of these consolidated interim financial statements.

The items presented in these consolidated financial statements have been slightly adjusted and integrated compared with those previously published, to give a better representation of the financial position and economic performance of the group.

Foreign currency translation

The results and financial position of all the group entities that have a functional currency different from the presentation currency have been translated using the following exchange rates:

(euro 1 = Currency)	Year-end		Average	
	30 June 2021	31 December 2020	1 st Half 2021	1 st Half 2020
US Dollar	1.1884	1.2271	1.2053	1.1020
Czech Koruna	25.4880	26.2420	25.8541	26.3333
Ukrainian Hryvnia	32.3618	34.7689	33.4591	28.6252
Russian Ruble	86.7725	91.4671	89.5502	76.6692
Polish Zloty	4.5201	4.5597	4.5374	4.4120
Hungarian Forint	351.6800	363.8900	357.8797	345.2607
Mexican Peso	23.5784	24.4160	24.3270	23.8430
Algerian Dinar	159.6165	162.1071	160.5409	136.9953
Brazilian Real	5.9050	6.3735	6.4902	5.4104

3. Accounting policies

Except as described below, the principles adopted are consistent with the recognition and evaluation criteria used in the preparation of the annual financial statements as at 31 December 2020, to which reference is made for additional information.

Certain valuation processes, in particular the assessment of fixed assets impairment, if any, are generally carried out in full only during the preparation of the annual financial statements, when all necessary information is available, unless there is an indication of impairment that requires an immediate impairment test. Similarly, the actuarial valuations to support the determination of employee benefits are normally drawn up only during preparation of the annual financial statements.

Income tax expense is accrued using the rate that would be applicable to the expected profit or loss for the entire year.

Standards, amendments and interpretations adopted in 2021

The following standards, amendments and interpretations are not significant to the Group and/or have not resulted in the recognition of any effect in these interim financial statements.

- IFRS 16 Leasing (amendment): Covid-19-related rent concessions. As a practical expedient, it exempts the lessee from considering and accounting for as lease modifications the rent concessions from lessors as a direct consequence of the Covid19 pandemic.
- IFRS 4 Insurance contracts (amendment): extension of the temporary exemption from applying IFRS 9.
- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amendments): Interest rate benchmark reform - phase 2. The amendments, as a result of the reform, complement those issued in 2019 and focus on the on-balance sheet effects of replacing the old benchmark interest rate, with an alternative rate.

The changes at this final stage relate to:

- contractual cash flows: the book value of financial instruments will not have to be eliminated or adjusted, but instead the effective interest rate will have to be updated to reflect the change in the alternative reference rate;
- hedge accounting: it will not have to be interrupted in order to make the changes required by the reform, if the other hedging criteria are met;
- disclosure: information on the new risks arising from the reform and transition mode to alternative reference rates will need to be explained.

Standards, amendments and interpretations that are not yet effective and have not been early adopted

- IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures (amendments): sale or contribution of assets between an investor and its associates or joint ventures. A full gain (or loss) is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary. At the date of this report the European Union has deferred indefinitely the endorsement process required for the amendment to become effective and since which date.
- IFRS 17 Insurance contracts (effective from 1 January 2023), replaces the previous standard IFRS 4 Insurance contracts and solves the comparison issues created by the same standard, by requiring all insurance contracts to be accounted for in a consistent manner, to the benefit of both investors and insurance companies. Insurance obligations will be accounted for using current values instead of historical cost. At the date of this report the European Union has not yet endorsed the standard.
- IAS 1 Presentation of financial statements (amendments): classification of liabilities as current or non-current (effective from 1 January 2023) and related amendments on the deferral of the effective date. The amendments clarify how to classify debt and other liabilities with an uncertain settlement date as current or non-current. No significant impact on consolidated financial statement is expected. At the date of this report the European Union has not yet endorsed the standard.
- The following package of amendments (1 January 2022) includes narrow-scope to amendments to three standards as well as the Board's Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the different standards.
 - IFRS 3 Business combinations (amendments): reference to the conceptual framework, updating a reference in the obsolete standard, without changing the accounting treatment for business combinations.
 - IAS 16 Property, plant and equipment (amendments): proceeds before intended use, prohibiting a company from deducting from the cost of property, plant and equipment the amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
 - IAS 37 Provisions, contingent liabilities and contingent assets (amendments): onerous contracts – cost of fulfilling a contract, specify which costs a company includes when assessing whether a contract will be loss-making.
 - Annual Improvements 2018-2020 Cycle: a series of minor amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16 Leasing illustrative examples.

- Amendments to IAS 12 Deferred tax related to assets and liabilities arising from single transaction. It specifies how companies should account for deferred tax on transactions such as leases and decommissioning obligation.

4. Financial risk management

4.1 Financial risk factors

The group's activities are exposed to a variety of financial risks such as market risk (including currency, price and interest rate), credit risk and liquidity risk. The group uses, infrequently, derivative financial instruments to hedge certain risk exposures. Central treasury and finance department carries out risk management and identifies, evaluates and possibly hedges financial risks in close cooperation with the group's operating units.

The consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; therefore, they should be read in conjunction with the consolidated annual report as at 31 December 2020. The continuous evolution of the macroeconomic scenario following Covid-19 did not determine, as in 2020, any significant change in the financial risk management.

Since year end, there have been no organizational changes in the risk management department or related risk management policies.

4.2 Fair value estimation

Hereunder an analysis of the financial instruments carried in the balance sheet at fair value. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the assets and liabilities that are measured at fair value at 30 June 2021:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Other non-current assets	10,553	1,243	-	11,796
Current financial assets	-	72	-	72
Equity investments at fair value	-	-	12,277	12,277
Total Assets	10,553	1,315	12,277	24,145

The following table presents the assets and liabilities that are measured at fair value at 31 December 2020:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Other non-current assets	10,099	1,072	-	11,171
Current financial assets	-	46	-	46
Equity investments at fair value	-	-	11,402	11,402
Total Assets	10,099	1,118	11,402	22,619
Liabilities				
Derivative financial instruments (non-current)	-	-	(4,060)	(4,060)
Total Liabilities	-	-	(4,060)	(4,060)

In the first half of 2021, there were no transfers between the various fair value levels.

Other non-current assets refer to deposits held in trust to secure the payment of benefits under certain defined contribution pension plans in the United States. These assets are classified as level 1 or level 2 in the fair value hierarchy, with any movement taken directly to the income statement.

The equity investments included in the line item Equity investments at fair value are all booked at fair value through other comprehensive income (OCI) and included in level 3. When a multi-year plan is not available, the valuation at book value of equity is considered as the best approximation of the fair value (note 25).

Level 3 derivatives include the put/call option on the remaining 50% interest in BCPAR SA. In April 2021, with the authorization of the Brazilian antitrust authority (CADE) and based on the agreements communicated on 26 October 2020, Companhia Nacional de Cimento (CNC), a wholly-owned subsidiary of BCPAR, the Brazilian holding company in which Buzzi Unicem owns a 50% interest together with Grupo Ricardo Brennand, acquired all the companies of the CRH group operating in Brazil (CRH Brazil and its subsidiaries). In the framework of this business combination, Buzzi Unicem and Grupo Ricardo Brennand have agreed upon some changes to the existing shareholders' agreements, in order to consider the new scope of consolidation. The deadlines for the exercise of the put options assigned to Grupo Ricardo Brennand (which will be exercisable only in the first half of the years 2023, 2024, 2025 and 2027) and of the call option available to Buzzi Unicem (which will be exercisable in the first half of 2026) have been partially revised and the price of the put and call options will not be influenced, either positively or negatively, by the economic and financial performance of CRH Brazil and its subsidiaries target of the acquisition. The value of the derivative financial instrument is assessed based on the new calculation method of the exercise price of the option and at the date of these interim financial statements it is in line with its fair value. The change in the fair value of the derivative has been recognized in profit or loss, in accordance with IFRS 9 (note 36).

The group holds several financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments (trade receivables less provision for impairment, trade payables, other receivables, other payables) the carrying amount is considered to approximate their fair value. The fair value of long-term financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

The persistence of the Covid-19 emergency in the first half of 2021 did not have, as in 2020, significant impacts on the capital market with reference to the interest rates in euro, which, however, remain at rather low levels, both as regards potential funding and especially for liquidity deposits.

5. Scope of consolidation

The first half of 2021 saw the acquisition of a 100% interest in Falconeria Srl; the company has therefore been consolidated on a line-by-line basis since 31 March 2021.

Moreover, in May 2021 the start-up Hinfra Srl was set-up, of which Buzzi Unicem holds 60% but not control; therefore, the new investment is being valued under the equity method.

During the first half some mergers took place within the group, to continue streamlining and simplifying the organizational structure, without any effect on the consolidated financial statements.

Specifically, in Germany, the following subsidiaries, previously consolidated line by line, were merged into Dyckerhoff Beton GmbH & Co. KG effective 1 January 2021:

- sibobeton Ems GmbH & Co. KG
- sibobeton Enger GmbH & Co. KG
- Ostfriesische Transport-Beton GmbH & Co. KG
- sibobeton Wilhelmshaven GmbH & Co. KG
- SIBO-Gruppe GmbH & Co. KG
- BTG Beton-Transport-Gesellschaft mbH

6. Seasonality of operations

Demand for cement, ready-mix concrete and other construction materials is seasonal because climatic conditions affect the level of activity in the building industry. Buzzi Unicem usually experiences a reduction in sales during the first and fourth quarters, reflecting the effect of the winter season, and tends to see an increase in sales in the second and third quarters, reflecting the effect of the summer season.

In the first half of 2021, both in Italy and in the foreign countries in which the group operates, despite a still worrying evolution of the Covid-19 pandemic, operations continued regularly. On the other hand, in the same period of 2020, due to the limitations imposed by the Government to deal with the emergency, the production and sale activities in Italy (and, to a lesser extent Luxembourg, Ukraine, Poland and Russia) remained almost completely idle from the end of March to the first week of May.

7. Segment information

The chief operating decision-maker identifies with the executive directors, who review the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on those reports.

The executive directors consider the business by geographical area of operations and from a product perspective they assess in a combined way the performance of "cement" and "ready-mix concrete and aggregates", since the two businesses, vertically integrated, are strictly interdependent. In particular, ready-mix concrete represents essentially a distribution channel for cement and does not require, for the chief operating decision-maker, evidence of separate results.

The executive directors assess the performance of the reportable operating segments based, as main reference, on a measure of operating profit. Net finance costs and income tax expense are not included in the result of each operating segment reviewed by the executive directors.

The measurement of economic performance is consistent with the one of the financial statements.

The segment named Central Europe consists of Germany, Luxembourg and the Netherlands. Eastern Europe covers Poland, the Czech Republic, Slovakia, Ukraine and Russia.

1st Half 2021

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallocated items and adjustments	Total	Mexico 100%	Brazil 100%
Segment revenue	302,956	428,405	278,351	599,007	-	1,608,719	337,111	106,434
Intersegment revenue	(2,661)	(176)	-	-	2,837	-	-	-
Revenue from external customers	300,295	428,229	278,351	599,007	2,837	1,608,719	337,111	106,434
Ebitda	32,981	67,492	70,421	181,572	-	352,466	150,931	36,976
Operating profit	9,063	43,769	51,692	125,190	-	229,714	137,670	30,053

1st Half 2020

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallocated items and adjustments	Total	Mexico 100%	Brazil 100%
Segment revenue	218,275	416,296	273,891	611,633	-	1,520,095	266,783	61,204
Intersegment revenue	(2,529)	(212)	-	-	2,741	-	-	-
Revenue from external customers	215,746	416,084	273,891	611,633	2,741	1,520,095	266,783	61,204
Ebitda	9,059	58,201	66,582	180,071	-	313,913	126,351	16,546
Operating profit	(14,764)	35,088	46,472	118,695	-	185,491	113,222	9,085

8. Net sales

Revenues from contracts with customers derive from goods transferred at a specific time and from the rendering of services, whose breakdown by market is illustrated below:

(thousands of euro)	1 st Half 2021		
	Cement	Concrete and aggregates	Total
Italy	178,902	124,054	302,956
Germany	182,960	145,726	328,686
Luxembourg and the Netherlands	55,338	44,381	99,719
Poland	36,792	16,939	53,731
Czech Republic and Slovakia	22,351	57,320	79,671
Russia	93,933	-	93,933
Ukraine	47,798	3,218	51,016
United States of America	464,654	134,353	599,007
	1,082,728	525,991	1,608,719

(thousands of euro)	1 st Half 2020		
	Cement	Concrete and aggregates	Total
Italy	132,823	85,452	218,275
Germany	179,969	146,520	326,489
Luxembourg and the Netherlands	46,163	43,644	89,807
Poland	39,623	15,562	55,185
Czech Republic and Slovakia	18,775	55,362	74,137
Russia	92,852	-	92,852
Ukraine	48,359	3,358	51,717
United States of America	459,229	152,404	611,633
	1,017,793	502,302	1,520,095

The 5.8% increase compared with 2020 is due to favorable market trends for 11.1%, offset by unfavorable foreign currency effects for 5.3%.

9. Other operating income

This line item consists of income arising both from the ordinary and the non-recurring course of business that is not attributable to core sales of goods and rendering of services.

(thousands of euro)	1 st Half 2021	1 st Half 2020
Recovery of expenses	2,687	2,826
Indemnity for damages	128	549
Revenue from leased properties	4,182	4,498
Gains on disposal of property, plant and equipment	4,289	1,770
Capital grants	168	195
Release of provisions	840	353
Internal work capitalized	613	776
Other	8,145	7,946
	21,052	18,913

The caption gains on disposal of property, plant and equipment mainly includes amounts relating to the disposal of certain land, buildings and other assets located in Germany for €3,160 thousand, in detail, quarries belonging to the Seibel & Söhne idle factory for €1,394 thousand plus land and machinery located in Iserlohn amounting to €1,072 thousand.

The caption other includes, among others, insurance proceeds relating to the squeeze-out of the Dyckerhoff minorities for €1,120 thousand.

10. Raw materials, supplies and consumables

(thousands of euro)	1 st Half 2021	1 st Half 2020
Raw materials, supplies and consumables	362,461	337,649
Finished goods and merchandise	35,375	33,366
Electricity	99,522	86,868
Fuels	82,596	68,208
Other goods	11,988	23,640
	591,942	549,731

11. Services

(thousands of euro)	1st Half 2021	1st Half 2020
Transportation	231,585	212,294
Maintenance and contractual services	78,254	82,361
Insurance	8,961	10,381
Legal and professional consultancy	5,800	6,502
Operating leases of property and machinery	5,471	5,594
Travel	1,336	1,603
Other	46,591	42,930
	377,998	361,665

12. Staff costs

(thousands of euro)	1st Half 2021	1st Half 2020
Salaries and wages	188,858	191,426
Social security contributions and defined contribution plans	56,937	55,986
Employee severance indemnities and defined benefit plans	6,460	6,576
Other long-term benefits	100	276
Other	1,345	1,728
	253,700	255,992

The decrease of the line item is due to the exchange rate effect for an amount of €11.505 thousand, resulting mainly from the weakening of the US dollar, the Russian ruble and the Ukrainian hryvnia.

The average number of employees is the following:

(number)	1st Half 2021	1st Half 2020
White collar and executives	3,694	3,669
Blue collar and supervisors	6,079	6,185
	9,773	9,854

13. Other operating expenses

Other operating expenses, related to both the ordinary and the non-recurring course of business, are composed as follows:

(thousands of euro)	1st Half 2021	1st Half 2020
Write-down of receivables	566	2,157
Provisions for liabilities and charges	1,233	1,750
Association dues	3,416	3,276
Indirect taxes and duties	16,635	18,399
Losses on disposal of property, plant and equipment	317	538
Other	6,190	6,898
	28,357	33,018

14. Depreciation, amortization and impairment charges

(thousands of euro)	1st Half 2021	1st Half 2020
Intangible assets	3,195	3,123
Right-of-use assets	12,121	13,101
Property, plant and equipment	106,006	112,190
Impairment losses of non-current assets	1,430	8
	122,752	128,422

The impairment losses include the fair value adjustment of certain land and buildings relating to the Italian concrete business, amounting to €1,327 thousand.

15. Equity in earnings of associates and joint ventures

The line item includes the share of profit (loss) of investments accounted for under the equity method and possible write-downs, set out in detail below:

(thousands of euro)	1 st Half 2021	1 st Half 2020
Associates		
Société des Ciments de Hadjar Soud EPE SpA	212	374
Société des Ciments de Sour El Ghoulane EPE SpA	438	514
Bétons Feidt S.A.	17	300
Louisville Cement Assets Transition Company ¹	(48)	109,273
Laterlite SpA	1,944	485
Salonit Anhovo Gradbeni Materiali dd	1,110	2,322
W&P Cementi	715	470
Other associates	328	305
	4,716	114,043
Joint ventures		
Corporación Moctezuma, SAB de CV	33,569	29,546
BCPAR SA	9,215	262
Other joint ventures	933	1,485
	43,717	31,293
	48,433	145,336

¹ formerly Kosmos Cement Company

The equity earnings of the associates in the previous period is favorably impacted by the capital gain on the sale of all the assets of Louisville Cement Assets Transition (formerly Kosmos Cement) for €108,144 thousand.

16. Gains (losses) on disposal of investments

In 2020 the gain mainly arose from the liquidation of the ownership interest in the associate Cobéton SA.

17. Finance revenues and Finance costs

(thousands of euro)	1 st Half 2021	1 st Half 2020
Finance revenues		
Interest income on liquid assets	3,123	5,806
Interest income on plan assets of employee benefits	3,305	4,596
Changes in the fair value of derivative instruments	4,060	-
Foreign exchange gains	17,396	27,456
Dividend income	1	49
Other	1,187	442
	29,072	38,349
Finance costs		
Interest expense on bank borrowings	(6,820)	(8,083)
Interest expense on senior notes and bonds	(5,705)	(5,705)
Interest expense on employee benefits	(6,004)	(8,019)
Interest expense on lease liabilities	(1,124)	(1,375)
Changes in the fair value of derivative instruments	-	(51,757)
Discount unwinding on liabilities	(178)	(287)
Foreign exchange losses	(24,337)	(17,395)
Other	(912)	(774)
	(45,080)	(93,395)
Net finance costs	(16,008)	(55,046)

The decrease in net finance costs compared to the previous period was essentially determined by the favorable change in non-cash items, such as the fair value measurement of the put and call option on the remaining 50% interest in BCPAR SA (note 36), partially offset by the unfavorable net balance of foreign exchange gains and losses.

18. Income tax expense

(thousands of euro)	1 st Half 2021	1 st Half 2020
Current tax	50,046	80,606
Deferred tax	2,404	(17,764)
Tax relating to prior years	(22)	(107)
	52,428	62,735

The decrease in current tax is essentially due to the lack of the tax burden (€34,211 thousand in the previous period) referred to the capital gain realized by the associate Kosmos Cement.

19. Earnings per share

On 18 January 2021, the mandatory conversion of savings shares into ordinary shares took effect (note 32), through which the no. 40,711,949 existing savings shares were converted into ordinary share at the exchange ratio of 0.67 ordinary for each savings. Earnings per share of the comparative period reflect the previous capital structure, consisting of two classes of share.

Basic

Basic earnings per share is calculated, by dividing net profit attributable to equity owners of the company by the weighted average number of shares outstanding during the period, excluding treasury shares. To calculate basic earnings per share attributable to ordinary shares, for the first half of 2020, net profit was adjusted for the amount of the preferential dividend to which savings shares are entitled.

		1 st Half 2021	1 st Half 2020
Net profit attributable to owners of the company	thousands of euro	209,623	216,518
attributable to ordinary shares	thousands of euro	209,623	172,983
attributable to savings shares	thousands of euro	-	43,535
Average number of ordinary shares outstanding		192,131,838	165,179,504
Average number of savings shares outstanding		-	40,640,132
Basic earnings per ordinary share	euro	1.091	1.047
Basic earnings per savings share	euro	-	1.071

Diluted

Diluted earnings per share is calculated by adjusting the earnings and weighted average number of outstanding shares for the effects of dilutive options and other potential dilutive shares. Since there are no financial instruments outstanding with such features, basic and diluted earnings per share are the same in both periods.

20. Goodwill and other intangible assets

(thousands of euro)	Other intangible assets				Total
	Goodwill	Industrial patents, licenses and similar rights	Assets in progress and advances	Other	
At 1 January 2021					
Cost/deemed cost	812,812	80,535	1,275	31,984	113,794
Accumulated depreciation and write-downs	(209,209)	(47,507)	-	(5,569)	(53,076)
Net book amount	603,603	33,028	1,275	26,415	60,718
1st Half 2021					
Opening net book amount	603,603	33,028	1,275	26,415	60,718
Exchange differences	3,108	1,552	25	-	1,577
Additions	-	444	412	-	856
Amortization and impairment charges	-	(2,344)	-	(851)	(3,195)
Reclassifications	-	126	-	-	126
Closing net book amount	606,711	32,807	1,712	25,564	60,083
At 30 June 2021					
Cost/deemed cost	815,962	83,580	1,712	31,984	117,276
Accumulated depreciation and write-downs	(209,251)	(50,773)	-	(6,420)	(57,193)
Net book amount	606,711	32,807	1,712	25,564	60,083

At 30 June 2021, the column industrial patents, licenses and similar rights is made up of industrial licenses (€27,592 thousand), application software for plant and office automation (€2,642 thousand), mining rights (€2,496 thousand), industrial patents (€77 thousand).

The column other mainly includes the customer list relating to the Testi Cementi Srl, Borgo Cementi Srl and Arquata Cementi Srl business combination, which took place in 2019, for €24,422 thousand.

The exchange differences of the goodwill mainly refer to the CGU Russia (positive impact of €2,096 thousand) and the CGU United States of America (positive impact of €952 thousand).

Goodwill at 30 June 2021 amounts to €606,711 thousand and is broken down as follows:

(thousands of euro)	30/06/2021	31/12/2020
Italy (Cement sector)	76,114	76,114
United States of America	37,392	36,440
Germany	129,995	129,995
Luxembourg	69,104	69,104
Poland	87,723	87,663
Czech Republic/Slovakia	105,944	105,944
Russia	100,439	98,343
	606,711	603,603

At 30 June 2021, the company assessed the existence of indications of potential impairment losses with reference to the future profitability of some CGUs, such as Cement Italy, Concrete Italy, Russia, Ukraine.

Based on the currently available information, there are no indications such as to require a review of the recoverable value of the assets, therefore there was no need to conduct any impairment test.

21. Right-of-use assets and Lease liabilities

Set out below are the detail and changes of the amounts recognized in the balance sheet and the income statement for right-of-use assets, broken by category:

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other	Total
At 1 January 2021					
Cost/deemed cost	35,759	18,343	62,009	17,133	133,244
Accumulated depreciation and write-downs	(9,797)	(4,287)	(23,323)	(8,112)	(45,519)
Net book amount	25,962	14,056	38,686	9,021	87,725
1st Half 2021					
Opening net book amount	25,962	14,056	38,686	9,021	87,725
Exchange differences	271	42	1,215	65	1,593
Additions and other	5,313	988	2,489	1,701	10,491
Extinctions	(163)	-	-	(78)	(241)
Depreciation and impairment charges	(2,610)	(1,427)	(5,525)	(2,560)	(12,122)
Closing net book amount	28,773	13,659	36,865	8,149	87,446
At 30 June 2021					
Cost/deemed cost	40,420	19,398	66,277	17,464	143,559
Accumulated depreciation and write-downs	(11,647)	(5,739)	(29,412)	(9,315)	(56,113)
Net book amount	28,773	13,659	36,865	8,149	87,446

Lease liabilities recorded in the balance sheet at 30 June 2021 amount to €86,136 thousand.

22. Property, plant and equipment

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Assets in progress and advances	Other	Total
At 1 January 2021						
Cost/deemed cost	2,745,254	4,846,098	412,079	162,972	135,887	8,302,290
Accumulated depreciation and write-downs	(1,130,264)	(3,825,143)	(307,168)	(29,716)	(100,594)	(5,392,885)
Net book amount	1,614,990	1,020,955	104,911	133,256	35,293	2,909,405
1st Half 2021						
Opening net book amount	1,614,990	1,020,955	104,911	133,256	35,293	2,909,405
Exchange differences	41,971	22,189	3,060	3,319	1,020	71,559
Additions	3,776	33,507	12,982	48,464	955	99,684
Change in scope of consolidation	-	-	-	2,682	-	2,682
Disposals and other	(867)	(87)	(239)	-	(15)	(1,208)
Depreciation and impairment charges	(20,087)	(69,111)	(14,086)	-	(4,138)	(107,422)
Reclassifications	2,936	28,095	5,818	(38,799)	1,824	(126)
Closing net book amount	1,642,719	1,035,548	112,446	148,922	34,939	2,974,574
At 30 June 2021						
Cost/deemed cost	2,804,242	4,959,844	431,750	156,434	140,614	8,492,884
Accumulated depreciation and write-downs	(1,161,523)	(3,924,296)	(319,304)	(7,512)	(105,675)	(5,518,310)
Net book amount	1,642,719	1,035,548	112,446	148,922	34,939	2,974,574

Additions in the first six months 2021 amount to €99,684 thousand. In the cash flow statement and in the management review of operations capital expenditures are reported according to the actual outflows (€98,965 thousand).

Change in scope of consolidation of the column assets in progress is attributable to the land acquired through the purchase of the company Falconeria Srl (note 48).

Positive exchange differences of €71,559 thousand reflect the appreciation of most foreign currencies, mainly: dollar/euro (€58,077 thousand), ruble/euro (€8,100 thousand) and hryvnia/euro (€3,018 thousand). In the first half of 2020, translation differences had been overall negative for a total of €27,928 thousand.

Real guarantees on assets of consolidated companies are represented by liens on industrial and commercial equipment for the amount of €119 thousand at 30 June 2021 (December 2020: €119 thousand).

23. Investment property

(thousands of euro)	30/06/2021	31/12/2020
At 1 January		
Cost/deemed cost	23,396	35,864
Accumulated depreciation and write-downs	(4,634)	(15,068)
Net book amount	18,762	20,796
Exchange differences	31	(86)
Disposals and other	-	(1,491)
Depreciation and impairment charges	(13)	(457)
At 30 June	18,780	18,762
Cost/deemed cost	23,426	23,396
Accumulated depreciation and write-downs	(4,646)	(4,634)
Net book amount	18,780	18,762

24. Investments in associates and joint ventures

The amounts recognized in the balance sheet are as follows:

(thousands of euro)	30/06/2021	31/12/2020
Associates valued by the equity method	157,854	154,809
Joint ventures valued by the equity method	282,433	254,401
	440,287	409,210

The net increase of €31,077 thousand was mainly affected upwards by equity earnings of €48,433 thousand and exchange differences of €15,658 thousand, downwards by dividends received of €31,315 thousand.

24.1 Interests in associates

Set out below are the associates as at 30 June 2021 which, in the opinion of the directors, are material to the group. These associates have share capital consisting solely of ordinary shares, which are held directly or indirectly by the company. The country of incorporation also corresponds to their principal place of business.

Name of the entity	Place of business/country of incorporation	% of ownership interest	Book value	Measurement method
Société des Ciments de Hadjar Soud EPE SpA	Algeria	35.0	37,286	Equity
Société des Ciments de Sour El Ghozlane EPE SpA	Algeria	35.0	35,976	Equity
Salonit Anhovo Gradbeni Materiali dd	Slovenia	25.0	32,259	Equity

24.2 Interests in joint ventures

Set out below are the two joint ventures as at 30 June 2021 which, in the opinion of the directors, are material to the group:

Name of the entity	Place of business/country of incorporation	% of ownership interest	Book value	Measurement method
Corporación Moctezuma, SAB de CV	Mexico	33.0	148,530	Equity
BCPAR SA	Brazil	50.0	127,980	Equity

In April, with the authorization of the Brazilian antitrust authority (CADE) and based on the agreements communicated on 26 October 2020, Companhia Nacional de Cimento (CNC), a wholly owned subsidiary of BCPAR, the Brazilian holding in which Buzzi Unicem holds 50% of the share capital, acquired all the CRH companies operating in Brazil. The consideration paid takes into account the originally agreed price of \$218 million and the changes in the financial position of the acquired companies occurred from the signing of the agreement.

As planned, Buzzi Unicem has financed CNC, on an arm's length basis, for an amount of \$242 million to support the whole transaction.

The CRH companies operating in Brazil (approximately 2.8 million tons of cement sold in 2020) consist of three full-cycle cement plants and two grinding plants, all of them located in the South-Eastern area of the country.

The acquired entities, therefore, have been consolidated on a line-by-line basis by BCPAR as of 16 April 2021. The goodwill arising from the business combination, recognized in the CNC balance sheet, amounts to €120,600 thousand. However, the carrying value of Buzzi Unicem's investment in BCPAR was not affected by the acquisition, except for the equity earnings of the period (€2,108 thousand).

25. Equity Investments at fair value

The line item refers to investments in unconsolidated subsidiaries and in other companies, all of them unlisted.

(thousands of euro)	Subsidiaries	Other	Total
At 1 January 2021	350	11,052	11,402
Additions	-	242	242
Fair value changes	-	64	64
Reclassifications	534	-	534
Disposals and other	-	35	35
At 30 June 2021	884	11,393	12,277

Reclassifications refer to the company Bildungs-Zentrum-Deuna GmbH, previously classified among investments in associates.

26. Other non-current assets

(thousands of euro)	30/06/2021	31/12/2020
Loans to third parties and leasing	2,349	2,561
Loans to associates and joint ventures	203,722	87
Loans to customers	8,725	8,328
Tax receivables	1,071	1,063
Receivables from personnel	759	712
Guarantee deposits	12,976	12,336
Other	5,808	5,932
	235,409	31,019

Loans to third parties and leasing consist of lending to third parties, mainly interest-bearing and adequately secured.

Loans to associates and joint ventures include the financing of €203,635 thousand granted to Companhia Nacional de Cimento (CNC, 100% controlled by BCPAR), for the purchase of the CRH group companies operating in Brazil (note 24.2).

Loans to customers include interest bearing advances granted to some major accounts in the United States. Specifically, during 2020, a new loan was granted to a customer for €8,414 thousand, with maturity date 31 December 2035. The loan, which is secured by mortgages, bears interest at 3.25% until 31 December 2025, increasing to 4.25% for the remainder of the period.

The guarantee deposits mainly represent assets held in trust to secure the payment of benefits under certain executive pension plans, besides insurance deposits.

27. Inventories

(thousands of euro)	30/06/2021	31/12/2020
Raw materials, supplies and consumables	296,968	281,891
Work in progress	65,958	77,414
Finished goods and merchandise	69,632	80,601
Advances	976	505
Emission rights	2,607	28,949
	436,141	469,360

The amount shown is net of an allowance for obsolescence of €32,223 thousand (€31,404 thousand in the previous year).

28. Trade receivables

(thousands of euro)	30/06/2021	31/12/2020
Trade receivables	507,718	410,542
Less: Loss allowance	(20,259)	(22,692)
Trade receivables, net	487,459	387,850
Other trade receivables:		
From associates	15,217	11,345
From parent companies	13	27
	502,689	399,222

Trade receivables are non-interest bearing and generally have a maturity of between 30 and 120 days.

The increase of €103,467 thousand in net trade receivables is attributable to the business seasonality, to the increased turnover in Italy and United States, as well as to the favorable foreign exchange differences.

29 Other receivables

(thousands of euro)	30/06/2021	31/12/2020
Tax receivables	32,373	32,940
Receivables from social security institutions	1,266	266
Receivables from unconsolidated subsidiaries and associates	739	-
Loans to customers	60	82
Receivables from suppliers	4,199	4,480
Receivables from personnel	263	256
Current financial assets	26,390	1,473
Loans to third parties and leasing	395	408
Accrued interest income	834	685
Other accrued income and prepaid expenses	12,918	11,072
Other	8,905	20,542
	88,342	72,204

Tax receivables include income tax payments in advance and the debit balance of periodic value added tax liquidation.

Loans to customers represent the current portion of the interest bearing lending granted in the United States (note 26).

Receivables from suppliers include mainly advances on procurement of gas, electricity and other services.

Current financial assets include time deposits amounting to €24,891 thousand, maturing after more than 3 months.

The caption other decreases mainly due to the repayment of the receivable related to the fine imposed in 2015 by the Antitrust Authority of Poland in the amount of €6,873 thousand and the settlement of an escrow account to guarantee the compensation of a railway service provider in Russia in the amount of €2,714 thousand (note 46).

30. Cash and cash equivalents

(thousands of euro)	30/06/2021	31/12/2020
Cash at banks and in hand	485,370	862,883
Short-term deposits	437,965	355,396
	923,335	1,218,279

Foreign operating companies hold about 81.9% of the balance of €923,335 thousand (53.2% in 2020). At the closing date, short-term deposits and securities earn interest at about 0.77% on average (0.50% in 2020), yield in euro is around 0.01%, in dollar 0.11% in other currencies 3.20%. The average maturity of such deposits and securities is lower than 60 days.

31. Assets held for sale

They mainly relate to some equipment and machinery of the mothballed Travesio (€1,235 thousand) and Sorbolo plants (€1,650 thousand), as well as to some quarries and land in Italy for €1,537thousand. The caption decreased mainly due to the sale, in January 2021, of some land in Germany, belonging to the idle Seibel & Söhne plant for €8,126 thousand.

32. Share capital

On 18 January 2021 the mandatory conversion of the 40,711,949 existing savings shares into 27,277,005 newly issued ordinary shares was executed, at the exchange ratio of 0.67 ordinary shares for each savings share, with simultaneous elimination of the par value of any outstanding share.

As a result of the above, the company's share capital, unchanged at €123,637 thousand, fully subscribed and paid up, is currently divided into 192,626,154 ordinary shares without nominal value, as follows:

(number of shares)	30/06/2021	31/12/2020
Shares issued and fully paid		
Ordinary shares	192,626,154	165,349,149
Savings shares	-	40,711,949
	192,626,154	206,061,098
Share capital (thousands of euro)	123,637	123,637

At 30 June 2021 the number of shares outstanding is the following:

(number of shares)	Ordinary
Shares issued	192,626,154
Less: Treasury shares	(494,316)
Outstanding at end of period	192,131,838

33. Other reserves

This line item encompasses several captions, which are listed and described here below:

(thousands of euro)	30/06/2021	31/12/2020
Exchange differences	(649,047)	(768,221)
Revaluation reserves	88,286	88,286
Merger surplus	247,530	247,530
Other	117,526	117,483
	(195,705)	(314,922)

Exchange differences reflect the foreign exchange rate fluctuations that occurred starting from the first-time consolidation of financial statements denominated in foreign currencies. The positive change in the balance of €119,173 thousand results from the improvement in the exchange rates versus the euro of all the functional currencies involved in the consolidation process: €76,758 thousand for the US dollar, €18,768 thousand for the Russian ruble, €8,986 thousand for the Brazilian real, €5,218 thousand for the Mexican peso, €4,854 thousand for the Ukrainian hryvnia, €1,148 thousand for the Algerian dinar and €3,441 thousand for the other currencies in Eastern Europe.

34. Non-controlling interests

The balance refers to Cimalux SA for €3,219 thousand and to Betonmortel Centrale Groningen (B.C.G.) BV for €1,387 thousand.

35. Debt and borrowings

(thousands of euro)	30/06/2021	31/12/2020
Long-term debt		
Senior notes and bonds	498,353	497,917
Unsecured term loans	585,810	668,392
	1,084,163	1,166,309
Current portion of long-term debt		
Unsecured term loans	89,166	52,958
	89,166	52,958
Short-term debt		
Bank debts	840	1,070
Accrued interest expense	8,260	11,831
	9,100	12,901

In the first six months of the year, there were no proceeds from new borrowings and principal repayments amounted to €52.898 thousand.

The following table shows the carrying amounts of the borrowings compared with their fair value:

(thousands of euro)	30/06/2021		31/12/2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Floating rate borrowings				
Unsecured term loans	142,897	148,694	192,616	200,545
Fix rate borrowings				
Senior notes and bonds	498,353	517,352	497,917	517,405
Unsecured term loans	532,919	573,803	529,804	567,992
	1,174,169	1,239,849	1,220,337	1,285,942

The fair values are based on the cash flows discounted at current borrowing rates for the group and are within level 2 of the specific hierarchy.

36. Derivative financial instruments

In the framework of the acquisition of the Brazilian companies owned by CRH (note 24.2), Buzzi Unicem and Grupo Ricardo Brennand agreed on certain amendments to the existing shareholders' agreements, to take into account the new scope of reference. In addition, the timing of the exercise of the put options granted to Grupo Ricardo Brennand was also partially revised.

As at 30 June 2021 the exercise price of the put/call option on the remaining 50% of the share capital of BCPAR SA, calculated with the new terms provided for in the agreement, approximates the fair value of the shares to be acquired. The value of the derivative financial instrument related to the option is, therefore, equal to zero. The liability recognized in the financial statements at 31 December 2020 for €4,060 thousand was released to the income statement under finance revenues.

The notional principal amount and the fair value estimation of the outstanding derivative instruments are summarized as follows:

(thousands of euro)	30/06/2021		31/12/2020	
	Notional	Fair value	Notional	Fair value
BCPAR SA takeover option	291,364	-	210,743	(4,060)

37 Employee benefits

The obligations for employee benefits are analyzed as follows:

(thousands of euro)	30/06/2021	31/12/2020
By category		
Post-employment benefits:		
Pension plans	310,588	341,758
Healthcare plans	75,348	77,228
Employee severance indemnities	16,015	16,738
Other long-term benefits	9,646	9,416
	411,597	445,140

38. Provisions for liabilities and charges

(thousands of euro)	Environmental risks and restoration	Antitrust	Legal claims Tax risks	Other risks	Total
At 1 January 2021	75,460	6,888	5,358	48,080	135,786
Additional provisions	151	-	174	3,668	3,993
Discount unwinding	157	-	-	-	157
Unused amounts released	(448)	-	(141)	(718)	(1,307)
Used during the period	(951)	-	(619)	(28,824)	(30,394)
Exchange differences	709	60	91	508	1,368
Other changes	303	-	(47)	-	256
At 30 June 2021	75,381	6,948	4,816	22,714	109,859

The provision for antitrust refers to the likely imposition of a new penalty in Poland (cement sector), following the Supreme Court's decision to refer the 2015 case back to the Court of Appeal (note 46).

The column other risks includes a provision CO₂ emission rights which encompasses the liabilities deriving from emissions greater than the free allocations, to be fulfilled by purchasing the rights on the market. The changes during the period mainly relate to the use of €27,287 thousand, corresponding to emission rights consumed in 2020 and surrendered to the competent authority.

Other risks also include provisions of €1,928 thousand and uses of €843 thousand relating to claims not covered by insurance, such as indemnities to personnel and compensation in the event of accidents.

39. Other non-current liabilities

(thousands of euro)	30/06/2021	31/12/2020
Purchase of equity investments	2,592	2,681
Non-controlling interests in partnerships	1,512	1,411
Payables to social security institutions	2,788	2,700
Payables to personnel	249	248
Financial tax payables	257	324
Other	1,802	2,105
	9,200	9,469

Payables for the purchase of equity investments mainly include the future installments agreed upon in the Seibel & Söhne business combination.

Payables to social security institutions refer to certain 2020 obligations that have been postponed to 2022, as a result of the Coronavirus Aid, Relief and Economic Security Act (Cares Act), approved in the United States to cope with the pandemic.

All non-current liabilities are due within five years from the balance sheet date, except for the caption non-controlling interests in partnerships, whose maturity is indefinite. The carrying amount of the line item is deemed to approximate its fair value.

40. Trade payables

(thousands of euro)	30/06/2021	31/12/2020
Trade payables	251,246	228,030
Other trade payables:		
To associates	1,987	1,217
	253,233	229,247

41. Income tax payable

This item reflects current income tax liabilities, net of advances, withholdings and tax credits. The decrease is attributable to the payment resulting from the settlement with the German tax authorities of the returns for the years 2014-2020 (€18,300 thousand). In 2020, the liability included taxes on the capital gain realized by the partnership Louisville Cement Assets Transition (previously Kosmos Cement).

42. Other payables

(thousands of euro)	30/06/2021	31/12/2020
Advances	5,356	4,925
Purchase of equity investments	160	217
Payables to social security institutions	16,652	16,742
Payables to personnel	36,218	35,509
Payables to customers	8,173	11,423
Deferred interest income	36	58
Other accrued expenses and deferred income	8,096	6,720
Tax payables	31,906	16,225
Extraordinary dividend	-	144,099
Financial tax payables	3,696	3,578
Payables to antitrust authority	-	356
Other	12,815	11,962
	123,108	251,814

Payables to customers are represented by contractual liabilities, namely short-term advances received following the sale of products and by the volume rebates settled in a separate transaction with the customer.

Deferred income relates to operating revenues pertaining to the following period.

The caption tax payables includes the credit balance of periodic value added tax for €21,214 thousand (2020: €6,059 thousand). It also includes an amount of €782 thousand referring to the tax on real estate transfers in Germany, whose taxable event was reaching full ownership in Dyckerhoff some years ago.

43. Cash generated from operations

(thousands of euro)	1 st Half 2021	1 st Half 2020
Profit before tax	262,139	279,391
Adjustments for:		
Depreciation, amortization and impairment charges	122,752	128,422
Equity in earnings of associates and joint ventures	(48,433)	(145,336)
Gains on disposal of fixed assets	(3,972)	(4,842)
Net change in provisions and employee benefits	(33,812)	(22,094)
Net finance costs	16,008	55,046
Other non-cash movements	(224)	407
Changes in operating assets and liabilities:		
Inventories	38,516	16,272
Trade and other receivables	(70,180)	(26,183)
Trade and other payables	30,353	(24,929)
Cash generated from operations	313,147	256,154

44. Dividends

Dividends paid in 2021 amounted to €47,276 thousand (25 eurocent per ordinary share after the mandatory conversion of savings shares finalized in January 2021) and €143,273 thousand (extraordinary dividend of 75 eurocent per ordinary share already outstanding and newly issued, paid on 3 February, recognized among other payables at 31 December 2020).

Dividends paid in the first half of 2020 were €31,802 thousand (15 eurocent per ordinary share and 17.4 eurocent per savings share).

45. Commitments

(thousands of euro)	30/06/2021	31/12/2020
Guarantees granted	33,103	28,619
Other commitments and guarantees	82,585	235,228
	115,688	263,847

Guarantees granted include commitments toward banks in favor of investee companies, including an amount of €28,726 thousand for loans granted to the associate BCPAR SA.

46. Legal claims and contingencies

Buzzi Unicem is exposed to legal risks, stemming from the variety and complexity of the norms and regulations that apply to the industrial operations of the group, particularly in the areas of environment, health, safety, product liability, taxation and competition. Consequently, there are claims arising in the normal course of business that are pending against the group. While it is not feasible to predict in a precise way the outcome of any case, it is the opinion of management that the ultimate dispositions will not have a material adverse effect on the group's financial condition. Instead, when it is likely that an outflow of resources is required to settle obligations and the amount can be reliably estimated, the group recognized specific provisions for this purpose.

Fiscal

In 2016 the company was subject to audit by the Revenue Service for the year 2012 and controls on subsequent years (from 2013 to 2016). The Revenue Service followed-up in December 2017, December 2018 and July 2019 by notifying assessment notices relating to the 2012, 2013, 2014, 2015 and 2016 financial years, containing remarks on the corporate income tax (IRES) and the regional tax on production activities (IRAP). The greater taxable amount contested in the notices of assessment mainly refers to the failure to charge a royalty to Buzzi Unicem's foreign subsidiaries for the use of the corporate logo. For IRES and IRAP purposes, the higher taxable amount established for the five years totals approximately €77.6 million. For IRES purposes for all five years the declared tax loss is higher than the disputed amounts, therefore no higher IRES, interest or penalties are due. On the other hand, for IRAP purposes, the assessment entails a request, only for the years 2012, 2013 and 2014, for higher taxes and related penalties as well as interest for approximately €2.0 million. For the years 2015 and 2016 the declared negative taxable amount is higher than the disputed amounts, therefore for these financial years no higher IRAP, interests and penalties are due. The company has filed an appeal against all the assessment notices (years 2012, 2013, 2014, 2015 and 2016) considering that the defense elements are well-grounded and sound and the risk of losing is remote. Therefore, no provision was set aside in the financial statements and the amounts paid, on a provisional basis pending judgment, were recorded as receivables in the balance sheet for the current year. It should also be noted that the Revenue Service has accepted the mutual agreement procedure requests (MAP) that the company decided to submit for all the periods subject to the dispute (financial years 2012, 2013, 2014, 2015 and 2016).

Between 2015 and 2020 the municipality of Guidonia Montecelio (Rome) notified Buzzi Unicem some notices of assessment related to higher ICI/IMU and TASI, besides penalties and interests, regarding the years from 2008 to 2016 for a total amount of approximately €17.4 million. The municipality bases its request on the assumption that the land belonging to Buzzi Unicem which is used to quarry raw materials can be comparable, for the purpose of local property taxes, to land for development. Considering this request as incorrect, the company challenged all the tax deeds received before the competent Tax Courts. At present, with reference to the different years contested, the Regional Tax Court of Rome and the Regional Tax Court of Lazio have filed several unfavorable judgments to the company and also some favorable ones. However, considering that it has valid reasons, Buzzi Unicem challenged, or intends to challenge, all the sentences with a negative outcome. With reference to some of the years for which Buzzi Unicem was losing at the outcome of the first instance judgment, the municipality ordered the provisional payment of an amount €4.9 million, which the company paid in full, as well as of an amount of approximately €3.1 million which was for the most part not due as a result of the judgment at second instance. Nevertheless, Buzzi Unicem will request the reimbursement of the amounts paid on a provisional basis which, following the respective appeal proceedings, were not or will not be due. Anyway, the company fully recorded the higher taxes in the balance sheet, with the

related interest and penalties, for all the years in which the appeals were rejected at first instance, while it did not recognize in the financial statements the higher taxes and related interest and penalties with reference to the four executive assessments (amounting to approximately €3.8 million) notified in 2020, because they were considered unfounded. However, the Government has postponed the final deadline for the suspension of the compulsory collection with reference to the amounts due on a provisional basis until 30 September 2021.

Antitrust

As regards the antitrust fine of €59.8 million imposed in August 2017 on Buzzi Unicem and other cement companies for having created an alleged anti-competitive agreement - which has lasted from June 2011 until January 2016 - aimed at coordinating cement sales prices throughout Italy, on 28 September 2020 the Council of State declared the appeal for revocation submitted by the company as inadmissible, as it did not find the existence of any errors of fact that could give rise to the revocation of the contested ruling. On the other hand, the appeal for compensation submitted on 22 May 2020 to the European Court of Human Rights (ECHR), which on 22 December 2020 was declared as admissible, is still pending and will now be examined on its merits by the Court. The full amount of the fine has been paid. In relation to the actions sanctioned by the Italian Antitrust Authority, Buzzi Unicem has received several letters requesting compensation, to which it has always replied rejecting all charges. To date, the company has also received acts of summons to compensate for damages as a result of the alleged overcharge paid by the customers following the agreement sanctioned by the Antitrust Authority, for a total amount of approximately €14.5 million. The company, as mentioned, believes that it has acted in full compliance with antitrust regulations and has therefore appeared before the court to prove its non-involvement in any violation. Furthermore, on 18 January 2021, Italcementi SpA notified the company and the other players involved in the antitrust proceeding, a third-party summons in a proceeding initiated by 28 plaintiffs, aimed at compensating the alleged damages connected with the same antitrust case, for a total of around €11 million. The claims for compensation concern supplies made by various cement producers, including Buzzi Unicem, with respect to which the determination of any respective share of liability was requested in the third-party summons. Also in relation to these claims, the company appeared in court to prove its non-involvement in any violation.

Against the decision of the Antitrust Authority of Poland concluded by imposing sanctions on 6 producers, including the subsidiary Dyckerhoff Polska, for an amount of approximately €15 million, an appeal was filed before the Regional Court of Warsaw which ruled in December 2013 reducing the fine to approximately €12.3 million. Dyckerhoff Polska appealed against the recalculation of the penalty. The Court of Appeal, following a procedure of consultation with the Polish Constitutional Court, summarized the proceeding in January 2018 and in the hearing of 27 March 2018 decided to further reduce the fine to approximately €7.5 million, which have been fully paid. The company, once the motivations for the judgment had been acquired, decided to challenge the decision before the Supreme Court. On 29 July 2020, the Supreme Court cancelled the decision of the Court of Appeal and referred the case back to the same Court for a reconsideration of the sanction. As a result of this decision, the penalty paid was reimbursed to the company, but, based on the motivations of the Supreme Court, it is likely that a new penalty for a similar amount will be imposed. The company has therefore recorded a provision equal to the reimbursed penalty in the financial statements. On 21 May 2021, the Court of Appeal decided to refer the proceedings to the Warsaw Regional Court for further investigation. In the context of this antitrust proceeding concerning the cement sector, the Polish company Thomas Beton on 13 March 2019 notified a claim for compensation to our subsidiary Dyckerhoff Polska and to six more Polish cement producers, for a total inclusive amount referring to all seven cement producers of €14.4 million, plus

interest and costs of the proceeding. The company is defending itself in the proceeding and does not expect a negative impact on the financial statements.

Environmental

As regards the measures adopted for the remediation of the Augusta (SR) roadstead, the land areas and the respective underneath aquifers, Buzzi Unicem is involved in a number of proceedings before the Regional Administrative Court (TAR) of Sicily – Catania division – and the Administrative Justice Council of Sicily (CGARS) against the Ministry for Environment, Land and Sea Protection and various public and private entities. The TAR of Sicily, Catania, with judgment dated 11 September 2012, not appealed by the Ministry, acknowledged that the company was not involved at all in the pollution of the Augusta roadstead and, on the basis of this ruling, at the end of 2017 the Ministry warned the other companies operating on the Augusta roadstead, with the exception of Buzzi Unicem, to clean up the roadstead.

The CGARS, with sentence of 15 November 2018, established the need to correctly re-determine the responsibilities of the companies operating on the Augusta roadstead, making reference to the various positions, including that of Buzzi Unicem. Also following this judgement, no further involvement of the company followed in relation to the remediation of the roadstead, with respect to which the absence of a causal link with the production cycle of the Augusta cement plant seems to be consolidated.

There have been no judicial rulings or significant procedural developments with respect to the final project for the safety enhancement and clean-up of the areas on the land areas and the aquifer, which was challenged by the company before the competent courts, together with certain subsequent acts aimed at implementing it, and with respect to the Program Agreement on the environmental requalification measures for the re-industrialization and infrastructural development of the Priolo SIN areas of 2008/2009.

With reference to these judgments, any potential critical issues seem to be limited to Buzzi Unicem's involvement in the remediation of the land areas and the aquifer, about which the company has carried out on its own, qualifying itself as the guiltless owner of the contamination, the procedural formalities aimed at the characterization, risk analysis and remediation and/or permanent safety enhancement of its land areas and the portions of the aquifer concerned. These obligations, on which the Ministry of the Environment has expressed a positive opinion, with prescriptions, also through decision-making meetings, which the company has not contested, are in progress without any new relevant critical issue emerging during the monitoring activities.

Waiting for the developments related to the above actions, in consideration of the fact that Buzzi Unicem - as non-responsible owner - has so far voluntarily taken care of the remediation process of the areas it owns, and that no specific requests from the Public Administration have emerged in recent years, it has been decided to maintain a provision for risks of €1.5 million.

In the United States of America, numerous lawsuits and claims exist that have been filed against Lone Star Industries, Inc. (LSI) regarding silica-containing or asbestos-containing materials sold or distributed by the company or its subsidiaries in the past and used primarily in construction and other industries. The plaintiffs allege that the use of such materials caused work-related injuries. LSI maintained product liability and comprehensive general liability insurance coverage, to the extent available, for most of the time that it sold or distributed silica-containing and asbestos-containing materials. Further, between 2009 and 2010, LSI and its major insurance carriers entered into settlement agreements that define the parties' responsibilities and cost shares for these liabilities until amended or terminated in accordance with their terms. LSI is discussing with the major insurance carriers to amend the settlement agreements. The insurance carriers continue to follow the settlement agreements and no carrier has provided notice of termination. Estimating the costs associated with silica-related and asbestos-related claims involves many uncertainties that affect the amount and

timing of any losses. The company however maintains a provision for amounts not expected to be covered by insurance.

Other legal proceedings

Our Dutch subsidiary Dyckerhoff Basal Betonmortel received a claim for compensation of approximately €1 million for alleged contractual infringements relating to land in the port of Amsterdam. On 18 May 2021, the Court of First Instance decided on the payment to the applicant of approximately €40,000 for participation in the rental costs, rejecting all other requests. The applicant has the possibility to appeal within three months after the decision.

At the end of April 2020, our Russian subsidiary SLK Cement received a contractual claim for compensation from a railway service provider for a total amount of 387 million rubles, later reduced to 286 million rubles. The Court of First Instance on 10 July 2020 decided on a payment to the applicant of 240 million rubles (approximately €2.7 million). This decision was confirmed on 30 September 2020 by the Court of Appeal and on 18 January 2021 by the Supreme Court. The company made its appeal to the Supreme Court, and on 26 February 2021 paid the full amount. At the same time, the company requested compensation of 243 million rubles (approximately €2.7 million) from the counterparty for damages arising from negligent breach of contract. Our request was accepted in the first instance but subsequently rejected on appeal. This negative decision was also confirmed by the Court of Cassation.

A second railway service provider, which had already opened and partially won a dispute against SLK Cement in 2019, filed a new claim in the amount of 20.3 million rubles, claiming that it leased all the railway cars used by SLK Cement itself from another company to which it had to pay demurrage in the amount of 32.5 million rubles on the basis of a court ruling. The Court of First Instance ruled in favor of the applicant. The case is now pending on appeal. The company has recorded a provision in the financial statements for the full amount required.

47. Related-party transactions

Buzzi Unicem SpA is controlled by Fimedi SpA, which directly and indirectly, through its subsidiary Presa SpA, owns 51.493% of the voting rights.

The company assembles the professional skills, the human resources and the equipment that allow it to provide assistance to other subsidiaries and associates.

Buzzi Unicem SpA regularly carries out trading transactions with a number of associates and/or joint ventures, which mainly consist of sales and purchases of finished and semi-finished products, raw materials and transportation services with entities operating in the business of cement, ready-mix concrete and services. Furthermore, the company provides upon request to the same entities technical and engineering services. Goods are sold on the basis of the price lists in force with non-related parties. Services are usually negotiated with related parties on a cost-plus basis. There are also some transactions of financial nature with the same entities; equally, they have normal terms and interest rate conditions.

The relationship with the parent company Fimedi SpA and its subsidiaries or other entities that are significantly influenced by individuals with considerable voting power in Fimedi SpA, consists in the rendering of services in the area of administration, taxation, legal affairs, payroll and information systems, for limited amounts.

The company and its Italian subsidiaries Unical SpA, Calcestruzzi Zillo SpA, Testi Cementi Srl and Serenergy Srl are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA acting as the parent.

Set out below are the main transactions carried out with related parties and the corresponding balances at the end of the period:

(thousands of euro)	1 st Half 2021	in % of reported balance	1 st Half 2020	in % of reported balance
Sales of goods and services:	26,665	1.6	21,466	1.4
associates and unconsolidated subsidiaries	15,978		13,577	
joint ventures	10,570		7,875	
parent companies	13		11	
other related parties	104		3	
Purchases of goods and services:	16,408	1.6	30,351	3.2
associates and unconsolidated subsidiaries	24,372		29,692	
joint ventures	(8,351)		397	
other related parties	387		262	
Finance revenues:	746	2.6	-	-
joint ventures	746		-	
Trade receivables:	15,239	3.0	10,283	2.3
associates and unconsolidated subsidiaries	7,937		6,495	
joint ventures	7,288		3,774	
parent companies	13		11	
other related parties	1		3	
Loans receivable:	204,462	95.3	87	2.8
associates and unconsolidated subsidiaries	81		87	
joint ventures	204,381		-	
Other receivables:	17,146	5.3	20,391	20.9
associates and unconsolidated subsidiaries	2,255		2,804	
joint ventures	905		117	
parent companies	13,986		17,470	
Trade payables:	5,090	2.0	2,484	1.2
associates and unconsolidated subsidiaries	4,971		2,392	
joint ventures	46		69	
parent companies	7		7	
other related parties	66		16	
Loans payable:	4,984	128.0	4,992	34.3
associates and unconsolidated subsidiaries	-		22	
parent companies	4,984		4,970	
Other payables:	404	0.3	4,291	3.4
parent companies	404		4,291	
Guarantees granted:	30,226		25,983	
joint ventures	30,226		25,983	

Key management personnel include the directors of the company (executive and non-executive), the statutory auditors and 6 other senior executives.

The compensation paid or payable to key management personnel, not included in the previous table, is shown below:

(thousands of euro)	1st Half 2021	1st Half 2020
Salaries and other short-term employee benefits	2,385	2,487
Post-employments benefits	498	462
	2,883	2,949

48. Business combination

On 2 March 2021 Buzzi Unicem acquired 100% of Falconeria Srl. The consideration paid was €650 thousand.

Accounting for the business combination was completed with the support of a specific independent valuation report, through which the final values of the identifiable net assets (€2,186 thousand) were assessed. In detail, property, plant and equipment were adjusted to their fair value, recording a write-up of €557 thousand.

Had the acquisition described above taken place on 1 January 2021, consolidated net sales and net income would not have changed.

49. Other information

Material non-recurring events and transactions

As stated in the management report, the six months period ended 30 June 2021 was not affected by material non-recurring events and transactions – as defined in Consob Communication no. DEM/6064293 of 28 July 2006.

Atypical and/or unusual transactions

Please note that Buzzi Unicem did not carry out atypical and/or unusual transactions during the six months period ended 30 June 2021, as defined in Consob Communication no. DEM/6064293 of 28 July 2006.

Components of net debt

Set out below is the reconciliation of net debt components not directly inferable from the line items in the balance sheet scheme.

(thousands of euro)	Note	30/06/2021	31/12/2020
Other current financial receivables		28,418	2,648
Receivables from unconsolidated subsidiaries and associates	29	739	-
Loans to customers	29	60	82
Loans to third parties and leasing	29	395	408
Accrued interest income	29	834	685
Current financial assets	29	26,390	1,473
Other current financial payables		(3,892)	(148,308)
Purchase of equity investments	42	(160)	(217)
Extraordinary dividend	42	-	(144,099)
Financial tax payables	42	(3,696)	(3,578)
Payables to antitrust authority	42	-	(356)
Deferred interest income	42	(36)	(58)
Other non-current financial receivables		214,796	10,976
Loans to third parties and leasing	26	2,349	2,561
Loans to associates and joint ventures	26	203,722	87
Loans to customers	26	8,725	8,328
Other non-current financial payables		(2,849)	(3,005)
Purchase of equity investments	39	(2,592)	(2,681)
Financial tax payables	39	(257)	(324)

50 Events after the balance sheet date

As far as the trading outlook is concerned, reference is made to the appropriate chapter in the review of operations.

Casale Monferrato, 3 August 2021

On behalf of the Board of Directors

Chairman

Veronica Buzzi

List of companies included in the consolidated financial statements and of equity investments

Name	Registered office	Share capital	Ownership interest held by	% of ownership
Companies consolidated on a line-by-line basis				
Buzzi Unicem SpA	Casale Monferrato (AL)	EUR 123,636,659		
Unical S.p.A.	Casale Monferrato (AL)	EUR 130,235,000	Buzzi Unicem SpA	100.00
Calcestruzzi Zillo S.p.A.	Casale Monferrato (AL)	EUR 4,004,676	Buzzi Unicem SpA	100.00
Testi Cementi S.r.l.	Casale Monferrato (AL)	EUR 1,000,000	Buzzi Unicem SpA	100.00
Arquata Cementi S.r.l.	Casale Monferrato (AL)	EUR 100,000	Buzzi Unicem SpA	100.00
Falconeria S.r.l.	Casale Monferrato (AL)	EUR 50,000	Buzzi Unicem SpA	100.00
Serenergy S.r.l.	Casale Monferrato (AL)	EUR 25,500	Buzzi Unicem SpA	100.00
Dyckerhoff GmbH	Wiesbaden DE	EUR 105,639,816	Buzzi Unicem SpA	100.00
Buzzi Unicem International S.à r.l.	Luxembourg LU	EUR 37,529,900	Buzzi Unicem SpA	100.00
Buzzi Unicem Algérie S.à r.l.	El Mohammadia - Alger DZ	DZD 3,000,000	Buzzi Unicem SpA	70.00
Dyckerhoff Beton GmbH & Co. KG	Wiesbaden DE	EUR 18,000,000	Dyckerhoff GmbH	100.00
GfBB prüftechnik GmbH & Co. KG	Flörsheim DE	EUR 50,000	Dyckerhoff GmbH	100.00
Portland Zementwerke Seibel und Söhne GmbH & Co. KG	Erwitte DE	EUR 250,000	Dyckerhoff GmbH	100.00
Dyckerhoff Basal Nederland B.V.	Nieuwegein NL	EUR 18,002	Dyckerhoff GmbH	100.00
Cimalux S.A.	Esch-sur-Alzette LU	EUR 29,900,000	Dyckerhoff GmbH	98.43
Dyckerhoff Polska Sp. z o.o.	Nowiny PL	PLN 70,000,000	Dyckerhoff GmbH	100.00
Cement Hranice a.s.	Hranice CZ	CZK 510,219,300	Dyckerhoff GmbH	100.00
ZAPA beton a.s.	Praha CZ	CZK 300,200,000	Dyckerhoff GmbH	100.00
TOB Dyckerhoff Ukraina	Kyiv UA	UAH 230,943,447	Dyckerhoff GmbH	100.00
PRAT Dyckerhoff Cement Ukraine	Kyiv UA	UAH 7,917,372	Dyckerhoff GmbH TOB Dyckerhoff Ukraina	99,98 0,02
OOO SLK Cement	Suchoi Log RU	RUB 30,625,900	Dyckerhoff GmbH	100.00
Alamo Cement Company	San Antonio US	USD 200,000	Buzzi Unicem International S.à r.l.	100.00
RC Lonestar Inc.	Wilmington US	USD 10	Buzzi Unicem International S.à r.l. Dyckerhoff GmbH	51,50 48,50
Dyckerhoff Gravières et Sablières Seltz S.A.S.	Seltz FR	EUR 180,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Kieswerk Trebur GmbH & Co. KG	Trebur-Geinsheim DE	EUR 125,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Kieswerk Leubingen GmbH	Erfurt DE	EUR 101,000	Dyckerhoff Beton GmbH & Co. KG	100.00
MKB Mörteldienst Köln-Bonn GmbH & Co. KG	Neuss DE	EUR 125,500	Dyckerhoff Beton GmbH & Co. KG	100.00
sibobeton Osnabrück GmbH & Co. KG	Lengerich DE	EUR 5,368,565	Dyckerhoff Beton GmbH & Co. KG	98.50
Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	Erfurt DE	EUR 100,000	Dyckerhoff Beton GmbH & Co. KG	95.00

List of companies included in the consolidated financial statements and of equity investments (continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Companies consolidated on a line-by-line basis (continued)					
Dyckerhoff Beton Rheinland-Pfalz GmbH & Co. KG	Neuwied DE	EUR	795,356	Dyckerhoff Beton GmbH & Co. KG	70.97
TBG Lieferbeton GmbH & Co. KG Odenwald	Reichelsheim DE	EUR	306,900	Dyckerhoff Beton GmbH & Co. KG	66.67
Dyckerhoff Basal Toeslagstoffen B.V.	Nieuwegein NL	EUR	27,000	Dyckerhoff Basal Nederland B.V.	100.00
Dyckerhoff Basal Betonmortel B.V.	Nieuwegein NL	EUR	18,004	Dyckerhoff Basal Nederland B.V.	100.00
Béton du Ried S.A.S.	Krautergersheim FR	EUR	500,000	Cimalux S.A.	100.00
Cimalux Société Immobilière S.à r.l.	Esch-sur-Alzette LU	EUR	24,789	Cimalux S.A.	100.00
ZAPA beton SK s.r.o.	Bratislava SK	EUR	11,859,396	ZAPA beton a.s. Cement Hranice a.s.	99,97 0,03
TOB Dyckerhoff Transport Ukraina	Kyiv UA	UAH	51,721,476	TOB Dyckerhoff Ukraina	100.00
OOO CemTrans	Suchoi Log RU	RUB	20,000,000	OOO SLK Cement	100.00
OOO Dyckerhoff Suchoi Log obshestvo po sbitu tamponashnich zementow	Suchoi Log RU	RUB	4,100,000	OOO SLK Cement	100.00
OOO Omsk Cement	Omsk RU	RUB	779,617,530	OOO SLK Cement	100.00
Alamo Concrete Products Company	San Antonio US	USD	1	Alamo Cement Company	100.00
Alamo Transit Company	San Antonio US	USD	1	Alamo Cement Company	100.00
Buzzi Unicem USA Inc.	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Midwest Material Industries Inc.	Wilmington US	USD	1	RC Lonestar Inc.	100.00
Lone Star Industries, Inc.	Wilmington US	USD	28	RC Lonestar Inc.	100.00
River Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
River Cement Sales Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Signal Mountain Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Heartland Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Heartland Cement Sales Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Hercules Cement Holding Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Hercules Cement Company LP	Harrisburg US	USD	n/a	RC Lonestar Inc. Hercules Cement Holding Company	99,00 1,00
Dyckerhoff Transportbeton Schmalkalden GmbH & Co. KG	Erfurt DE	EUR	512000	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.55
BSN Beton Service Nederland B.V.	Franeke NL	EUR	113,445	Dyckerhoff Basal Betonmortel B.V.	100.00

List of companies included in the consolidated financial statements and of equity investments (continued)

Name	Registered office	Share capital	Ownership interest held by	% of ownership
Companies consolidated on a line-by-line basis (continued)				
MegaMix Basal B.V.	Nieuwegein NL	EUR 27,228	Dyckerhoff Basal Betonmortel B.V.	100.00
Friesland Beton Heerenveen B.V.	Heerenveen NL	EUR 34,487	Dyckerhoff Basal Betonmortel B.V.	80.26
Betonmortel Centrale Groningen (B.C.G.) B.V.	Groningen NL	EUR 42,474	Dyckerhoff Basal Betonmortel B.V.	66.03
ZAPA beton HUNGÁRIA kft.	Zsujta HU	HUF 88,000,000	ZAPA beton SK s.r.o.	100.00
Buzzi Unicem Ready Mix, L.L.C.	Nashville US	USD n/a	Midwest Material Industries Inc.	100.00
RED-E-MIX, L.L.C.	Springfield US	USD n/a	Midwest Material Industries Inc.	100.00
RED-E-MIX Transportation, L.L.C.	Springfield US	USD n/a	Midwest Material Industries Inc.	100.00
Utah Portland Quarries, Inc.	Salt Lake City US	USD 378,900	Lone Star Industries, Inc.	100.00
Rosebud Real Properties, Inc.	Wilmington US	USD 100	Lone Star Industries, Inc.	100.00
Investments in joint ventures valued by the equity method				
Cementi Moccia S.p.A.	Napoli	EUR 7,398,300	Buzzi Unicem SpA	50.00
BCPAR S.A.	Recife BR	BRL 873,072,223	Buzzi Unicem SpA	50.00
E.L.M.A. S.r.l.	Sinalunga (SI)	EUR 15,000	Unical S.p.A.	50.00
Fresit B.V.	Amsterdam NL	EUR 6,795,000	Buzzi Unicem International S.à r.l.	50.00
Presat International B.V.	Amsterdam NL	EUR 7,900,000	Buzzi Unicem International S.à r.l.	50.00
Lichtner-Dyckerhoff Beton GmbH & Co. KG	Berlin DE	EUR 200,000	Dyckerhoff Beton GmbH & Co. KG	50.00
ZAPA UNISTAV s.r.o.	Brno CZ	CZK 20,000,000	ZAPA beton a.s.	50.00
EKO ZAPA beton s.r.o.	Praha CZ	CZK 1,008,000	ZAPA beton a.s.	50.00
ARGE Betonversorgung ICE Feste Fahrbahn Erfurt-Halle GbR	Erfurt DE	EUR n/a	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	37.00
Ravenswaarden B.V.	Lochem NL	EUR 18,000	Dyckerhoff Basal Toeslagstoffen B.V.	50.00
Roprivest N.V.	Grimbergen BE	EUR 105,522	Dyckerhoff Basal Toeslagstoffen B.V.	50.00
Eljo Holding B.V.	Groningen NL	EUR 45,378	Dyckerhoff Basal Betonmortel B.V.	50.00
Megamix-Randstad B.V.	Gouda NL	EUR 90,756	Dyckerhoff Basal Betonmortel B.V.	50.00

List of companies included in the consolidated financial statements and of equity investments (continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Investments in joint ventures valued by the equity method (continued)					
Brennand Projetos S.A.	Recife BR	BRL	12,403,955	BCPAR S.A.	100.00
Mineração Bacupari S.A.	Recife BR	BRL	6,238,950	BCPAR S.A.	100.00
Companhia Nacional de Cimento - CNC	Recife BR	BRL	601,520,831	BCPAR S.A.	100.00
Agroindustrial Delta de Minas S.A.	Recife BR	BRL	26,319,159	BCPAR S.A.	100.00
Brennand Cimentos Paraíba S.A.	Recife BR	BRL	265,173,765	BCPAR S.A.	100.00
CCS Cimento de Sergipe S.A.	Aracaju, BR	BRL	2,281,000	Brennand Projetos S.A.	100.00
Mineração Delta de Sergipe S.A.	Aracaju, BR	BRL	373,184	Brennand Projetos S.A.	100.00
Mineração Delta do Rio S.A.	Recife BR	BRL	1,669,385	Brennand Projetos S.A.	100.00
Mineração Delta do Paraná S.A.	Recife BR	BRL	5,294,139	Brennand Projetos S.A.	100.00
Agroindustrial Árvore Alta S.A.	Recife BR	BRL	579,000	Brennand Projetos S.A.	100.00
CCA Holding S.A.	Belo Horizonte BR	BRL	1,346,593,967	Companhia Nacional de Cimento - CNC	100.00
CCP Holding S.A.	Recife BR	BRL	307,543,000	Brennand Cimentos Paraíba S.A.	85.00
Companhia de Cimento Campeão Alvorada – CCA	Belo Horizonte BR	BRL	867,511,283	CCA Holding S.A.	100.00
Delta de Arcos S.A.	Matozinhos BR	BRL	466,668	CCA Holding S.A.	48.74
Delta de Matozinhos S.A.	Matozinhos BR	BRL	1,314,836	CCA Holding S.A.	48.74
Cantagalo Empreendimentos S.A.	Cantagalo BR	BRL	248,268	CCA Holding S.A.	48.71
Companhia de Cimento da Paraíba - CCP	Recife BR	BRL	319,642,205	CCP Holding S.A.	100.00
Mineração Nacional S.A.	Recife BR	BRL	31,756,571	CCP Holding S.A.	100.00
Corporación Moctezuma, S.A.B. de C.V.	Mexico MX	MXN	171,376,652	Fresit B.V. Presa International B.V.	51,51 15,16
Cementos Portland Moctezuma, S.A. de C.V.	Emiliano Zapata MX	MXN	10,824,601	Corporación Moctezuma, S.A.B. de C.V.	100.00
Lacosa Concretos, S.A. de C.V.	Emiliano Zapata MX	MXN	11,040,000	Corporación Moctezuma, S.A.B. de C.V.	100.00
Cementos Moctezuma, S.A. de C.V.	Mexico MX	MXN	2,349,779,651	Corporación Moctezuma, S.A.B. de C.V. Inmobiliaria Lacosa, S.A. de C.V.	99,81 0,19
Inmobiliaria Lacosa, S.A. de C.V.	Mexico MX	MXN	50,068,500	Corporación Moctezuma, S.A.B. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	98,00 2,00
Maquinaria y Canteras del Centro, S.A. de C.V.	Mexico MX	MXN	19,597,565	Cementos Moctezuma, S.A. de C.V.	51.00
CYM Infraestructura, S.A.P.I. de C.V.	Mexico MX	MXN	100,000	Cementos Moctezuma, S.A. de C.V.	50.00

List of companies included in the consolidated financial statements and of equity investments (continued)

Name	Registered office	Share capital	Ownership interest held by	% of ownership
Investments in associates valued by the equity method				
Hinfra S.r.l.	Casale Monferrato (AL)	EUR 10,000	Buzzi Unicem SpA	60.00
Premix S.p.A.	Melilli (SR)	EUR 3,483,000	Buzzi Unicem SpA	40.00
Société des Ciments de Sour El Ghoulane EPE S.p.A.	Sour El Ghoulane DZ	DZD 1,900,000,000	Buzzi Unicem SpA	35.00
Société des Ciments de Hadjar Soud EPE S.p.A.	Azzaba DZ	DZD 1,550,000,000	Buzzi Unicem SpA	35.00
Laterlite S.p.A.	Solignano (PR)	EUR 22,500,000	Buzzi Unicem SpA	33.33
Salonit Anhovo Gradbeni Materiali d.d.	Anhovo SI	EUR 36,818,921	Buzzi Unicem SpA	25.00
w&p Cementi S.p.A.	San Vito al Tagliamento (PN)	EUR 2,000,000	Buzzi Unicem SpA	25.00
Calcestruzzi Faure S.r.l.	Salbertrand (TO)	EUR 53,560	Unical S.p.A.	24.00
Edilcave S.r.l.	Villar Focchiardo (TO)	EUR 72,800	Unical S.p.A.	20.00
Nord Est Logistica S.r.l.	Gorizia	EUR 640,000	Calcestruzzi Zillo S.p.A.	32.38
Warsteiner Kalksteinmehl GmbH & Co. KG	Warstein DE	EUR 51,129	Dyckerhoff GmbH	50.00
Warsteiner Kalksteinmehl Verwaltungsgesellschaft mbH	Warstein DE	EUR 25,600	Dyckerhoff GmbH	50.00
CI4C GmbH & Co. KG	Heidenheim an der Brenz DE	EUR 40,000	Dyckerhoff GmbH	25.00
Projektgesellschaft Warstein-Kallenhardt Kalkstein mbH	Warstein DE	EUR 25,200	Dyckerhoff GmbH	25.00
Köster/Dyckerhoff Vermögensverwaltungs GmbH	Warstein DE	EUR 25,000	Dyckerhoff GmbH	24.90
Köster/Dyckerhoff Grundstücksverwaltungs GmbH & Co. KG	Warstein DE	EUR 10,000	Dyckerhoff GmbH	24.90
Nordenhamer Transportbeton GmbH & Co. KG	Nordenham DE	EUR 322,114	Dyckerhoff Beton GmbH & Co. KG	51.59
BLD Betonlogistik Deutschland GmbH	Rommerskirchen DE	EUR 25,200	Dyckerhoff Beton GmbH & Co. KG	50.00
Lichtner-Dyckerhoff Beton Verwaltungs GmbH	Berlin DE	EUR 25,000	Dyckerhoff Beton GmbH & Co. KG	50.00
TRAMIRA Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	Minden-Dankersen DE	EUR 1,000,000	Dyckerhoff Beton GmbH & Co. KG	50.00
Transass S.A.	Schifflange LU	EUR 50,000	Cimalux S.A.	41.00
S.A. des Bétons Frais	Schifflange LU	EUR 2,500,000	Cimalux S.A.	41.00
Bétons Feidt S.A.	Luxembourg LU	EUR 2,500,000	Cimalux S.A.	30.00
Houston Cement Company LP	Houston US	USD n/a	Alamo Cement Company	20.00
BLRP Betonlogistik Rheinland-Pfalz GmbH	Rommerskirchen DE	EUR 25,000	Dyckerhoff Beton Rheinland-Pfalz GmbH & Co. KG	50.00
BLN Beton Logistiek Nederland B.V.	Heteren NL	EUR 26,000	Dyckerhoff Basal Betonmortel B.V.	50.00
Van Zanten Holding B.V.	Leek NL	EUR 18,151	Dyckerhoff Basal Betonmortel B.V.	25.00
Louisville Cement Assets Transition Company	Louisville US	USD n/a	Lone Star Industries, Inc.	25.00
Cooperatie Megamix B.A.	Almere NL	EUR 80,000	MegaMix Basal B.V.	37.50

List of companies included in the consolidated financial statements and of equity investments (continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Other investments in subsidiaries at fair value					
GfBB prüftechnik Verwaltungs GmbH	Flörsheim DE	EUR	25,600	Dyckerhoff GmbH	100.00
Dyckerhoff Beton Verwaltungs GmbH	Wiesbaden DE	EUR	46,100	Dyckerhoff GmbH	100.00
Lieferbeton Odenwald Verwaltungs GmbH	Flörsheim DE	EUR	25,000	Dyckerhoff GmbH	100.00
Bildungs-Zentrum-Deuna gGmbH	Deuna DE	EUR	25,565	Dyckerhoff GmbH Bildungs-Zentrum- Deuna gGmbH	50,00
Dyckerhoff Kieswerk Trebür Verwaltungs GmbH	Trebür-Geinsheim DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00
SIBO-Gruppe Verwaltungsgesellschaft mbH	Lengerich DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Beton Rheinland-Pfalz Verwaltungs GmbH	Neuwied DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	70.97
Nordenhamer Transportbeton GmbH	Nordenham DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	56.60
Seibel Beteiligungsgesellschaft mbH	Erwitte DE	EUR	25,000	Portland Zementwerke Seibel und Söhne GmbH & Co. KG	100.00
Dyckerhoff Transportbeton Thüringen Verwaltungs GmbH	Erfurt DE	EUR	25,565	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	100.00
Dyckerhoff Transportbeton Schmalkalden Verwaltungs GmbH	Erfurt DE	EUR	25,600	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.58
MKB Mörteldienst Köln-Bonn Verwaltungsgesellschaft mbH	Neuss DE	EUR	25,000	MKB Mörteldienst Köln- Bonn GmbH & Co. KG	100.00
Compañía Cubana de Cemento Portland, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00
Transports Mariel, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00
Proyectos Industrias de Jaruco, S.A.	Havana CU	CUP	186,700	Compañía Cubana de Cemento Portland, S.A.	100.00

Certification of the half-yearly condensed consolidated financial statements pursuant to art. 81-ter of consob regulation no. 11971 of 14 may 1999 as amended

- The undersigned Pietro Buzzi, as Chief Executive Finance, and Elisa Bressan, as Manager responsible for preparing Buzzi Unicem's financial reports, hereby certify, pursuant to the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, that the administrative and accounting procedures for the preparation of consolidated financial statements during the first six months of 2021:
 - are adequate with respect to the company structure and
 - have been effectively applied.

- The undersigned also certify that:
 - a) the consolidated financial statements
 - have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;
 - correspond to the results documented in the books and the accounting records;
 - provide a true and correct representation of the financial conditions, results of operations and cash flows of the issuer and of the entities included in the scope of consolidation.

 - b) the interim management report contains a reliable analysis with reference to the important events which occurred during the first six months of the current financial year and their impact on the condensed financial statements. as well as a description of the major risks and uncertainties for the remaining six months of the financial period; the interim management report also includes a reliable analysis of the information about material related party transactions.

Casale Monferrato, 3 August 2021

Chief Executive Finance

Pietro BUZZI

Manager responsible for preparing
financial reports

Elisa BRESSAN



Buzzi Unicem S.p.A.

Review report on the Half-year condensed consolidated financial statements

(Translation from the original Italian text)

Review report on the Half-year condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of
Buzzi Unicem S.p.A.

Introduction

We have reviewed the Half-year condensed consolidated financial statements, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes of Buzzi Unicem S.p.A. and its subsidiaries (the "Buzzi Unicem Group") as of 30 June 2021. The Directors of Buzzi Unicem S.p.A. are responsible for the preparation of the Half-year condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these Half-year condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of Half-year condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Half-year condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Half-year condensed consolidated financial statements of Buzzi Unicem Group as of June 30, 2021 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Turin, August 3, 2021

EY S.p.A.
Signed by: Luigi Conti, Statutory Auditor

This report has been translated into the English language solely for the convenience of international readers