



Half-Yearly financial report as at June 30, 2022

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 2022, the economic situation weakened both in the main advanced countries and in the emerging ones. At the start to the year as well as during the second quarter, the continuing of the pandemic first, with the spread of the Omicron variant of the coronavirus, and then the consequences of the invasion of Ukraine by Russia weighed on economic growth. In this context, global trade slowed down sharply during the first quarter, reflecting the contraction in trade with emerging countries. In particular, the stringent restrictive measures adopted in some areas of China burdened its trade, while international sanctions weighed on imports of goods from Russia. Inflation, being already high in the first quarter, continued to grow at a sustained pace also during the spring, reaching in June its highest value in the last forty years in the United States (9.1%), driven by the acceleration of energy and food prices. These factors led to the downward revision of the outlook both on world GDP growth for the current year, now expected at 3.0% (previously 4.5%), and on the evolution of international trade.

In the United States, in the first six months as a whole, economic activity slowed down, mainly due to the negative contribution of exports and the change in inventories, despite internal consumption and investments showing a positive trend.

In the euro zone, the economic situation was clearly affected by the tensions connected with the conflict in Ukraine. In the first quarter, the economy grew marginally, mainly supported by the contribution of foreign demand, while domestic consumption and investment activity stagnated. In the second quarter, growth was still moderate: domestic demand was held back by the increases in energy raw materials, while activity in the industrial sector was also penalized by supply difficulties. In June, inflation reached again its maximum value since the launch of the monetary union (8.6%).

In Italy, after marginal GDP growth in the first quarter, during the spring months economic activity confirmed a moderately expansionary trend, thanks to the increase in consumption, investments and exports. However, the high uncertainty due to the developments of the invasion of Ukraine, the supply difficulties and the rise in energy and food prices, slowed down growth.

Among the emerging countries, in China both the measures to fight the new wave of infections imposed in some of the major production and logistics centers since March and the difficulties in the real estate industry caused a clear slowdown in economic activity.

In Russia, the severe international sanctions triggered a significant GDP contraction.

In Mexico, despite the limited trade with the countries involved in the Russian-Ukrainian conflict, the worsening of the growth prospects of the country's main trading partners caused a shrinking in private investments, while domestic consumption recovered.

In Brazil, the first half of the year was characterized by growing inflationary pressures which slowed down economic growth, eroding household purchasing power and fueling uncertainty, which was already high due to shortages of raw materials and the increase in production costs.

The decision of the European Union included in the sanctions package agreed at the beginning of June, which followed that of the United States and the United Kingdom to block imports of Russian crude oil and related products, caused a rise in oil prices, which was only partially offset by OPEC's resolution to raise the production targets for July and August and by fears about the weakening of global demand. Futures contracts, however, signal that oil prices will remain at high levels throughout 2022. The price of natural gas traded on the European market, after a decline in June, started to rise again following the news of the reduction in flows supply from Russia to some European countries, including Germany and Italy.

The Federal Reserve, in response to rising inflation, accelerated the monetary policy decisions by raising the benchmark rates in May and June. The ECB, on the other hand, continued its normalizing process, putting an end to the net buyback program of financial assets and launching a first hike of interest rates in July, with a second one expected in September. In emerging economies, the orientations of central banks were heterogeneous: in China and Russia accommodative policies prevailed to counter the slowdown in activity, while in Brazil and Mexico restrictive policies were pursued in order to limit inflation.

In such scenario, the overall cement volumes sold by the group, after the positive development recorded at the start to the year, showed a negative trend during the second quarter, closing the first six months below the level reached in 2021. In the period under review, the progress in volumes recorded in the United States, Central Europe, Poland and the Czech Republic, also favored by the basis of comparison with the previous year, failed to offset the contraction of Ukraine, Russia and Italy. In the ready-mix concrete sector, on the other hand, the slowdown in volumes sold was less evident, although penalized by unfavorable changes in the United States and Italy.

Net sales of the first six months strongly increased (+16.9% on 2021), standing at €1,880.0 million versus €1,608.7 million in 2021, while Ebitda improved by 3.6%, increasing from €352.5 to €365.1 million. The price effect in local currency showed a favorable variance in all the countries where we operate. The foreign currency trend had a net unfavorable impact of €76.8 million on net sales and of €19.2 million on Ebitda. Net of exchange rate differences, turnover would have been up 12.1% while Ebitda down 1.9%.

Operating and financial performance

Consolidated cement sales in the first six months of 2022 stood at 14.2 million tons, down compared to the same period of 2021 (-4.0%). The overall favorable development recorded in the first three months of the year was followed by a slower second quarter, with the exception of the United States and Germany. The negative changes appeared in Italy and Eastern Europe, Ukraine and Russia in particular. Ready-mix concrete output, on the other hand, was substantially stable at the end of June, reaching 5.8 million cubic meters, down 0.2% compared to the previous year. In this business, the positive development in Benelux could not offset the unfavorable changes in Eastern Europe, Italy, the United States of America and Germany.

In Italy, despite the contraction in volumes sold, net sales stood at €357.9 million, up 17.1% versus 2021, thanks to the very positive price effect.

In the United States, sales revenues achieved €726.5 million, up 21.3%. This trend was favored by the positive development of sales volumes, supported by a sound demand, by increasing selling prices and the favorable exchange rate effect.

In Central Europe, the volumes sold showed a positive trend, also thanks to the basis of comparison with the same period of 2021, penalized by adverse weather conditions. Furthermore, the increase in selling prices allowed net sales to grow by 14.9%, standing at €492.5 million.

In Eastern Europe, the contraction of volumes sold in Ukraine, due to the halt of production and trade in the most intense period of the military conflict, and in Russia, was partially offset by the positive development of shipments recorded in Poland and the Czech Republic, also favored by the basis of comparison with the previous year. The overall positive change in selling prices allowed turnover to reach €307.0 million, up 10.3% compared to 2021.

Consolidated Ebitda came in at €365.1 million, increasing (+3.6%) compared to €352.5 million in 2021. Changes in exchange rates had a favorable net impact thanks to the appreciation of the dollar, the hryvnia, the Czech koruna and the ruble. At constant exchange rates the recurring Ebitda in the first half of 2022 would have decreased by 1.9%.

The recurring Ebitda margin of the group generally worsened during the first six months of 2022, except for Russia and a substantial steadiness in the Czech Republic. Production and distribution costs showed a very unfavorable trend. With the outbreak of the conflict in Ukraine we witnessed (above all in Europe) a further, significant increase in variable items (electric power, fuels, logistics, raw materials) and the continuing inflation concerned also the fixed costs.

After amortization of €124.5 million (€121.3 million in 2021) and impairment losses of fixed assets (goodwill referred to Russia) of €122.4 million (€1.4 million in 2021), Ebit amounted to €118.1 million (€229.7 million in June 2021). Profit before tax stood at €119.8 million (€262.1 million in 2021), considering a contribution of €57.6 million from equity earnings (€48.4 million in 2021), no gains on the disposal of investments and net financial charges of €56.0 million (€16.0 million in 2021). After income taxes of €31.2 million (€52.4 million in 2021), the income statement closed with a net profit of €88.7 million, versus €209.7 million in the first half of 2021.

The positive net financial position as at 30 June 2022 amounted to €114.2 million, down €121.3 million compared to €235.5 million at 31 December 2021. In the six months under review the group allocated €123 million to the buyback of treasury shares, distributed dividends to the owners of the company for €74.1 million and incurred capital expenditures for a total of €128.5 million. Investments in property, plant and equipment referring to expansion or special projects totaled €4.9 million, attributable to the continuation of the works for the third clinker storage at San Antonio (TX) and for a new cement silo at Geseke. Investments aimed at improving environmental performance and decarbonizing production processes, including interventions to increase the production of cements with a lower clinker content, the greater use of alternative fuels and the in-house production of renewable energy, amounted to approximately €18 million, of which €6.5 million for the San Antonio (TX) photovoltaic power system.

As at 30 June 2022, total equity, inclusive of non-controlling interests, increased to €4,785.4 million vs €4,375.2 million as at 31 December 2021. Consequently, the debt/equity ratio was equal to 53% (58% at 2021 year-end).

Italy

After a moderate growth in the first quarter, economic activity resumed strength during the spring, showing good overall resilience, despite the uncertainty associated with the war in Ukraine, persistent supply difficulties and increases in energy and food prices. GDP was supported by consumption, particularly in the services sector, which benefited from the improvement of the pandemic framework, the elimination of restrictive measures and the resumption of tourism and transport. Industrial production also showed an expansionary trend in the second quarter, although slowing down in May and June, mainly held back by the increase in production costs. Exports, which grew sharply at the start of the year, decreased during the second quarter, due to the geopolitical tensions. For the whole of 2022, the most recent estimates indicate that GDP should grow by 3.2%: the budgetary policy and the interventions outlined in the Recovery Plan (NRRP) are supposed to play a fundamental role in supporting economic activity. Inflation, which in the second quarter reached its highest level since the mid-eighties, is expected to be +6.4%, driven by increases in energy and food prices. Activity in the construction sector was positive during the first quarter, benefiting from government incentives on residential renovation and the increase in infrastructure investments. However, the prospects for the second half of the year deteriorated, due to the higher price of raw materials and building materials, as well as the increase in mortgage interest rates that tend to curb real estate demand.

Our sales of hydraulic binders and clinker contracted during the first six months (-12.4%), affected by the general decline in demand in May and June. Sales volumes in the ready-mix concrete sector also slipped, although less clearly (-5.6%). Selling prices further improved compared to the figures already recorded in the first three months, both for cement and ready-mix concrete. However, such increases could not fully hinder inflation of production costs. Net sales in Italy stood at €357.9 million, up 17.1% from €305.6 million in 2021. Ebitda of the first six months reached €35.6 million, increasing compared to €32.7 million in 2021. It should be remembered, however, that the six months period benefited from the tax credit granted to energy-intensive companies, which was introduced by the so called “Sostegni-ter Decree”, worth approximately €13 million. Unit production costs significantly rose, driven upwards by the increase in fuels and electricity, whose cost more than doubled.

(millions of euro)	1st Half 2022	1st Half 2021	22/21
Net sales	357.9	305.6	+17.1%
EBITDA	35.6	32.7	+8.9%
% of net sales	9.9	10.7	
Capital expenditures	12.1	12.8	-5.8%
Headcount end of period n.	1,540	1,559	-1.2%

United States of America

During the first half of the year, despite the contraction in economic activity, domestic demand continued to remain robust. Private consumption grew further, with spending on services benefiting most from the easing of restrictive measures. Inflation, which in June reached its highest level since the 1980s, is attributable to both the increase in the prices of energy supplies and food and to the strong demand that collides with the persistent bottlenecks on the supply side. In 2022 as a whole, GDP growth is expected to slow to 2.5%, due to high inflation, especially on energy factors, to further disruptions in supply chains and to the monetary policy normalization, which was faster than initially forecast. In this context, inflation should also slow down, but is estimated at the end of 2022, however, clearly above the Federal Reserve's target (+7.7%). Cement consumption is expected to remain stable for the current year: the weakness of the infrastructure and commercial sector should be offset by the positive result of the residential business, although the increase in interest rates may slow down its growth.

The positive development of our sales of hydraulic binders, which has been already recorded at the beginning of the year, continued also in the second quarter, closing the first six months with volumes up 2.6% compared to the levels of the previous year. Selling prices in local currency improved well. Ready-mix concrete output, mainly present in Texas, closed the first half down (-6.7%) compared to the same period of 2021, still penalized by the shortage of drivers. In general, we are facing very complicated challenges as regards human resource management, such as high turnover, labor shortages and wage increases. Thus, net revenues came in at €726.5 million, up 21.3% compared to €599.0 million in the first six months of 2021, favored by the appreciation of the dollar (9.3%). On the other hand, Ebitda was stable, decreasing from €181.6 to €180.6 million. This figure was affected by the operational difficulties found in the ready-mix concrete sector and the significant increase in all cost items, both fixed and variable, in particular fuels, which more than doubled, electric power, in addition to the purchased materials, transportation and maintenance services. Net of the exchange rate effect, net sales would have been up 10.0% and Ebitda down 9.8%.

(millions of euro)	1st Half 2022	1st Half 2021	22/21
Net sales	726.5	599.0	+21.3%
EBITDA	180.6	181.6	-0.6%
% of net sales	24.9	30.3	
Capital expenditures	68.1	52.3	+30.2%
Headcount end of period n.	2,254	2,277	-1.0%

Germany

During the first quarter, the economic activity showed a slightly positive trend (+0.2%): the recovery in the manufacturing and construction sectors, private investments and exports, was favored by the easing of bottlenecks in the supply chains and favorable weather conditions. However, the outbreak of the war in Ukraine significantly changed the outlook for 2022. In the second quarter, the economy slowed down due to high inflation and growing uncertainty, causing a rapid deterioration in consumer confidence and manufacturing activity. Inflation, in May, reached 8.7%, driven upwards by the energy component and groceries. These dynamics should also be confirmed in the second half of the year: persistent inflation and further shortages of raw materials, caused by new restrictions in China due to the rise in infections, may weigh on manufacturing activity, private investments and exports. The recent forecasts for the whole of 2022 have been revised downwards and indicate growth of 1.9%, with inflation expected to remain high, eroding the purchasing power of consumers. Public investments are expected to strengthen, driven by the need to increase the production of energy from renewable sources. Activity in the construction sector, after a first quarter of growth, is expected to slow down in a context characterized by increasing uncertainty, rising costs of raw materials and interest rates.

After the good progress recorded at the start to the year, sales volumes slowed down during the second quarter, in line with the trend of activity in the construction sector. In the first six months as a whole, our cement sales closed up (+7.3%) compared to 2021, with prices clearly strengthening. The ready-mix concrete sector showed an increasing production (+5.6%) compared to the same period of 2021, with prices also improving.

Overall net sales came in at €392.9 million (€341.7 million in 2021), up 15.0%, while Ebitda stood at €64.5 million (€60.6 million in 2021, +6.5). Unit production costs grew, due to the increase in fuel charges, mitigated by the high use of alternative fuels, and in electric power, in addition to a slight worsening of fixed items.

(millions of euro)	1st Half 2022	1st Half 2021	22/21
Net sales	392.9	341.7	+15.0%
EBITDA	64.5	60.6	+6.5%
% of net sales	16.4	17.7	
Capital expenditures	25.1	15.1	+66.5%
Headcount end of period n.	1,758	1,756	+0.1%

Luxembourg and the Netherlands

In Luxembourg, the solidity of domestic demand and business confidence supported economic activity during the first quarter. Subsequently, high inflation and the consequences of the war in Ukraine negatively impacted domestic demand, as well as business and consumer confidence. Although the country's economy is relatively protected from the direct consequences of the war, given the limited trade with the countries involved, it is not immune from indirect impacts, such as the volatility of the financial markets and the lower growth of trading partners. Over the current year as a whole, GDP is expected to grow by 2.9%, supported by the stability of domestic demand and by public investments in infrastructure, energy and digital transition. Inflation, driven by energy prices, is expected at high levels throughout 2022 (+8.0%).

In the Netherlands, during the first quarter the economy showed a stable trend. However, inflationary pressures, due both to the continuing shortages of raw materials and finished products and to the prices of energy goods, eroded business and consumer confidence. For the whole of 2022, forecasts indicate GDP growth of 2.9%, also thanks to the contribution of public investments in infrastructure, energy transition and social housing, while inflation will still remain high (+9.2%).

Our cement deliveries, inclusive of exports, after a favorable beginning of the year, closed the first half still up (+2.6%), despite demand slightly slowing down in May and June. Prices showed a favorable development. Production volumes in the ready-mix concrete sector grew (+15.1%), with prices improving.

Net sales amounted to €116.4 million, higher than the previous year (€100.6 million). Ebitda worsened, from €6.9 million in 2021 to €4.8 million in the period under review. As a matter of fact, the increase in fuels and electric power, which reached nearly a doubled level compared to 2021, caused a clear worsening of production costs.

(millions of euro)	1st Half 2022	1st Half 2021	22/21
Net sales	116.4	100.6	+15.7%
EBITDA	4.8	6.9	-30.0%
% of net sales	4.2	6.9	
Capital expenditures	3.5	3.7	-4.2%
Headcount end of period n.	295	308	-4.2%

Czech Republic and Slovakia

The negative impacts of the war in Ukraine resulted in a visible slowdown of the ongoing economic recovery. Interruptions in supply chains plus inflationary pressures on energy goods and raw materials, in addition to the country's high dependence on gas imports from Russia, weighed on manufacturing and exports, mainly those related to the automotive sector. Over the course of the current year, it is estimated that, thanks to a gradual easing of the impact of the crisis in Ukraine on international trade and prices, exports and investments may return to growth. However, high inflation, expected to reach 13% by the end of 2022, will continue to hinder the recovery of domestic consumption. Based on these dynamics, overall in 2022, GDP should maintain a positive trend (+1.8%), albeit lower than previous forecasts. Construction investments slowed down in the second quarter, penalized by the increasing cost of building materials. In the current year as a whole, activity in the industry should be stable.

Cement sales, after the clear progress recorded at the start to the year, slowed down in the second quarter, in line with the trend of activity in the construction industry. In the period under review as a whole, sales volumes however closed progressing (+3.2%), with average prices, in local currency, visibly increasing. The ready-mix concrete division, which also includes Slovakia, achieved slightly higher production levels (+1.0%), associated with a favorable change in prices.

Net sales came in at €96.7 million, up (+20.2%) compared to €80.4 million in 2021, while Ebitda increased from €23.4 million in 2021 to €29.4 million in the period under review. At constant exchange rates, net sales and Ebitda would have increased by 15.1% and 19.6% respectively. The unit production costs in local currency worsened due to the strongly negative trend of fuels (nearly doubled compared to 2021), while electric power recorded a more moderate increase.

(millions of euro)	1st Half 2022	1st Half 2021	22/21
Net sales	96.7	80.4	+20.2%
EBITDA	29.4	23.4	+25.4%
% of net sales	30.4	29.1	
Capital expenditures	3.7	4.0	-7.9%
Headcount end of period n.	710	729	-2.6%

Poland

During the first quarter, economic activity showed an expansionary trend, thanks to the progress of industrial production and domestic demand, supported by the high level of employment and wage growth. However, the outbreak of the war in Ukraine further fueled inflation on the one hand, which in April exceeded 11%, and on the other hand disruptions in supply chains. During the second quarter, therefore, a higher and generalized level of uncertainty, together with lower business and consumer confidence, should have slowed down the growth of domestic demand and private investments. Furthermore, the decision of the Polish Central Bank to tighten monetary policy, with the aim of containing inflation, could further limit household spending on goods and services. For the whole of 2022, the most recent estimates indicate that GDP growth should remain positive (+4.4%), while inflation is expected to be around 11%. Construction investments, after a first quarter progressing, should remain stable, thanks to the contribution of public works linked to the national recovery plan, net of some signs of weakness in the residential sector, impacted by higher costs.

Cement volumes sold by our facility, after the significant increase recorded at the beginning of the year, closed the first semester in any case well up (+10.4%), despite the contraction in May and June, attributable both to a general decline in demand and to the comparison with the same period of 2021, when the trend in volumes was particularly brilliant. The average level of selling prices, on the other hand, continued to be sound for the entire semester. Ready-mix concrete output developed too (+6.3%), accompanied by prices in local currency improving. These market dynamics led to net sales of €68.4 million, up (+27.3%) compared to €53.7 million in 2021, while Ebitda increased from €16.2 to €17.6 million (+8.8%). The depreciation of the zloty (-2.2%) led to a negative exchange rate effect: on a like-for-like basis, net sales would have increased by 30.1% and Ebitda would have been up 11.2%. The clear worsening of unit production costs in local currency is to be attributed mainly to the significant increase in the energy components, with fuels and electric power more than doubled compared to the previous year.

(millions of euro)	1st Half 2022	1st Half 2021	22/21
Net sales	68.4	53.7	+27.3%
EBITDA	17.6	16.2	+8.8%
% of net sales	25.8	30.2	
Capital expenditures	3.3	2.9	+14.1%
Headcount end of period n.	349	358	-2.5%

Ukraine

Based on recent analyzes, it appears that due to the outbreak of the war in February, about half of the companies operating in the country had to stop production, causing a collapse in employment and income. In addition, there was a growing migratory flow to neighboring European countries. These dynamics caused a sharp deterioration in the financial conditions of corporates, causing a drastic deterioration in banking assets. The disruptions in production and supply chains caused a significant increase in inflation, which is expected at around 20%, in 2022. The most recent estimates indicate that GDP, for the current year, is likely to contract by about 35%.

At the end of February, when the fighting started, we were obliged to suspend production and commercial activities in both of our factories. At the end of March, with the repositioning of the conflict in the east and south-east of the country, the activity resumed at the Volyn plant, in the north-west, while the Nikolayev plant, in the south, continued to remain idle. During the whole semester, sales volumes substantially halved, compared with the same period of 2021. Selling prices, in local currency, showed a marked increase.

Overall net sales amounted to €28.3 million, down 44.5% from €51.0 million in 2021, while Ebitda was €3.5 million negative compared to €5.6 million positive in the first half of 2021. The appreciation of the local currency (5.2%) had a favorable impact on the translation of the results into euros: net of the exchange rate effect, net sales would have been down 47.4%, while Ebitda would have further decreased. The fall in volumes was accompanied by a strong worsening of production costs, both as regards variable and fixed items.

(millions of euro)	1st Half 2022	1st Half 2021	22/21
Net sales	28.3	51.0	-44.5%
EBITDA	-3.5	5.6	n.s.
% of net sales	-12.5	11.0	
Capital expenditures	1.0	3.0	-64.9%
Headcount end of period n.	1,224	1,324	-7.6%

Russia

During the first half of the year, due to the fallout from the war in Ukraine and the consequent rapid deterioration of economic indicators, the economy slowed down significantly. The contraction in economic activity was driven by the decline in domestic demand and investments, severely impacted by international sanctions and the outflow of foreign capital. Although the prices of energy goods have remained high, the decision of the European Union to stop oil imports by the end of 2022 will have unfavorable consequences on the extraction activity. Government fiscal interventions to support domestic demand, in addition to the interest rate cut by the central bank, may not be sufficient to prevent an economic recession already in 2022. In this context, the most recent estimates indicate that GDP is expected to decline by 8.5% and inflation to exceed 21%.

Due to the sanctions imposed on the country by the European institutions, we decided to withdraw from any operational involvement in the activities carried out by the subsidiary SLK Cement in the country. Consequently, decisions concerning the investment can only be taken through the shareholders' meeting and are limited to the ones that, according to Russian business law, belong to this body. Further strategic initiatives in the country have been suspended.

During the first six months of 2022, net sales stood at €114.3 million, up 21.7% from €93.9 million in the same period of 2021, while Ebitda reached €36.0 million (up 43.0% compared to €25.2 million in 2021). The strengthening of the ruble (+4.6%) positively impacted the translation of the results into euros. Net of the exchange rate effect, net sales and Ebitda would have been up 16.1% and 36.4% respectively.

(millions of euro)	1st Half 2022	1st Half 2021	22/21
Net sales	114.3	93.9	+21.7%
EBITDA	36.0	25.2	+43.0%
% of net sales	31.5	26.8	
Capital expenditures	11.7	8.1	+44.1%
Headcount end of period n.	1,576	1,521	+3.6%

Mexico

(valued by the equity method)

Economic activity showed signs of recovery during the first quarter (+1%). Industrial production, in particular that linked to the automotive sector, continues to be penalized by interruptions in the supply chains, while domestic consumption recovered, returning to pre-pandemic levels. Private investment, on the other hand, remained depressed in a climate of growing uncertainty, mainly due to high inflation and global geopolitical tensions following the war in Ukraine. The Mexican economy should be marginally impacted by the negative implications of the conflict, given the limited commercial and financial relations with the countries involved. However, exports could slow down due to the worsening economic growth prospects of the country's main trading partners, the United States in particular. Rises in commodity prices added to existing inflationary pressures, prompting the central bank to raise interest rates. In 2022 as a whole, GDP is expected to increase moderately (+1.9%), supported by domestic demand and by the still positive dynamics of exports. Inflation, on the other hand, is expected to be 6.9%.

In a context characterized by weak capital spending, both public and private, the cement sales of our associate closed the first half declining (-11.8%). Selling prices in local currency, on the other hand, showed good progress. Ready-mix concrete output also reduced, with a positive price change in local currency.

With reference to 100% of the associate, net sales stood at €353.1 million, up 4.7% and Ebitda decreased from €150.9 to €149.5 million (-0.9%). The appreciation of the Mexican peso (+8.9%) influenced the translation of the results into euros. At constant exchange rates, net sales and Ebitda would have decreased by 4.6% and 9.7% 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 €34.6 million (€33.6 million in 2021).

Brazil

(valued by the equity method)

Economic growth significantly slowed down during the first half of 2022, held back by high inflation (12% in April, the highest value in the last decade), and by the worsening of business and consumer confidence indicators. The increase in prices was generalized and eroded the purchasing power of households. In addition, the unfavorable weather conditions had significant repercussions on agricultural production and hydroelectric energy, while the shortages of raw materials and the increase in production costs impacted on manufacturing. In 2022 as a whole, GDP growth prospects should be limited (+0.6%), due to high inflation (+9.7%), tight monetary policy and growing uncertainty, further amplified by the open outcome of the upcoming presidential elections.

According to the update of the most recent estimates, construction activity is expected to weaken in the course of 2022, due to the increase in raw material and construction costs, the increase in interest rates and the slowdown in economic growth. In this context, the cement sales of our joint venture, also benefiting from the additional contribution of the former CRH cement plants acquired in April 2021, showed marked progress (+19.7%), with selling prices sharply increasing. On a like-for-like basis, however, sales volumes would have contracted, penalized by the downtick in demand.

Net sales, with reference to 100% of the associate, amounted to €179.6 million, up 68.7% compared to €106.4 million in 2021, while Ebitda reached €46.6 million versus €37.0 million in 2021. The appreciation of the Brazilian real (+14.4%) influenced the translation into euro of the results: like for like turnover would have increased by 13.4% and Ebitda would have been down 8.0% compared to 2021.

The equity earnings referring to Brazil, which are included in the line item that encompasses the investments valued by the equity method, amount to €17.6 million (€9.2 million in 2021).

Algeria

(valued by the equity method)

In Algeria, in line with what has already happened in 2021, the increase in global demand and in oil and gas prices supported the production and exports of hydrocarbons also during the first six months of 2022. However, in a context characterized by rising inflation, the recovery is still partial in sectors which are not linked to the mining activity. In the current year as a whole, the Algerian economy is expected to expand by 2.4%, supported by oil and gas exports, which will benefit from the decision by the European Union to block imports of crude oil and related products from Russia by the end of the current year. Inflation, however, which is expected to remain high (+8.7%), will tend to penalize domestic consumption. The growth prospects of the construction sector remain positive in the medium term, supported by the expansion of investments in the energy sector, fueled in turn by the renewed hydrocarbon supply agreements recently signed with the main European trading partners, Italy in particular.

In this context, in the first half of 2022, cement sales on the domestic market of both the Sour El Ghoulane and Hadjar Soud plants slowed down compared to the same period of the previous year (-20%). However, the clinker volumes destined for export significantly increased (+45%). With reference to 100% of both investee companies, the first six months of the current year recorded net sales of €27.9 million, down (-10.0%) compared to €31.0 million in 2021, while Ebitda decreased by 18.7%, reaching €9.6 million, still showing an interesting level of Ebitda to sales 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 (€0.6 million in 2021).

Slovenia

(valued by the equity method)

In Slovenia, the expansion of economic activity, which was already evident in the second half of 2021, continued in the first half of 2022, mainly thanks to the growth in domestic consumption and investments. Inflationary pressures, together with difficulties in the supply chain and the loss of confidence resulting from the conflict in Ukraine, could have a negative impact on the growth prospects of the economy. However, the increase in public investment should cushion this impact. The forecasts for the entire current year, therefore, confirm an expansion of GDP equal to 3.7%, still supported by the soundness of domestic demand, in turn favored by the high level of employment and of household disposable income.

Cement sales of our associate showed a robust trend, supported both by domestic demand and exports. Selling prices had a positive development, too. Net sales of the first six months of the current year reached €57.4 million, up 35% compared to the same period of 2021, and Ebitda increased from €9.7 to €13.0 million (+34%), despite the increase in energy 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 €1.8 million (€1.1 million in 2021).

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

In general, the risks reflect the instability of the current political, economic and financial framework: the war in Ukraine, the reduction of Russian gas supplies to the European Union countries, the increase in gas demand fueled by the need for winter storage and the high inflation level.

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

- investment risk for possible expropriation or damage to the plants of subsidiaries operating in Ukraine and Russia;
- currency risks, however decreasing, on intercompany loans, on liquidity and their possible impacts on Ebitda due to the translation into euros of the financial statements prepared by the subsidiaries;
- commercial risks due to failure to achieve the budgeted sales for the year 2022 in Ukraine and Russia because of the ongoing conflict, in Italy because of the European geopolitical crisis and inflation;
- procurement risks: for many of the geographic areas in which the group operates, risks have been recorded for possible price increases and supply difficulties on the market for raw materials and energy products, with issues in entering into contracts with providers at stable prices and quantities for long periods. The risk of an increase in the price of CO₂ emission rights is mitigating;
- 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. However, business trips outside national borders have resumed and the use of work from home has decreased. The increase in the use of videoconferencing systems is constant and consolidated.

Following the mitigation actions already implemented or envisaged, as well as the accounting provisions, where necessary, the residual risks represent a limited share of book equity. Simulations on potential simultaneous occurrences of multiple risks provide very limited impacts and probability of occurrence.

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 2022.

Outlook

Until the end of June 2022, the consolidated operating results, in absolute value, basically confirmed the level of the previous periods. The group, as a matter of fact, benefited from a generally sound demand, favored by the good level of activity in the construction sector, although the negative consequences of the war in Ukraine caused a slowdown in Europe during the second quarter, which was particularly evident in Italy, Poland and the Czech Republic. The very penalizing trend of production costs, mainly those relating to the variable components, made it indispensable to transfer the burden on selling prices. Despite the realization of strong price hikes, we experienced continuing margin pressure, with Ebitda to sales margin decreasing from 22% to 19%.

The most recent estimates show that the slowdown in the economic cycle, already observed in spring, may also continue into the second half of 2022, due to the continuous increases in the prices of raw materials, energy and non-energy, and by the increased uncertainty on the development of private investments. These dynamics should also impact activity in the construction sector which, in the second half of the year, is expected to drop, mainly in the areas being most exposed to the procurement risk of energy supplies. In particular, the situation in Italy is of particular concern, where the cost of electricity reached inconceivable levels, with significant repercussions on energy-intensive companies as well as on construction investments. Looking, therefore, at the second half of the year, we believe that our sales volumes may be penalized by the contraction in construction activity in Italy and Central Europe, due to the attenuation of the push in the residential sector, which bears the higher financing and construction costs, and to some delays in the implementation of infrastructure development plans. As regards the United States, on the other hand, we believe that construction activity, and consequently also the demand for cement, should continue to be robust also during the second half of the year, despite the forecasts on the dynamics of the residential sector indicate a likely weakening.

Compared to the assumptions that guided the outlook published a few months ago, a negotiated resolution of the conflict between Russia and Ukraine seems increasingly distant. Among the favorable elements, however, the unexpected revaluation of the ruble (back to 2015 levels) and the strength of the dollar should be noted.

In conclusion, based on the above considerations, we believe we can improve the indications previously given to the market and we expect that recurring Ebitda for the entire 2022 financial year will reach a level similar to 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 2022, 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.

- **Net debt:** it is a measure of the capital structure corresponding to the difference between financial liabilities, both short and long term, and short term financial assets. Therefore, it includes all liabilities, a part of the interest-bearing assets and related items, such as derivative financial instruments and accruals. The measure complies with Consob Communication no. 92543/2015 and the guidelines ESMA32-382-1138.

Half-year condensed consolidated financial statements

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Consolidated Income Statement

(thousands of euro)	Note	1 st Half 2022	1 st Half 2021
Net sales	8	1,879,967	1,608,719
Changes in inventories of finished goods and work in progress		(12,005)	(25,308)
Other operating income	9	22,166	21,052
Raw materials, supplies and consumables	10	(778,712)	(591,942)
Services	11	(437,577)	(377,998)
Staff costs	12	(272,871)	(253,700)
Other operating expenses	13	(35,914)	(28,357)
EBITDA		365,054	352,466
Depreciation, amortization and impairment charges	14	(246,905)	(122,752)
Operating profit (EBIT)		118,149	229,714
Equity in earnings of associates and joint ventures	15	57,588	48,433
Gains on disposal of investments	16	97	-
Finance revenues	17	78,164	29,072
Finance costs	17	(134,164)	(45,080)
Profit before tax		119,834	262,139
Income tax expense	18	(31,158)	(52,428)
Profit for the period		88,676	209,711
Attributable to:			
Owners of the company		88,645	209,623
Non-controlling interests		31	88
(euro)			
Earnings per share	19		
basic			
ordinary		0.472	1.091

Consolidated Statement of Comprehensive Income

(thousands of euro)	1 st Half 2022	1 st Half 2021
Profit for the period	88,676	209,711
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	95,562	35,875
Fair value changes of equity investments	64	64
Income tax relating to items that will not be reclassified	(27,057)	(10,204)
Total items that will not be reclassified to profit or loss	68,569	25,735
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	414,090	103,515
Share of currency translation differences of associates and joint ventures valued by the equity method	43,225	15,658
Total items that may be reclassified subsequently to profit or loss	457,315	119,173
Other comprehensive income for the period, net of tax	525,884	144,908
Total comprehensive income for the period	614,560	354,619
Attributable to:		
Owners of the company	614,515	354,528
Non-controlling interests	45	91

Consolidated Balance Sheet

(thousands of euro)	Note	30/06/2022	31/12/2021
Assets			
Non-current assets			
Goodwill	20	510,374	608,789
Other intangible assets	20	70,283	59,419
Right-of-use assets	21	81,312	78,627
Property, plant and equipment	22	3,353,235	3,076,662
Investment property	23	17,669	17,697
Investments in associates and joint ventures	24	530,616	462,404
Equity investments at fair value	25	12,385	12,222
Deferred income tax assets		72,885	81,967
Defined benefit plan assets	37	4,673	6,905
Derivative financial instruments	26	4,247	6,948
Other non-current assets	27	287,839	270,305
		4,945,518	4,681,945
Current assets			
Inventories	28	589,215	500,010
Trade receivables	29	608,495	455,735
Other receivables	30	112,567	74,593
Cash and cash equivalents	31	1,058,343	1,203,611
		2,368,620	2,233,949
Assets held for sale	32	6,046	5,889
Total Assets		7,320,184	6,921,783

(thousands of euro)	Note	30/06/2022	31/12/2021
Equity			
Equity attributable to owners of the company			
Share capital	33	123,637	123,637
Share premium		458,696	458,696
Other reserves	34	398,413	(59,094)
Retained earnings		3,930,016	3,853,886
Treasury shares		(130,917)	(7,699)
		4,779,845	4,369,426
Non-controlling interests	35	5,589	5,778
Total Equity		4,785,434	4,375,204
Liabilities			
Non-current liabilities			
Long-term debt	36	508,687	987,951
Lease liabilities	21	58,180	55,815
Employee benefits	37	274,218	364,845
Provisions for liabilities and charges	38	91,899	86,416
Deferred income tax liabilities		418,618	371,131
Other non-current liabilities	39	9,812	6,952
		1,361,414	1,873,110
Current liabilities			
Current portion of long-term debt	35	605,920	136,635
Short-term debt	35	9,615	12,476
Current portion of lease liabilities	21	23,614	22,450
Trade payables	40	342,188	294,043
Income tax payables	41	35,721	32,072
Provisions for liabilities and charges	38	17,721	64,626
Other payables	42	138,557	111,167
		1,173,336	673,469
Total Liabilities		2,534,750	2,546,579
Total Equity and Liabilities		7,320,184	6,921,783

Consolidated Statement of Cash Flows

(thousands of euro)	Note	1 st Half 2022	1 st Half 2021
Cash flows from operating activities			
Cash generated from operations	43	168,013	313,147
Interest paid		(15,656)	(16,646)
Income tax paid		(46,968)	(77,362)
Net cash generated from operating activities		105,389	219,139
Cash flows from investing activities			
Purchase of intangible assets	20	(544)	(891)
Purchase of property, plant and equipment	22	(125,725)	(98,965)
Acquisition of subsidiaries, net of cash acquired		-	(639)
Purchase of other equity investments	24, 25	(2,275)	(1,392)
Proceeds from sale of property, plant and equipment		5,539	14,799
Proceeds from sale of equity investments		465	-
Changes in financial receivables		1,459	(228,964)
Dividends received from equity investments		27,943	31,315
Interest received		6,637	3,482
Net cash generated from (used in) investing activities		(86,501)	(281,255)
Cash flows from financing activities			
Repayment of long-term debt	36	(30,107)	(52,912)
Net change in short-term debt	36	960	(3,803)
Repayment of lease liabilities	21	(11,434)	(11,845)
Changes in other financial payables		(3,955)	3,467
Changes in ownership interests without loss of control		(3)	(1)
Purchase of treasury shares		(123,218)	-
Dividends paid to owners of the company	44	(71,693)	(190,549)
Dividends paid to non-controlling interests	44	(234)	(105)
Net cash generated from (used in) financing activities		(239,684)	(255,748)
Increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of period		1,203,611	1,218,279
Currency translation differences		75,528	22,919
Cash and cash equivalents at end of period	31	1,058,343	923,334

Consolidated Statement of Changes in Equity

(thousands of euro)	Attributable to owners of the company						Non-con- trolling interests	Total Equity
	Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	Total		
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
Balance as at 1 January 2022	123,637	458,696	(59,094)	3,853,886	(7,699)	4,369,426	5,778	4,375,204
Profit for the period	-	-	-	88,645	-	88,645	31	88,676
Other comprehensive income for the period, net of tax	-	-	457,359	68,511	-	525,870	14	525,884
Total comprehensive income for the period	-	-	457,359	157,156	-	614,515	45	614,560
Dividends paid	-	-	-	(74,053)	-	(74,053)	(243)	(74,296)
Withholding tax on foreign dividends	-	-	-	(5,374)	-	(5,374)	-	(5,374)
Acquisition of non-controlling interests	-	-	-	(1,749)	-	(1,749)	-	(1,749)
Purchase of treasury shares	-	-	-	-	(123,218)	(123,218)	-	(123,218)
Other changes	-	-	148	150	-	298	9	307
Balance as at 30 June 2022	123,637	458,696	398,413	3,930,016	(130,917)	4,779,845	5,589	4,785,434

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 registered office and the corporate headquarters are located in Italy at Casale Monferrato (AL), Via Luigi Buzzi 6. The company is listed on the Euronext Milan market, managed by Borsa Italiana (Euronext Group).

Buzzi Unicem SpA is controlled by Fimedi SpA, which directly and indirectly, through its subsidiary Presa SpA, owns 52.952% of the shares.

These consolidated interim financial statements were authorized for issue by the board of directors on 3 August 2022.

2. Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2022 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 2021.

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 were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021, with the exception of changes in estimates that are required in determining the income tax expense for the period and of actuarial assumptions. However, the group also considered the sources of uncertainty in the valuations arising from the direct and indirect effects of the Russia-Ukraine conflict, which broke out in the first quarter of 2022.

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 2022	31 December 2021	1 st Half 2022	1 st Half 2021
US Dollar	1.0387	1.1326	1.0934	1.2053
Czech Koruna	24.7390	24.8580	24.6485	25.8541
Ukrainian Hryvnia	30.4017	30.9219	31.7317	33.4591
Russian Ruble	56.3633	85.3004	85.4111	89.5502
Polish Zloty	4.6904	4.5969	4.6354	4.5374
Hungarian Forint	397.0400	369.1900	375.1294	357.8797
Mexican Peso	20.9641	23.1438	22.1653	24.3270
Algerian Dinar	152.0941	157.4077	156.2732	160.5409
Brazilian Real	5.4229	6.3101	5.5565	6.4902

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 2021, 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. The outbreak of the Russia-Ukraine conflict determined the emergence of indicators that made it inevitable to carry out the impairment test procedure for those CGUs affected by the effects of the war, even indirect ones.

In addition, the valuations of employee benefits have been updated to take into account the significant changes in the underlying reference indices, caused by the complexity of the macro-economic situation (Covid-19 pandemic, conflict in Ukraine, significant inflation).

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 2022

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.

- The following package of amendments includes narrow scope amendments to three standards, as well as the Board's Annual Improvements, that clarify the wording or correct minor effects, oversights or conflicts between requirements in the different standards:
 - IFRS 3 Business combinations (amendments): reference to the conceptual framework, it updates 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 the sale of 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, specifying 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.

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). It 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.
- 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 effective date. The amendments clarify whether to classify payables and other liabilities with an uncertain due date as current or non-current. They are not expected to have a significant impact on the financial statements. At the date of this report the European Union has not yet endorsed the standard.
- IAS 8 Accounting policies, changes in accounting estimates and errors (amendments): Definition of accounting estimates (effective from 1 January 2023). The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively only to future transactions and other future events, while changes in accounting policies are generally applied retrospectively to past transactions and other past events.
- IAS 1 Presentation of financial statements and IFRS Practice statement 2 Making materiality judgments (amendments): disclosure of accounting policies (effective from 1 January 2023). The amendments require companies to disclose information about material accounting standards rather than on significant accounting standards, by adding a guidance on how to apply the concept of materiality to the accounting policy disclosures.
- IAS 12 Income Tax: deferred tax related to assets and liabilities arising from single transaction (effective from 1 January 2023). It specifies how companies should account for deferred tax on transactions such as leases and decommissioning obligation. At the date of this report the European Union has not yet endorsed the standard.

- IFRS 17 (amendments) Insurance contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information (effective from 1 January 2023). The amendment permits, during transition, comparative information for certain financial assets to be presented in a manner consistent with IFRS 9. At the date of this report the European Union has not yet endorsed the standard.

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 2021. 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 that are measured at fair value at 30 June 2022:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Other non-current assets	29,128	1,138	-	30,266
Derivative financial instruments (non-current)	-	-	4,247	4,247
Equity investments at fair value	-	-	12,385	12,385
Total Assets	29,128	1,138	16,632	46,898

The following table presents the assets that are measured at fair value at 31 December 2021:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Other non-current assets	30,945	1,282	-	32,227
Derivative financial instruments (non-current)	-	-	6,948	6,948
Equity investments at fair value	-	-	12,222	12,222
Total Assets	30,945	1,282	19,170	51,397

In the first half of 2022, 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. The value of the derivative financial instrument, at the date of these interim financial statements, 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 26).

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.

5. Scope of consolidation

The first half of 2022 saw the sale of our 32.38% interest in Nord Est Logistica Srl, previously accounted for using the equity method.

During the semester some mergers took place within the group, particularly in Germany and Russia, to continue streamlining and simplifying the organizational structure, without any effect on the consolidated financial statements.

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 2022, both in Italy and in the foreign countries in which the group operates, the operations were characterized by the sustained rise in inflation, fueled by spiking commodity prices and by bottlenecks in global supply chains. In addition, the sanctioning measures aimed at penalizing the Russian economy caused significant volatility in the financial markets worldwide and a further upward pressure on commodity prices, energy goods in particular.

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 2022

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallocated items and adjustments	Total	Mexico 100%	Brazil 100%
Segment revenue	353,992	492,517	306,957	726,501	-	1,879,967	353,056	179,574
Intersegment revenue	(3,902)	(42)	-	-	3,944	-	-	-
Revenue from external customers	350,090	492,475	306,957	726,501	3,944	1,879,967	353,056	179,574
EBITDA	35,688	69,333	79,475	180,558	-	365,054	149,520	46,572
Impairment charges	(4)	(163)	(123,135)	-	-	(123,302)	-	-
Write-ups	933	-	-	-	-	933	5,238	-
Operating profit (EBIT)	15,351	47,058	(61,096)	116,836	-	118,149	140,735	36,649

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
Impairment charges	(1,328)	(57)	(44)	-	-	(1,429)	-	-
Operating profit (EBIT)	9,063	43,769	51,692	125,190	-	229,714	137,670	30,053

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 2022		
	Cement	Concrete and aggregates	Total
Italy	210,909	143,083	353,992
Germany	212,539	165,009	377,548
Luxembourg and the Netherlands	63,123	51,846	114,969
Poland	46,292	21,449	67,741
Czech Republic and Slovakia	28,705	67,917	96,622
Russia	114,301	-	114,301
Ukraine	26,424	1,869	28,293
United States of America	576,799	149,702	726,501
	1,279,092	600,875	1,879,967

(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

The 16.9% increase compared with 2021 is mainly due to the price growth and to favorable currency effects for 4.8%.

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 2022	1 st Half 2021
Recovery of expenses	4,314	2,687
Indemnity for damages	749	128
Revenue from leased properties	3,755	4,182
Gains on disposal of property, plant and equipment	3,728	4,289
Capital grants	134	168
Release of provisions	508	840
Internal work capitalized	790	613
Other	8,188	8,145
	22,166	21,052

The caption indemnity for damages refers mainly to the reimbursement of €403 thousand received for an accidental event that occurred at the Pryor (OK) plant in 2019.

The caption gains on disposal of property, plant and equipment includes amounts relating to the disposal of certain land, buildings and other assets located in Germany for €2,596 thousand, in particular the real estate property next to the plant and to the regional offices of Amöneburg (Wiesbaden) for €2,223 thousand.

10. Raw materials, supplies and consumables

(thousands of euro)	1 st Half 2022	1 st Half 2021
Raw materials, supplies and consumables	429,492	362,461
Finished goods and merchandise	46,614	35,375
Electricity	152,056	99,522
Fuels	137,214	82,596
Emission rights	(1,234)	-
Other goods	14,570	11,988
	778,712	591,942

From the second half of 2021, significant increases in the price of raw materials and energy goods, especially electricity and fuels, have caused a general rise in the production and distribution costs.

The caption electricity includes the reduction on the cost of power, recognized in Italy to energy-intensive companies in the amount of €13,497 thousand (note 30).

Emission rights reflect the release of the surplus of the provision set aside at the end of 2021, to align it with the actual amounts returned in the first half of 2022.

11. Services

(thousands of euro)	1st Half 2022	1st Half 2021
Transportation	263,761	231,585
Maintenance and contractual services	95,466	78,254
Insurance	9,117	8,961
Legal and professional consultancy	6,990	5,800
Operating leases of property and machinery	7,152	5,471
Travel	2,586	1,336
Other	52,505	46,591
	437,577	377,998

The rise in services, especially transportation, was mainly due to the significant increase in diesel fuel for vehicles, trains, barges, and concrete mixers; in fact this is a cost element deeply affecting the distribution and logistics of our products.

Maintenance also reflects the effects of the inflationary wave that hit the industry, causing significant increases in the cost of materials, spare parts and of contract work associated with them.

12. Staff costs

(thousands of euro)	1st Half 2022	1st Half 2021
Salaries and wages	201,161	188,858
Social security contributions and defined contribution plans	63,358	56,937
Employee severance indemnities and defined benefit plans	6,383	6,460
Other long-term benefits	182	100
Other	1,787	1,345
	272,871	253,700

The increase of the line item is due to the exchange rate effect for an amount of €11,461 thousand, resulting mainly from the strengthening of the dollar, Russian ruble and Ukrainian hryvnia.

The average number of employees is the following:

(number)	1st Half 2022	1st Half 2021
White collar and executives	3,690	3,694
Blue collar and supervisors	6,086	6,079
	9,776	9,773

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 2022	1st Half 2021
Write-down of receivables	857	566
Provisions for liabilities and charges	2,412	1,233
Association dues	3,746	3,416
Indirect taxes and duties	19,304	16,635
Losses on disposal of property, plant and equipment	755	317
Other	8,840	6,190
	35,914	28,357

14. Depreciation, amortization and impairment charges

(thousands of euro)	1st Half 2022	1st Half 2021
Intangible assets	2,288	3,195
Right-of-use assets	12,091	12,121
Property, plant and equipment	110,157	106,006
Impairment losses of non-current assets	122,369	1,430
	246,905	122,752

The impairment losses mainly include €122,478 thousand referring to the goodwill of Russia, as a result of the impairment test performed following the conflict that arose in Ukraine (note 20). The caption also includes the revaluation of the assets of the former Manfredonia (FG) grinding center, following the execution of the contract for the sale of the equipment, for €870 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 2022	1 st Half 2021
Associates		
Société des Ciments de Hadjar Soud EPE SpA	(246)	212
Société des Ciments de Sour El Ghozlane EPE SpA	882	438
Bétons Feidt SA	180	17
Laterlite SpA	(184)	1,944
Salonit Anhovo Gradbeni Materiali dd	1,843	1,110
W&P Cementi SpA	1,178	715
Other associates	227	280
	3,880	4,716
Joint ventures		
Corporación Moctezuma, SAB de CV	34,618	33,569
BCPAR SA	17,593	9,215
Lichtner-Dyckerhoff Beton GmbH & Co. KG	513	85
Other joint ventures	984	848
	53,708	43,717
	57,588	48,433

16. Gains on disposal of investments

In 2022 the gain mainly refers to the sale of the ownership interest in the associate Nord Est Logística Srl.

17. Finance revenues and Finance costs

(thousands of euro)	1 st Half 2022	1 st Half 2021
Finance revenues		
Interest income on liquid assets	4,873	3,123
Interest income on plan assets of employee benefits	4,344	3,305
Changes in the fair value of derivative instruments	-	4,060
Foreign exchange gains	66,432	17,396
Dividend income	19	1
Other	2,496	1,187
	78,164	29,072
Finance costs		
Interest expense on bank borrowings	(6,710)	(6,820)
Interest expense on senior notes and bonds	(5,715)	(5,705)
Interest expense on employee benefits	(7,297)	(6,004)
Interest expense on lease liabilities	(1,005)	(1,124)
Changes in the fair value of derivative instruments	(2,701)	-
Discount unwinding on liabilities	(495)	(178)
Foreign exchange losses	(105,021)	(24,337)
Other	(5,220)	(912)
	(134,164)	(45,080)
Net finance costs	(56,000)	(16,008)

The increase in net finance costs compared to the previous period was essentially determined by the unfavorable change in non-cash items, in particular foreign exchange losses referring to dollar denominated loans (€46,426 thousand), as well as from the valuation at fair value of the put/call option on the remaining 50% interest in BCPAR SA (note 26). The balance of foreign exchange losses also includes realized losses on the conversion of cash held in rubles, following the conflict in Ukraine (€12,202 thousand).

18. Income tax expense

(thousands of euro)	1 st Half 2022	1 st Half 2021
Current tax	35,528	50,046
Deferred tax	(4,442)	2,404
Tax relating to prior years	72	(22)
	31,158	52,428

19. Earnings per 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.

		1 st Half 2022	1 st Half 2021
Net profit attributable to owners of the company	thousands of euro	88,645	209,623
Average number of shares outstanding		187,657,770	192,131,838
Basic earnings per share	euro	0.472	1.091

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 2022					
Cost/deemed cost	817,960	87,023	1,868	31,984	120,875
Accumulated depreciation and write-downs	(209,171)	(54,186)	-	(7,270)	(61,456)
Net book amount	608,789	32,837	1,868	24,714	59,419
1st Half 2022					
Opening net book amount	608,789	32,837	1,868	24,714	59,419
Exchange differences	24,063	12,513	25	-	12,538
Additions	-	342	193	-	535
Amortization and impairment charges	(122,478)	(1,470)	-	(818)	(2,288)
Reclassifications	-	368	(289)	-	79
Closing net book amount	510,374	44,590	1,797	23,896	70,283
At 30 June 2022					
Cost/deemed cost	779,194	103,879	1,797	31,984	137,660
Accumulated depreciation and write-downs	(268,820)	(59,289)	-	(8,088)	(67,377)
Net book amount	510,374	44,590	1,797	23,896	70,283

At 30 June 2022, the column industrial patents, licenses and similar rights is made up of industrial licenses (€39,152 thousand), application software for plant and office automation (€2,939 thousand), mining rights (€2,453 thousand), industrial patents (€46 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 €22,972 thousand.

The exchange differences of the goodwill mainly refer to the CGU Russia (positive impact of €21,333 thousand) and the CGU United States of America (positive impact of €2,865 thousand).

Goodwill at 30 June 2022 amounts to €510,374 thousand and is broken down as follows:

(thousands of euro)	30/06/2022	31/12/2021
Italy (Cement sector)	76,114	76,114
United States of America	41,744	38,879
Germany	129,995	129,995
Luxembourg	69,104	69,104
Poland	87,473	87,608
Czech Republic/Slovakia	105,944	105,944
Russia	-	101,145
	510,374	608,789

During the first half of 2022, indicators of potential impairment losses emerged with reference to the expected cash flows and discount rate of some CGUs such as Russia, Ukraine, Cement sector Italy.

For Russia and Ukraine, due to the uncertainty deriving from the impact of the crisis caused by the conflict between the two countries, the company updated the estimates of the December 2021 multi-year plans. Following the negative development of the country risk, the WACC discount rate was also updated, as follows:

(in %)	UKR	RUS
WACC		
30 June 2022	24.82%	25.91%
31 December 2021	14.90%	9.32%

The Cement sector Italy, on the other hand, suffered the indirect impact of the conflict, especially with the sharp increase in costs relating to energy. For this reason, an update of the forecasts included in the multi-year plan was necessary.

Based on the updated multi-year plans of Russia, Ukraine and Cement sector Italy, the company reworked the impairment tests, which did not result in write-downs on the fixed assets of Ukraine and the Cement sector Italy. Instead, the worsening of the growth prospects of the economy in Russia, caused by the international sanctions and the increase in discount rates, resulted in the write-down of the entire goodwill allocated to the CGU, for an amount of €122,478 thousand.

21. Right-of-use assets and Lease liabilities

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other	Total
At 1 January 2022					
Cost/deemed cost	39,122	19,602	67,363	17,743	143,830
Accumulated depreciation and write-downs	(13,262)	(7,218)	(34,490)	(10,233)	(65,203)
Net book amount	25,860	12,384	32,873	7,510	78,627
1st Half 2022					
Opening net book amount	25,860	12,384	32,873	7,510	78,627
Exchange differences	624	34	3,017	136	3,811
Additions and other	2,825	558	6,729	2,533	12,645
Extinctions	(132)	(1,297)	-	(251)	(1,680)
Depreciation and impairment charges	(2,648)	(1,383)	(5,816)	(2,244)	(12,091)
Closing net book amount	26,529	10,296	36,803	7,684	81,312
At 30 June 2022					
Cost/deemed cost	41,919	16,356	79,448	18,524	156,247
Accumulated depreciation and write-downs	(15,390)	(6,060)	(42,645)	(10,840)	(74,935)
Net book amount	26,529	10,296	36,803	7,684	81,312

Lease liabilities recorded in the balance sheet at 30 June 2022 amount to €81,794 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 2022						
Cost/deemed cost	2,896,648	5,055,262	453,045	172,450	147,581	8,724,986
Accumulated depreciation and write-downs	(1,197,480)	(4,010,647)	(325,449)	(6,282)	(108,466)	(5,648,324)
Net book amount	1,699,168	1,044,615	127,596	166,168	39,115	3,076,662
1st Half 2022						
Opening net book amount	1,699,168	1,044,615	127,596	166,168	39,115	3,076,662
Exchange differences	129,251	87,771	17,372	27,295	3,313	265,002
Additions	5,434	39,147	14,972	62,941	1,324	123,818
Disposals and other	(132)	(462)	(544)	(13)	-	(1,151)
Depreciation and impairment charges	(20,383)	(71,951)	(13,373)	(657)	(4,613)	(110,977)
Reclassifications	7,065	28,198	4,236	(40,438)	820	(119)
Closing net book amount	1,820,403	1,127,318	150,259	215,296	39,959	3,353,235
At 30 June 2022						
Cost/deemed cost	3,076,711	5,341,077	498,833	222,561	157,760	9,296,942
Accumulated depreciation and write-downs	(1,256,308)	(4,213,759)	(348,574)	(7,265)	(117,801)	(5,943,707)
Net book amount	1,820,403	1,127,318	150,259	215,296	39,959	3,353,235

Additions in the first six months of 2022 amount to €123,818 thousand. In the cash flow statement and in the management review of operations capital expenditures are reported according to the actual outflows (€125,725 thousand).

Positive exchange differences of €265,002 thousand reflect the appreciation of most foreign currencies, mainly: dollar/euro (€174,669 thousand) and ruble/euro (€90,434 thousand). In the first half of 2021, translation differences had been overall positive for a total of €71,559 thousand.

Real guarantees on assets of consolidated companies are represented by liens on industrial and commercial equipment for the amount of €104 thousand at 30 June 2022 (December 2021: €104 thousand).

23. Investment property

(thousands of euro)	30/06/2022	31/12/2021
At 1 January		
Cost/deemed cost	21,335	23,396
Accumulated depreciation and write-downs	(3,638)	(4,634)
Net book amount	17,697	18,762
Exchange differences	92	79
Additions	11	122
Disposals and other	(131)	(1,101)
Depreciation and impairment charges	-	(293)
Reclassifications	-	128
At 30 June	17,669	17,697
Cost/deemed cost	20,558	21,335
Accumulated depreciation and write-downs	(2,889)	(3,638)
Net book amount	17,669	17,697

24. Investments in associates and joint ventures

The amounts recognized in the balance sheet are as follows:

(thousands of euro)	30/06/2022	31/12/2021
Associates valued by the equity method	159,814	156,351
Joint ventures valued by the equity method	370,802	306,053
	530,616	462,404

The net increase of €68,212 thousand was mainly affected upwards by equity earnings of €57,588 thousand and exchange differences of €43,227 thousand, downwards by the elimination of dividends received equal to €30,004 thousand.

24.1 Interests in associates

Set out below are the associates as at 30 June 2022 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	38,681	Equity
Société des Ciments de Sour El Ghozlane EPE SpA	Algeria	35.0	33,797	Equity
Salonit Anhovo Gradbeni Materiali dd	Slovenia	25.0	33,637	Equity

24.2 Interests in joint ventures

Set out below are the two joint ventures as at 30 June 2022 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	179,226	Equity
BCPAR SA	Brazil	50.0	183,267	Equity

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 2022	908	11,314	12,222
Exchange differences	-	99	99
Fair value changes	-	64	64
At 30 June 2022	908	11,477	12,385

26. Derivative financial instruments

As at 30 June 2022 the exercise price of the put/call option on the remaining 50% of the share capital of BCPAR SA corresponds to an asset of €4,247 thousand (2021: €6,948 thousand). The negative change in the fair value of the derivative was recognized directly in the income statement (note 17).

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

(thousands of euro)	30/06/2022		31/12/2021	
	Notional	Fair value	Notional	Fair value
BCPAR SA takeover option	275,403	4,247	254,325	6,948

27. Other non-current assets

(thousands of euro)	30/06/2022	31/12/2021
Loans to third parties and leasing	2,142	2,376
Loans to associates and joint ventures	232,984	213,757
Loans to customers	10,120	9,306
Tax receivables	864	862
Non-current financial assets	17,789	19,907
Receivables from personnel	989	784
Guarantee deposits	13,465	13,493
Other	9,486	9,820
	287,839	270,305

Loans to third parties and leasing are mainly interest-bearing and adequately secured.

Loans to associates and joint ventures refer to the financing granted to Companhia Nacional de Cimento (CNC, 100% controlled by BCPAR), for the purchase of the CRH group companies operating in Brazil, which took place in 2021.

Loans to customers include interest bearing advances granted to some major accounts in the United States at market conditions. They are adequately secured and are performing regularly.

The caption non-current financial assets includes investments entrusted to asset management firms, measured at fair value.

Guarantee deposits mainly represent monetary assets held in trust to secure the payment of benefits under certain executive pension plans in the United States for €12,477 thousand, besides insurance deposits.

28. Inventories

(thousands of euro)	30/06/2022	31/12/2021
Raw materials, supplies and consumables	407,070	320,429
Work in progress	67,788	69,962
Finished goods and merchandise	69,956	70,306
Advances	2,769	1,883
Emission rights	41,632	37,430
	589,215	500,010

Increases and decreases of various categories depend on the trend in production and sales, on the price of factors employed, as well as changes in the exchange rates used for the translation of foreign financial statements.

The amount shown is net of an allowance for obsolescence of €35,179 thousand (€34,160 thousand in the previous year).

29. Trade receivables

(thousands of euro)	30/06/2022	31/12/2021
Trade receivables	607,521	457,943
Less: Loss allowance	(15,838)	(15,479)
Trade receivables, net	591,683	442,464
Other trade receivables:		
From associates	16,799	13,239
From parent companies	13	32
	608,495	455,735

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

The increase of €152,760 thousand in net trade receivables is attributable to the business seasonality, to a general and substantial increase in sales prices, as well as to the favorable foreign exchange differences.

30. Other receivables

(thousands of euro)	30/06/2022	31/12/2021
Tax receivables	53,177	38,011
Receivables from social security institutions	1,174	208
Receivables from unconsolidated subsidiaries and associates	853	793
Loans to customers	80	72
Receivables from suppliers	23,456	6,623
Receivables from personnel	412	403
Current financial assets	1,428	1,458
Loans to third parties and leasing	531	282
Accrued interest income	1,076	1,280
Other accrued income and prepaid expenses	17,161	11,461
Other	13,219	14,002
	112,567	74,593

Tax receivables include income tax payments in advance, the residual tax credit granted in Italy to deal with the increase in electricity prices (€7,761 thousand) and the debit balance of periodic value added tax liquidation.

Receivables from suppliers include advances on procurement of gas, electricity and other services. The increase is mainly related to down payments in Italy for electricity suppliers, towards which the debt position has grown exponentially.

31. Cash and cash equivalents

(thousands of euro)	30/06/2022	31/12/2021
Cash at banks and in hand	416,436	692,004
Short-term deposits	641,907	511,607
	1,058,343	1,203,611

Foreign operating companies hold about 90.4% of the balance of €1,058,343 thousand (78% in 2021). At the closing date, short-term deposits and securities earn interest at about 1.31% on average (1.02% in 2021), yield in euro is around -0.03%, in dollar 1.15% in other currencies 4.96%. The average maturity of such deposits and securities is lower than 60 days.

32. Assets held for sale

They mainly relate to land located in San Antonio, Texas (€3,000 thousand), to some equipment and machinery of the idle Travesio plant (€1,235 thousand) and to the inactive grinding center in Manfredonia, (€870 thousand).

33. Share capital

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 at 30 June 2022, the number of shares outstanding is as follows:

(number of shares)	Ordinary
Shares issued	192,626,154
Less: Treasury shares	(7,494,316)
Outstanding at end of period	185,131,838

During the first half of the year no. 7,000,000 shares, equal to 3.634% of the share capital, were purchased for €123,218 thousand.

34. Other reserves

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

(thousands of euro)	30/06/2022	31/12/2021
Exchange differences	(56,845)	(514,160)
Revaluation reserves	88,286	88,286
Merger surplus	249,177	249,177
Other	117,795	117,603
	398,413	(59,094)

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 €457,315 thousand results from the improvement in the exchange rates of all the functional currencies involved in the consolidation process versus the euro: €251,297 thousand for the dollar, €160,080 thousand for the ruble, €22,701 thousand for the real, €17,138 thousand for the Mexican peso, €1,059 thousand for the hryvnia, €2,501 thousand for the Algerian dinar and €2,539 thousand for the other currencies in Eastern Europe.

35. Non-controlling interests

The balance refers to Cimalux SA for €3,363 thousand and to Betonmortel Centrale Groningen (B.C.G.) BV for €1,387 thousand.

36. Debt and borrowings

(thousands of euro)	30/06/2022	31/12/2021
Long-term debt		
Senior notes and bonds	-	498,802
Unsecured term loans	508,687	489,149
	508,687	987,951
Current portion of long-term debt		
Senior notes and bonds	499,248	-
Unsecured term loans	106,672	136,635
	605,920	136,635
Short-term debt		
Bank debts	1,226	942
Accrued interest expense	8,389	11,534
	9,615	12,476

In the first six months of the year, there were no proceeds from new borrowings and principal repayments amounted to €30,090 thousand.

The company also reclassified in the current portion of long-term debt the bond "Buzzi Unicem €500,000,000 - 2.125% Notes due 2023" issued in April 2016, to be repaid in full on April 28, 2023.

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

(thousands of euro)	30/06/2022		31/12/2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Floating rate borrowings				
Unsecured term loans	96,193	97,460	88,190	90,170
Fix rate borrowings				
Senior notes and bonds	499,248	503,073	498,802	504,895
Unsecured term loans	520,392	526,878	538,536	569,495
	1,115,833	1,127,411	1,125,528	1,164,560

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

37. Employee benefits

The obligations for employee benefits are analyzed as follows:

(thousands of euro)	30/06/2022	31/12/2021
By category		
Post-employment benefits:		
Pension plans	180,861	259,305
Healthcare plans	72,631	81,249
Employee severance indemnities	11,633	14,877
Other long-term benefits	9,093	9,414
	274,218	364,845

As a result of updating the assumptions underlying the actuarial valuations (note 3), the decrease in the liability recognized in the balance sheet, gross of deferred taxes, was €95,542 thousand.

Defined benefit plan assets, amounting to €4,673 thousand, shown separately in the balance sheet, relate to a specific situation in the United States, i.e. a positive difference between the fair value of plan assets and the obligation towards a certain category of employees.

38. Provisions for liabilities and charges

(thousands of euro)	Environmental risks and restoration	Antitrust	Legal claims Tax risks	Other risks	Total
At 1 January 2022	71,712	6,832	6,451	66,047	151,042
Additional provisions	539	-	488	5,525	6,552
Discount unwinding	463	-	-	-	463
Unused amounts released	(483)	-	(258)	(4,360)	(5,101)
Used during the period	(2,213)	-	(438)	(40,928)	(43,579)
Exchange differences	1,223	(136)	248	1,621	2,956
Reclassifications	-	-	-	(2,713)	(2,713)
At 30 June 2022	71,241	6,696	6,491	25,192	109,620

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 the provision for 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. Changes during the period mainly relate to uses of €49,927 thousand, matching the emission rights consumed in 2021 and surrendered to the competent authority.

Other risks also include provisions of €4,024 thousand and uses of €3,844 thousand relating to claims not covered by insurance, such as indemnities paid to employees and compensation in case of accidents.

39. Other non-current liabilities

(thousands of euro)	30/06/2022	31/12/2021
Purchase of equity investments	3,117	2,712
Non-controlling interests in partnerships	1,683	1,503
Payables to personnel	2,038	241
Financial tax payables	153	210
Other	2,821	2,286
	9,812	6,952

The caption purchase of equity investments mainly refers to the Seibel & Söhne business combination, occurred in 2018.

Other non-current liabilities are all 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)	30/06/2022	31/12/2021
Trade payables	339,538	292,023
Other trade payables:		
To associates	2,650	2,020
	342,188	294,043

41. Income tax payable

This item reflects current income tax liabilities, net of advances, withholdings and tax credits.

42. Other payables

(thousands of euro)	30/06/2022	31/12/2021
Advances	8,856	6,039
Purchase of equity investments	180	119
Payables to social security institutions	17,187	17,637
Payables to personnel	37,678	36,951
Payables to customers	9,215	11,249
Deferred interest income	22	38
Other accrued expenses and deferred income	8,634	7,843
Tax payables	38,277	13,641
Financial tax payables	4,968	4,968
Other	13,540	12,682
	138,557	111,167

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.

The caption tax payables includes the credit balance of periodic value added tax for €26,170 thousand (2021: €3,961 thousand).

43. Cash generated from operations

(thousands of euro)	1 st Half 2022	1 st Half 2021
Profit before tax	119,834	262,139
Adjustments for:		
Depreciation, amortization and impairment charges	246,905	122,752
Equity in earnings of associates and joint ventures	(57,588)	(48,433)
Gains on disposal of fixed assets	(3,071)	(3,972)
Net change in provisions and employee benefits	(48,657)	(33,812)
Net finance costs	56,000	16,008
Other non-cash movements	(311)	(224)
Changes in operating assets and liabilities:		
Inventories	(59,079)	38,516
Trade and other receivables	(144,720)	(70,180)
Trade and other payables	58,700	30,353
Cash generated from operations	168,013	313,147

44. Dividends

Dividends distributed in 2022 amounted to €74,053 thousand (€40 cents per share).

Dividends distributed in 2021 were €48,033 thousand (€25 cents per share) in addition to the extraordinary dividend of €144,099 thousand (€75 cents per share), paid to shareholders within the transaction to collapse savings shares into ordinary shares.

45. Commitments

(thousands of euro)	30/06/2022	31/12/2021
Guarantees granted	34,663	30,965
Other commitments and guarantees	78,966	57,382
	113,629	88,347

Guarantees granted include commitments toward banks in favor of investee companies, including an amount of €31,503 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 recognizes 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 in the USA and Germany 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) and requested the initiation of the 'mutual agreement procedure' (MAP) provided for in the treaties in force with the Countries involved, considering that the defense elements are well-grounded and sound and the risk of losing is remote.

Following the conclusion of the 'mutual agreement procedure' (MAP) with the United States for all the years subject to the dispute, the Revenue Service on 26 November 2021 communicated that the competent Italian and US authorities agreed to redetermine the adjustments by the Italian tax administration to a significantly more favorable extent than the remarks made during the assessment, with a partial recognition of this adjustment by the US authority. The company decided to accept this agreement, but its execution with the United States will be carried out at the conclusion of the mutual agreement procedure still in place on the same issues with Germany. The company, therefore, set aside the higher tax deriving from the acceptance of the agreement with the United States (approximately €185 thousand) to provision for risks and charges, while maintaining the registration, made in previous years, of the receivable for the sums paid on a provisional basis pending judgment, until the final conclusion of the dispute.

Between 2015 and 2022 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 2021 for a total amount of approximately €29 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 (for notices of assessment received in June 2022, the deadline for appeal expires at the end of September 2022 and the company entrusted its lawyers with the draft of the related appeals). 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 of approximately €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. With reference to the 4 executive notices of assessment notified in 2020 (for about €3.8 million) referring to IMU and TASI in the years 2014 and 2015, the company recorded tax charges of €1.5 million in the balance sheet relating to the notice of assessment (IMU 2015) which obtained an unfavorable sentence in the first instance, while it did not record the remaining amount requested as it relates to assessments deemed unfounded or which obtained a favorable sentence in first instance. The company also did not record in the balance sheet the amounts, always requested by the Municipality of Guidonia Montecelio (Rome), with ten more executive notices of assessment for IMU (from 2016 to 2021) and TASI (from 2016 to 2019) most recently notified (for a total of approximately €11.3 million).

Antitrust

As regards the antitrust fine of €59.8 million imposed on 7 August 2017 on Buzzi Unicem and other cement companies for having created an alleged anti-competitive agreement, which lasted from June 2011 until January 2016, it should be pointed out that, on 22 December 2020, the European Court of Human Rights (ECHR) declared as admissible the appeal for the request for compensation presented on 22 May 2020. We are waiting for the assessment 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 following the agreement sanctioned by the Italian Antitrust Authority, for a total amount of approximately €16 million, in addition to two summons (relating to a plurality of plaintiffs) for a total of approximately €87 million, of which about €10 million directly attributable to Buzzi Unicem. The company, as mentioned, believes that it has acted in full compliance with antitrust regulations and has therefore appealed before the 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 and the insurance carriers are in the process of negotiating amendments to 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. In addition, LSI has exhausted coverage under certain insurance policies. The company however maintains a provision for amounts not expected to be covered by insurance.

Other legal proceedings

Our Luxembourg subsidiary Cimalux SA received a claim for compensation of €0.36 million for the alleged breach of contract relating to the delivery of sewage sludge. Our subsidiary, deeming the purchase agreement terminated, is representing itself at court and does not expect negative impacts on the financial statements.

In a second case relating to the same company, the bankruptcy trustee of a shareholding sold by Cimalux SA in December 2008 requested the reimbursement of €0.5 million as part of the sale price paid to our subsidiary. The request, also made against the notary who had drawn up the sales contract in 2008, is based on the alleged nullity of the sales contract as it was concluded during the insolvency dispute period. The Court of First Instance rejected the request against Cimalux, but accepted the request against the notary who appealed against this decision. Cimalux SA will continue to defend itself in the proceeding and does not expect a negative impact on the financial statements.

47. Related-party transactions

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 both the sale and purchase of finished goods, semi-finished products, raw materials and transportation services to 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 and services are rendered on a cost-plus basis. There are also some transactions of financial nature with investee and parent companies; 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 Buzzi Unicem 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 2022	in % of reported balance	1 st Half 2021	in % of reported balance
Sales of goods and services:	28,669	1.5	26,665	1.6
associates and unconsolidated subsidiaries	20,181		15,978	
joint ventures	8,475		10,570	
parent companies	13		13	
other related parties	-		104	
Purchases of goods and services:	49,334	3.9	16,408	1.6
associates and unconsolidated subsidiaries	48,448		24,372	
joint ventures	546		(8,351)	
other related parties	340		387	
Finance revenues:	1,972	2.5	746	2.6
joint ventures	1,972		746	
Trade receivables:	17,274	2.8	15,239	3.0
associates and unconsolidated subsidiaries	8,972		7,937	
joint ventures	8,289		7,288	
parent companies	13		13	
other related parties	-		1	
Loans receivable:	233,837	87.6	204,462	95.3
associates and unconsolidated subsidiaries	-		81	
joint ventures	233,837		204,381	
Other receivables:	19,702	14.4	17,146	5.3
associates and unconsolidated subsidiaries	3,394		2,255	
joint ventures	568		905	
parent companies	15,740		13,986	
Trade payables:	7,221	2.1	5,090	2.0
associates and unconsolidated subsidiaries	6,978		4,971	
joint ventures	92		46	
parent companies	-		7	
other related parties	151		66	
Loans payable:	4,992	0.4	4,984	0.4
parent companies	4,992		4,984	
Other payables:	4,931	3.5	404	0.3
parent companies	4,931		404	
Guarantees granted:	33,003		30,226	
joint ventures	33,003		30,226	

Key management includes the directors of the company (executive or non-executive), the statutory auditors and 6 other senior executives of first level.

Their compensation, not included in the previous table, is shown below:

(thousands of euro)	1st Half 2022	1st Half 2021
Salaries and other short-term employee benefits	2,351	2,385
Post-employments benefits	465	498
	2,816	2,883

48. Other information

Material non-recurring events and transactions

As stated in the management report, the six months period ended 30 June 2022 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 2022, as defined in Consob Communication no. DEM/6064293 of 28 July 2006.

Net financial position

The net financial position as at 30 June 2022 is shown in the following table:

(thousands of euro)	30/06/2022	31/12/2021
Cash and short-term financial assets:		
Cash and cash equivalents	1,058,343	1,203,611
Other current financial receivables	3,968	3,885
Short-term financial liabilities:		
Current portion of long-term debt	(605,920)	(136,635)
Current portion of lease liabilities	(23,614)	(22,450)
Short-term debt	(9,615)	(12,476)
Other current financial liabilities	(6,070)	(6,025)
Net short-term cash	417,092	1,029,910
Long-term financial liabilities:		
Long-term debt	(508,687)	(987,951)
Lease liabilities	(58,180)	(55,815)
Other non-current financial liabilities	(3,270)	(2,922)
Net debt	(153,045)	(16,778)
Long-term financial assets:		
Derivative financial instruments	4,247	6,948
Other non-current financial receivables	263,035	245,346
Net financial position	114,237	235,516

Components of net financial positions

The reconciliation of the components of the net financial position not directly identifiable from the items shown in the balance sheet is shown below:

(thousands of euro)	Note	30/06/2022	31/12/2021
Other current financial receivables		3,968	3,885
Receivables from unconsolidated subsidiaries and associates	30	853	793
Loans to customers	30	80	72
Loans to third parties and leasing	30	531	282
Accrued interest income	30	1,076	1,280
Current financial assets	30	1,428	1,458
Other current financial payables		(6,070)	(6,025)
Purchase of equity investments	42	(180)	(119)
Financial tax payables	42	(4,968)	(4,968)
Other financial payables	42	(900)	(900)
Deferred interest income	42	(22)	(38)
Other non-current financial receivables		263,035	245,346
Loans to third parties and leasing	27	2,142	2,376
Loans to associates and joint ventures	27	232,984	213,757
Loans to customers	27	10,120	9,306
Non-current financial assets	27	17,789	19,907
Other non-current financial payables		(3,270)	(2,922)
Purchase of equity investments	39	(3,117)	(2,712)
Financial tax payables	39	(153)	(210)

49. 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 2022

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 SpA	Casale Monferrato (AL)	EUR 130,235,000	Buzzi Unicem SpA	100.00
Calcestruzzi Zillo SpA	Casale Monferrato (AL)	EUR 4,004,676	Buzzi Unicem SpA	100.00
Testi Cementi Srl	Casale Monferrato (AL)	EUR 1,000,000	Buzzi Unicem SpA	100.00
Arquata Cementi Srl	Casale Monferrato (AL)	EUR 100,000	Buzzi Unicem SpA	100.00
Falconeria Srl	Casale Monferrato (AL)	EUR 50,000	Buzzi Unicem SpA	100.00
Buzzi Unicem Srl	Casale Monferrato (AL)	EUR 25,500	Buzzi Unicem SpA	100.00
Dyckerhoff GmbH	Wiesbaden DE	EUR 105,639,816	Buzzi Unicem SpA	100.00
Alamo Cement Company	San Antonio US	USD 200,000	Buzzi Unicem SpA	100.00
RC Lonestar Inc.	Wilmington US	USD 10	Buzzi Unicem SpA Dyckerhoff GmbH	51,50 48,50
Buzzi Unicem Algérie Sàrl	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 BV	Nieuwegein NL	EUR 18,002	Dyckerhoff GmbH	100.00
Cimalux SA	Esch-sur-Alzette LU	EUR 29,900,000	Dyckerhoff GmbH	98.43
Dyckerhoff Polska Sp zoo	Nowiny PL	PLN 70,000,000	Dyckerhoff GmbH	100.00
Cement Hranice as	Hranice CZ	CZK 510,219,300	Dyckerhoff GmbH	100.00
ZAPA beton as	Praha CZ	CZK 300,200,000	Dyckerhoff GmbH	100.00
OOO SLK Cement	Suchoi Log RU	RUB 30,625,900	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	TOB Dyckerhoff Ukraina	0,02
Dyckerhoff Gravières et Sablières Seltz SAS	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
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 BV	Nieuwegein NL	EUR 27,000	Dyckerhoff Basal Nederland BV	100.00
Dyckerhoff Basal Betonmortel BV	Nieuwegein NL	EUR 18,004	Dyckerhoff Basal Nederland BV	100.00
Béton du Ried SAS	Krautergersheim FR	EUR 500,000	Cimalux SA	100.00
ZAPA beton SK sro	Bratislava SK	EUR 11,859,396	ZAPA beton as Cement Hranice as	99.97 0.03
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 174,100,000	OOO SLK Cement	100.00
TOB Dyckerhoff Transport Ukraina	Kyiv UA	UAH 51,721,476	TOB Dyckerhoff Ukraina	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 512,000	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.55

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 BV	Nieuwegein NL	EUR	27,228	Dyckerhoff Basal Betonmortel BV	100.00
Friesland Beton Heerenveen BV	Heerenveen NL	EUR	34,487	Dyckerhoff Basal Betonmortel BV	80.26
Betonmortel Centrale Groningen (B.C.G.) BV	Groningen NL	EUR	42,474	Dyckerhoff Basal Betonmortel BV	66.03
ZAPA beton HUNGÁRIA kft	Zsujta HU	HUF	88,000,000	ZAPA beton SK sro	100.00
Buzzi Unicem Ready Mix, LLC	Nashville US	USD	n/a	Midwest Material Industries Inc.	100.00
RED-E-MIX, LLC	Springfield US	USD	n/a	Midwest Material Industries Inc.	100.00
RED-E-MIX Transportation, LLC	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 SpA	Napoli	EUR	7,398,300	Buzzi Unicem SpA	50.00
Fresit BV	Amsterdam NL	EUR	6,795,000	Buzzi Unicem SpA	50.00
Presa International BV	Amsterdam NL	EUR	7,900,000	Buzzi Unicem SpA	50.00
BCPAR SA	Recife BR	BRL	873,072,223	Buzzi Unicem SpA	50.00
E.L.M.A. Srl	Sinalunga (SI)	EUR	15,000	Unical SpA	50.00
Brennand Projetos SA	Recife BR	BRL	13,406,955	BCPAR SA	100.00
Mineração Bacupari SA	Recife BR	BRL	7,143,950	BCPAR SA	100.00
Companhia Nacional de Cimento - CNC	Recife BR	BRL	691,520,831	BCPAR SA	100.00
Agroindustrial Delta de Minas SA	Recife BR	BRL	26,319,159	BCPAR SA	100.00
Brennand Cimentos Paraíba SA	Recife BR	BRL	265,173,765	BCPAR SA	100.00
Lichtner-Dyckerhoff Beton GmbH & Co. KG	Berlin DE	EUR	200,000	Dyckerhoff Beton GmbH & Co. KG	50.00
ZAPA UNISTAV sro	Brno CZ	CZK	20,000,000	ZAPA beton as	50.00
EKO ZAPA beton sro	Praha CZ	CZK	1,008,000	ZAPA beton as	50.00
Corporación Moctezuma, SAB de CV	Mexico MX	MXN	171,376,652	Fresit BV Presa International BV	51,51 15,16
CCS Cimento de Sergipe SA	Aracaju, BR	BRL	2,326,000	Brennand Projetos SA	100.00
Mineração Delta de Sergipe SA	Aracaju, BR	BRL	823,184	Brennand Projetos SA	100.00
Mineração Delta do Rio SA	Recife BR	BRL	1,669,385	Brennand Projetos SA	100.00
Mineração Delta do Paraná SA	Recife BR	BRL	5,294,139	Brennand Projetos SA	100.00
Agroindustrial Árvore Alta SA	Recife BR	BRL	632,000	Brennand Projetos SA	100.00
CCA Holding SA	Belo Horizonte BR	BRL	1,346,593,967	Companhia Nacional de Cimento - CNC	100.00
CCP Holding SA	Recife BR	BRL	307,543,000	Brennand Cimentos Paraíba SA	85.00
Ravenswaarden BV	Lochem NL	EUR	18,000	Dyckerhoff Basal Toeslagstoffen BV	50.00
Roprivest NV	Grimbergen BE	EUR	105,522	Dyckerhoff Basal Toeslagstoffen BV	50.00
Eljo Holding BV	Groningen NL	EUR	45,378	Dyckerhoff Basal Betonmortel BV	50.00
Megamix-Randstad BV	Gouda NL	EUR	90,756	Dyckerhoff Basal Betonmortel BV	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)				
Cementos Moctezuma, SA de CV	Mexico MX	MXN 2,421,712,754	Corporación Moctezuma, SAB de CV	100.00
Companhia de Cimento Campeão Alvorada – CCA	Belo Horizonte BR	BRL 867,511,283	CCA Holding SA	100.00
Cantagalo Empreendimentos SA	Cantagalo BR	BRL 248,268	Companhia Nacional de Cimento - CNC	51,29
			CCA Holding SA	48,71
Delta de Arcos SA	Matozinhos BR	BRL 466,668	Companhia Nacional de Cimento - CNC	51,06
			CCA Holding SA	48,74
Delta de Matozinhos SA	Matozinhos BR	BRL 1,314,836	Companhia Nacional de Cimento - CNC	51,06
			CCA Holding SA	48,74
Companhia de Cimento da Paraíba - CCP	Recife BR	BRL 319,642,205	CCP Holding SA	100.00
Mineração Nacional SA	Recife BR	BRL 31,756,571	CCP Holding SA	100.00
Maquinaria y Canteras del Centro, SA de CV	Mexico MX	MXN 19,597,565	Cementos Moctezuma, SA de CV	51.00

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

Name	Registered office	Share capital	Ownership interest held by	% of ownership
Investments in associates valued by the equity method				
Hinfra Srl	Casale Monferrato (AL)	EUR 10,000	Buzzi Unicem SpA	60.00
Premix SpA	Melilli (SR)	EUR 3,483,000	Buzzi Unicem SpA	40.00
Société des Ciments de Sour El Ghozlane EPE SpA	Sour El Ghozlane DZ	DZD 1,900,000,000	Buzzi Unicem SpA	35.00
Société des Ciments de Hadjar Soud EPE SpA	Azzaba DZ	DZD 1,550,000,000	Buzzi Unicem SpA	35.00
Laterlite SpA	Solignano (PR)	EUR 22,500,000	Buzzi Unicem SpA	33.33
Salonit Anhovo Gradbeni Materiali dd	Anhovo SL	EUR 36,818,921	Buzzi Unicem SpA	25.00
w&p Cementi SpA	San Vito al Tagliamento (PN)	EUR 2,000,000	Buzzi Unicem SpA	25.00
Calcestruzzi Faure Srl	Salbertrand (TO)	EUR 53,560	Unical SpA	24.00
Edilcave Srl	Villar Focchiardo (TO)	EUR 72,800	Unical SpA	20.00
Warsteiner Kalksteinmehl GmbH & Co. KG i. L.	Warstein DE	EUR 51,129	Dyckerhoff GmbH	50.00
Warsteiner Kalksteinmehl Verwaltungsgesellschaft mbH i. L.	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 SA	Schiffange LU	EUR 50,000	Cimalux SA	41.00
SA des Bétons Frais	Schiffange LU	EUR 2,500,000	Cimalux SA	41.00
Bétons Feidt SA	Luxembourg LU	EUR 2,500,000	Cimalux SA	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 BV	Heteren NL	EUR 26,000	Dyckerhoff Basal Betonmortel BV	50.00
Van Zanten Holding BV	Leek NL	EUR 18,151	Dyckerhoff Basal Betonmortel BV	25.00
Louisville Cement Assets Transition Company	Louisville US	USD n/a	Lone Star Industries Inc.	25.00
Cooperatie Megamix BA	Almere NL	EUR 80,000	MegaMix Basal BV	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	Bildungs-Zentrum-Deuna gGmbH	50,00 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
MKB Mörteldienst Köln-Bonn Verwaltungsgesellschaft mbH	Neuss DE	EUR	25,000	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
Compañía Cubana de Cemento Portland, SA	Havana CU	CUP	100	Lone Star Industries Inc.	100.00
Transports Mariel, SA	Havana CU	CUP	100	Lone Star Industries Inc.	100.00
Proyectos Industrias de Jaruco, SA	Havana CU	CUP	186,700	Compañía Cubana de Cemento Portland, SA	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 2022:
 - 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 Counsel 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 2022

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 statements 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 2022. 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, 2022 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, 2022

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