HAL Trust

Report on the first half year 2021

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Interim report of the Executive Board of HAL Holding N.V.

First half year net income of € 599 million (2020: € 89 million). Net asset value increases by € 873 million.

Net income of HAL Holding N.V. for the first six months of 2021 amounted to € 599 million (€ 7.01 per share) compared to € 89 million (€ 1.05 per share) for the same period last year, an increase of € 510 million.
The increase in results is due to higher results of GrandVision (effect € 212 million) and the companies included in the unquoted segment (effect € 136 million). The increase in value of the liquid portfolio had a positive effect of € 121 million on the results compared to last year. The sale of the ownership interest in GrandVision occurred on July 1, 2021, and will be accounted for in the second half year.

The net asset value based on the market value of the ownership interests in quoted companies and the liquid portfolio and on the book value of the unquoted companies, increased by € 873 million during the first six months of 2021. This increase is primarily due to the higher stock market value of GrandVision and Boskalis, partly offset by the lower stock market value of Vopak. After taking into account the cash portion of the 2020 dividend (€ 200 million), the net asset value amounted to € 13,464 million (€ 155.33 per share) on June 30, 2021, compared to € 12,791 million (€ 149.93 per share) on December 31, 2020.
During the period from June 30, 2021, through August 20, 2021, the value of the ownership interests in quoted companies and the liquid portfolio decreased by approximately € 25 million (€ 0.29 per share).
The information in this report has not been audited nor reviewed by an external auditor.

Optical retail

On July 31, 2019, HAL announced it had signed a block-trade agreement to sell its 76.72% ownership interest in the issued share capital of GrandVision N.V. to EssilorLuxottica at a price of € 28.00 per share. This price was to be increased by 1.5% to € 28.42 if closing would not occur before July 30, 2020. On July 1, 2021, this transaction was completed at the agreed price of € 28.42 per share. The total consideration for HAL's ownership interest amounted to € 5.5 billion (of which € 0.5 billion will be held in escrow for a maximum period of two years), resulting in a net capital gain of approximately € 3.5 billion. As part of the transaction, HAL acquired the Chilean optical retail chain Rotter y Krauss. Rotter y Krauss operates 97 stores and has annual revenues of approximately € 50 million.
HAL was invested in Optical retail since 1996. The investment returned a net € 7.5 billion in cash and provided an annual internal rate of return of 21%.

Quoted minority interests

At the end of June, the stock market value of HAL's interests in quoted minority interests (Koninklijke Vopak N.V., Koninklijke Boskalis Westminster N.V., Safilo Group S.p.A. and SBM Offshore N.V.) amounted to € 4.6 billion compared to € 4.7 billion at the end of 2020. The net income from quoted minority interests amounted to € 99 million (2020: € 28 million). This increase is primarily the result of higher earnings from Boskalis, Safilo and SBM Offshore. The 2020 results of Boskalis included extraordinary charges of € 148 million (HAL share € 65 million). The earnings from Vopak were lower primarily due to impairments of € 70 million (HAL share € 34 million) versus exceptional gains in 2020 of € 31 million (HAL share € 15 million).

Unquoted companies

Revenues from the unquoted subsidiaries for the first half year amounted to € 2,335 million (2020: € 1,476 million), representing an increase of 58.2%. This increase is primarily due to the acquisition of Van Wijnen in August 2020. Excluding the effect of acquisitions, divestitures and changes in currency exchange rates, revenues from the unquoted companies increased by 11.9%, primarily due to higher revenues of Timber and Building Supplies Holland and Broadview Holding. Revenues for the second quarter of 2020 of a number of subsidiaries such as Broadview Holding, Atlas Professionals, Koninklijke Ahrend and Sports Timing Holding were significantly impacted by the consequences of the outbreak of COVID-19. In 2021, the revenues of these companies improved. However, the evolution of the COVID-19 pandemic and the potential effects on business performance remain difficult to predict.
The operating income of the unquoted companies (income before interest, exceptional and non-recurring items, taxes and amortization of intangible assets but including amortization of software) for the first half year amounted to € 216 million (2020: € 80 million) representing an increase of € 136 million. Excluding the effect of acquisitions, divestitures and changes in currency exchange rates operating income increased by € 91 million, primarily due to higher operating income of Timber and Building Supplies Holland and Broadview Holding.

Liquid portfolio and net debt

The corporate liquid portfolio at the end of June, 2021, amounted to € 837 million (December 31, 2020: € 869 million). As of June 30, 2021, the corporate liquid portfolio consisted for 78% of cash balances and fixed income instruments amounting to € 657 million (December 31, 2020: € 748 million) and for 22% of equities for an amount of € 180 million (December 31, 2020: € 121 million). In July, 2021, the corporate liquid portfolio increased by € 5 billion as a result of the proceeds from the sale of HAL's interest in GrandVision (excluding an amount of € 0.5 billion held in escrow). These funds are invested in investment-grade fixed-income instruments and bank deposits with an average maturity of less than two years. The corporate liquid portfolio provided a total return of 7.1% during the first half of 2021 compared to a negative return of 4.9 % for the same period last year. The consolidated net cash (excluding the net debt of Koninklijke Vopak, Safilo Group and GrandVision) as of June 30, 2021, as per the pro forma interim consolidated balance sheet in the supplemental information (defined as bank debt less cash and cash equivalents and marketable securities) amounted to € 487 million (December 31, 2020: net cash of € 513 million).

Acquisitions and divestitures unquoted companies and real estate

On January 4, 2021, HAL completed the acquisitions of 60% of the shares in GreenV B.V. ('Stolze') and 24% of the shares in PD Greenhouse Beheer B.V. ('Prins Group'). Stolze is active, worldwide, in providing technical systems for horticultural greenhouses. Sales over 2020 were € 100 million and the company employs approximately 120 FTE. Prins Group is active, worldwide, in building and producing greenhouses and integrated greenhouse projects. Sales over 2020 were € 50 million and the company employs approximately 45 FTE.

On February 12, 2021, HAL completed the acquisition, together with management, of 100% of the shares in BVG International B.V. ('Top Employers Institute'). Top Employers Institute is globally active in certification and benchmarking of human resources policies. Sales over 2020 were € 24 million and the company employs approximately 125 FTE.

On June 15, 2021, HAL signed an agreement to sell the Ethos Apartments complex in Kent, a suburb of Seattle. The sale consists of two tranches. The sale of the first tranche (288 apartments) was completed in August 2021. The sale of the second tranche consisting of 204 apartments, which are still under construction, will be completed before the end of December 2022. The total pre-tax capital gain is estimated at US$ 30 million of which US$ 20 million will be recognized in 2021.

On June 29, 2021, HAL signed an agreement to acquire 64% of the shares in CaseGi Holding GmbH ('Pro Gamers Group') based on a total enterprise valuation of € 820 million (cash-and-debt-free). The company is active in several countries in the online retail and distribution of computer gaming equipment and accessories, both with own and third-party brands. Pro Gamers Group owns web shops in, amongst others, Germany, Finland, the United Kingdom and Australia. Sales over the financial year ending April 30, 2021, were € 627 million. The company is based in Berlin, Germany, and has approximately 700 employees. The completion of the transaction is subject to conditions customary for transactions of this nature, including approval by the relevant competition authorities.

Risks

In the 2020 annual report, the Company included a description of risks associated with its strategy and its implementation such as, but not limited to: market value risk, interest rate risk, currency risk, credit risk, liquidity risk, concentration risk, acquisition risk, financial reporting risk and other risks. The descriptions of these risks are deemed to be incorporated in this report by reference. We expect that the above risk factors will continue to exist for the second half of 2021. In the Company's view, the nature of these risk factors has not materially changed in the first half of 2021. However, due to the sale of HAL's interest in GrandVision in July, 2021, and the subsequent increase in the corporate liquid portfolio (see above), the liquidity risk has significantly decreased since June 30, 2021. Also, the concentration risk with respect to the optical retail activities has ceased to exist. However, due to the increased size of the corporate liquid portfolio, the interest rate risk and the credit risk have increased. These risks are managed by maintaining an average duration for the fixed-income portfolio of less than two years and investing in portfolios that have an average S&P rating of at least A.
We also refer to the statement on page 41 of this report.

The Supervisory Board intends to grant Mr. M.F. Groot, Mr. A.A. van 't Hof and Mr. J.N. van Wiechen, members of the Executive Board, a one-time allotment of respectively 25,000, 20,000 and 20,000 shares HAL Trust. These shares will be restricted for a ten-year period.

Prospects

The net income for 2021 will be significantly higher than the net income for 2020, due to the capital gain realized on the sale of the ownership interest in GrandVision of approximately € 3.5 billion.

The Executive Board of HAL Holding N.V.

August 26, 2021

Financial calendar

Interim statement	November 24, 2021
Publication of preliminary net asset value	January 27, 2022
Publication of 2021 annual results	March 30, 2022
Shareholders' meeting HAL Trust and interim statement	May 18, 2022

This press release contains inside information relating to HAL Trust within the meaning of Article 7(1) of the EU Market Abuse Regulation and regulated information within the meaning of the Dutch Financial Markets Supervision Act.

Interim Consolidated Statement of Financial Position

As of June 30, 2021, and December 31, 2020

In millions of euro	Notes	**2021**	2020
Non-current assets			
Property, plant and equipment		**5,238.8**	5,116.5
Right-of-use assets	8	**981.3**	991.6
Investment properties		**69.7**	42.0
Intangible assets	5	**1,498.4**	1,313.1
Investments in associates and joint arrangements	6	**3,666.9**	3,459.2
Other financial assets		**193.3**	243.7
Derivatives		**19.6**	9.1
Pension benefits		**63.1**	41.2
Deferred tax assets		**101.6**	95.9
Total non-current assets		**11,832.7**	11,312.3
Current assets			
Inventories		**751.1**	716.9
Receivables		**1,043.8**	836.6
Marketable securities and deposits	7	**234.9**	175.8
Other financial assets		**14.9**	20.0
Derivatives		**4.6**	6.5
Contract assets		**100.7**	79.3
Other current assets		**426.3**	424.0
Cash and cash equivalents		**1,294.3**	1,426.9
Assets held for sale	3	**5,648.9**	5,270.7
Total current assets		**9,519.5**	8,956.7
Total assets		**21,352.2**	20,269.0
Equity			
Equity attributable to owners of parent		**8,543.5**	8,005.8
Non-controlling interest		**2,787.9**	2,598.1
Total equity		**11,331.4**	10,603.9
Non-current liabilities			
Deferred tax liabilities		**400.2**	367.5
Pension benefits		**111.4**	131.0
Derivatives		**10.2**	15.4
Provisions		**92.0**	105.1
Contract liabilities		**20.7**	13.6
Lease liabilities	8	**934.0**	940.7
Debt and other financial liabilities	10	**2,619.2**	2,429.1
Total non-current liabilities		**4,187.7**	4,002.4
Current liabilities			
Provisions		**57.6**	58.2
Contract liabilities		**232.7**	169.8
Accrued expenses		**589.0**	571.8
Income tax payable		**86.5**	78.8
Accounts payable		**994.6**	894.4
Derivatives		**13.0**	21.6
Lease liabilities	8	**112.3**	112.4
Debt and other financial liabilities	10	**868.9**	778.3
Liabilities related to assets held for sale	3	**2,878.5**	2,977.4
Total current liabilities		**5,833.1**	5,662.7
Total equity and liabilities		**21,352.2**	20,269.0

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Interim Consolidated Statement of Income

For the six months ended June 30

In millions of euro	Notes	**2021**	2020
Revenues	11	**3,432.8**	2,373.7
Income from marketable securities and deposits		**58.3**	(60.0)
Share of results from associates and joint ventures		**161.5**	71.0
Income from other financial assets		**2.3**	1.9
Income from real estate activities		**1.8**	1.5
Other income (net)		**(0.3)**	41.6
Total income		**3,656.4**	2,429.7
Usage of raw materials, consumables and other inventory		**1,412.2**	773.3
Employee expenses		**830.1**	674.4
Depreciation and impairment of property, plant, equipment and investment properties		**261.1**	197.1
Depreciation and impairment of right-of-use assets	8	**63.0**	58.3
Amortization and impairment of intangible assets	5	**69.6**	90.7
Other operating expenses		**553.8**	519.2
Total expenses		**3,189.8**	2,313.0
Operating profit		**466.6**	116.7
Financial expense		**(95.5)**	(97.3)
Other financial income		**22.5**	26.0
Profit before income tax		**393.6**	45.4
Income tax expense	12	**(83.4)**	(19.2)
Net profit from continuing operations		**310.2**	26.2
Net profit from discontinued operations	3	**495.2**	203.0
Net profit		**805.4**	229.2
Attributable to:			
Owners of parent		**599.0**	89.3
Non-controlling interest		**206.4**	139.9
		805.4	229.2
Average number of Shares outstanding *(in thousands)*		**85,407**	83,393
Earnings per Share for profit attributable to owners of parent during the period *(in euro)*			
- basic and diluted from continuing operations		**2.85**	(0.63)
- basic and diluted from discontinued operations		**4.16**	1.68
- basic and diluted		**7.01**	1.05

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Interim Consolidated Statement of Comprehensive Income

For the six months ended June 30

In millions of euro	Notes	**2021**	2020
Net profit		**805.4**	229.2
Other comprehensive income (OCI)			
Items that will not be reclassified to statement of income in subsequent periods			
Change in fair value of financial assets through OCI		**(4.0)**	(89.6)
Actuarial results on pension benefits obligations		**51.8**	(17.7)
Income tax on actuarial results		**(11.4)**	3.5
Associates and joint ventures - share of OCI, net of tax	6	**0.8**	(0.4)
		37.2	(104.2)
Items that may be reclassified to statement of income in subsequent periods			
Change in fair value of financial assets through OCI		**0.7**	(3.3)
Effective portion of hedging instruments		**9.7**	(14.7)
Income tax related to hedging instruments		**(2.0)**	(2.8)
Translation of foreign subsidiaries, net of hedges		**98.7**	(120.8)
Income tax on translation and related hedges		**(1.9)**	-
Other movements		**-**	4.1
Associates and joint ventures - share of OCI, net of tax	6	**46.3**	(73.3)
		151.5	(210.8)
Other comprehensive income for the half year, net of tax*		**188.7**	(315.0)
Total comprehensive income for the half year, net of tax		**994.1**	(85.8)
Total comprehensive income for the half year, attributable to:			
- Owners of parent		**734.4**	(156.2)
- Non-controlling interest		**259.7**	70.4
		994.1	(85.8)

* Of which € 135.4 million attributable to owners of parent (2020: € (245.6) million).

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

	Attributable to owners of parent					
In millions of euro	Share capital	Retained earnings	Other reserves	Total	Non-controlling interest	**Total equity**
Balance on January 1, 2020	1.7	7,836.8	173.8	8,012.3	2,536.3	**10,548.6**
Net profit for the half year	-	89.3	-	89.3	139.9	**229.2**
Other comprehensive income for the half year	-	(9.4)	(236.1)	(245.5)	(69.5)	**(315.0)**
Total comprehensive income for the half year	-	79.9	(236.1)	(156.2)	70.4	**(85.8)**
Acquisitions and disposals	-	-	-	-	41.5	**41.5**
Dividend paid	-	-	-	-	(126.1)	**(126.1)**
Transactions with non-controlling interest*	-	(51.0)	-	(51.0)	(51.8)	**(102.8)**
Reclassification**	-	113.2	(113.2)	-	-	**-**
Share-based payment plans	-	4.4	-	4.4	(0.6)	**3.8**
Treasury shares	-	(4.0)	-	(4.0)	-	**(4.0)**
Other	-	(0.1)	-	(0.1)	(0.3)	**(0.4)**
Transactions with the owners of parent recognized directly in equity	-	62.5	(113.2)	(50.7)	(137.3)	**(188.0)**
Balance on June 30, 2020	1.7	7,979.2	(175.5)	7,805.4	2,469.4	**10,274.8**
Balance on January 1, 2021	1.7	8,277.1	(273.1)	8,005.7	2,598.1	**10,603.8**
Net profit for the half year	-	599.0	-	599.0	206.4	**805.4**
Other comprehensive income for the half year	-	31.5	103.9	135.4	53.3	**188.7**
Total comprehensive income for the half year	-	630.5	103.9	734.4	259.7	**994.1**
Acquisitions and disposals	-	-	-	-	66.3	**66.3**
Dividend paid and shares bought back	-	(200.5)	-	(200.5)	(137.6)	**(338.1)**
Share-based payment plans	-	2.6	-	2.6	1.7	**4.3**
Treasury shares	-	1.0	-	1.0	-	**1.0**
Other	-	0.3	-	0.3	(0.3)	**-**
Transactions with the owners of parent recognized directly in equity	-	(196.6)	-	(196.6)	(69.9)	**(266.5)**
Balance on June 30, 2021	1.7	8,711.0	(169.2)	8,543.5	2,787.9	**11,331.4**

* Transactions with non-controlling interests include € (51.8) million related to options entered into by Safilo with the minority shareholders in Blenders and Privé Revaux

** Reclassification resulting from the reclassification of SBM Offshore from other financial assets to investments in associates and joint arrangements

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Interim Consolidated Statement of Cash Flows

For the six months ended June 30

In millions of euro	Notes	**2021**	2020
Cash flows from operating activities			
Profit before taxes from continuing operations		**393.6**	45.4
Profit before taxes from discontinued operations		**538.3**	186.1
Dividend from associates and joint ventures	6	**137.4**	92.6
Changes in working capital		**(130.3)**	266.9
Adjustments for non-cash items		**192.5**	468.9
Cash generated from operating activities		**1,131.5**	1,059.9
Other financial income received		**7.6**	5.8
Finance cost paid, including effect of hedging		**(91.8)**	(83.6)
Income taxes paid		**(148.8)**	(33.7)
Net cash from operating activities		**898.5**	948.4
Cash flows from investing activities			
Acquisition of associates, joint arrangements and subsidiaries, net of cash acquired	4	**(172.9)**	(277.8)
Proceeds from divestiture of associates, joint arrangements and subsidiaries		**2.7**	242.9
Proceeds from sale of/(acquisition of) other intangibles	5	**(65.0)**	(41.7)
Purchase of property, plant, equipment and investment properties		**(378.0)**	(387.0)
Proceeds from sale of property, plant, equipment and investment properties		**8.0**	31.5
Proceeds from/(acquisition of) other financial assets		**9.6**	(158.8)
Acquisition of marketable securities and deposits		**(2.5)**	(6.0)
Proceeds from marketable securities and deposits		**1.9**	27.4
Settlement of derivatives (net investments hedges)		**(2.1)**	31.2
Net cash from/(used in) investing activities		**(598.3)**	(538.3)
Cash flows from financing activities			
Proceeds from debt and other financial liabilities		**193.3**	1,087.5
Repayment of debt and other financial liabilities		**(124.5)**	(523.7)
Payments on lease liabilities		**(262.6)**	(236.7)
Net proceeds from/(repayments of) short-term financing		**62.8**	(461.0)
Other non-controlling interest transactions (including dividend paid)		**(134.5)**	(131.5)
Movement in treasury shares		**1.0**	(4.0)
Dividend paid		**(200.4)**	-
Net cash from/(used in) financing activities		**(464.9)**	(269.4)
Increase/(decrease) in cash and cash equivalents		**(164.7)**	140.7
Cash and cash equivalents at beginning of year		**1,426.9**	1,558.6
Cash and cash equivalents included in assets held for sale at beginning of year		**155.3**	162.9
Effect of exchange rate changes and reclassifications		**4.7**	0.8
Cash and cash equivalents retranslated at beginning of year		**1,586.9**	1,722.3
Net increase/(decrease) in cash and cash equivalents		**(164.7)**	140.7
Cash and cash equivalents at end of period		**1,422.2**	1,863.0
Cash and cash equivalents included in assets held for sale		**127.9**	342.5
Cash as included on the consolidated statement of financial position		**1,294.3**	1,520.5

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Basis of preparation

The condensed interim consolidated financial statements presented are those of HAL Trust (the 'Trust'), a Bermuda trust formed in 1977, and its subsidiaries as well as the interests in associates and joint arrangements. HAL Trust shares are listed and traded on Euronext in Amsterdam. For the periods presented, the Trust's only asset was all outstanding shares of HAL Holding N.V. (the 'Company'), a Curaçao corporation. Accordingly, the condensed interim consolidated financial statements of the Trust are identical to those of the Company.

The condensed interim consolidated financial statements of the Company were authorized for issue on August 26, 2021, and have been prepared in accordance with IAS 34, *Interim Financial Reporting.* The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2020. Certain amounts in prior periods have been reclassified to conform to the current year presentation. These reclassifications did not have any effect on net income, shareholders' equity or earnings per Share.

The condensed interim consolidated financial statements do not include all the information and disclosures as required in the annual financial statements and should therefore be read in conjunction with the annual financial statements for the year ended December 31, 2020, as published on March 30, 2021, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The condensed interim consolidated financial statements have not been audited nor reviewed by an external auditor.

The Company's strategy is focused on acquiring and holding significant shareholdings in companies, with the objective of increasing long-term shareholders' value. When selecting investment candidates, the Company emphasizes, in addition to investment and return criteria, the potential of playing an active role as a shareholder and/or board member. Given the emphasis on the longer term, the Company does not have a pre-determined investment horizon. HAL also has real estate investment activities, concentrated in the greater Seattle metropolitan area, with an emphasis on the development and rental of multi-family properties and office buildings.

Due to the nature of the Company's activities, investments and disposals can have a significant impact on net income and equity. Accordingly, the results for the first six months may not be representative of the results for 2021 as a whole.

Use of estimates and judgements
The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported assets and liabilities and the disclosure on contingent assets and liabilities at the date of the condensed interim consolidated financial statements as well as the reported amounts of revenues and expenses during the reporting period. In preparing these condensed consolidated interim financial statements, the significant estimates and judgments made by management in applying the accounting policies and the key sources of estimation were the same as those applied in the consolidated financial statements as of December 31, 2020, except for those related to the adoption of new standards as noted below. Actual results ultimately may differ from those estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. Accordingly, it is reasonably possible that outcomes within the next financial period, that are different from the assumptions applied, could have an impact on the carrying amount of the asset or liability affected. Accounting policies that are critical to the condensed interim consolidated financial statements presentation and that require complex estimates or significant judgment are described below.

Deemed control over quoted minority interests
This is described in the consolidation section, below.

Useful life and residual value of property, plant and equipment
Property, plant and equipment of Vopak represent a substantial part of the total assets of the Company and the related depreciation forms a substantial part of the annual operating expenses. The useful life and residual value of these assets, determined by the board of Vopak based on its estimations and assumptions, have a major impact on the measurement of property, plant and equipment.

Allowance for inventory obsolescence
Finished goods are regularly subjected to specific assessment tests to identify damaged, slow moving or obsolete inventory, taking into consideration past experience, historic results and the probability of sale under normal market

conditions. Based on these analyses, management asserts judgement to determine the write-downs required to reduce the value of the inventory to its net realizable value.

Recognition of carry-forward losses and tax provisions
Deferred tax assets, including those arising from carry-forward losses, are recognized if it is likely that taxable profits will be available against which losses can be set off. Management exercises judgment to establish the extent to which expected future profits substantiate the recognition of a deferred tax asset.
Significant judgement is required in determining the worldwide provision for income tax, as subsidiaries are subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. Provisions for anticipated tax audit issues are recognized based on management's estimates of whether additional taxes will be due.

Assumptions pension benefits
The defined benefit obligation is determined on the basis of assumptions for future developments in variables such as salary increase, price index increase, life expectancy and discount rate. All assumptions are assessed at the reporting date. Changes in the assumptions may significantly affect the liabilities and pension costs under the defined benefit plans.

Estimated impairment of non-current assets
The recoverable amounts in impairment testing are determined based on the value in use and fair value less costs of disposal of the asset or cash-generating unit. The calculation of these values require the use of estimates.
Calculation of the value in use requires management to apply judgements around future cash flows, discount rates and growth rates. In calculating fair value less cost of disposal the selection of relevant market multiples is the primary judgement made by management. Where preliminary or indicative non-binding offers are used as inputs, management needs to assess that these offers are a good reflection of fair value. A change in one of these assumptions could potentially lead to a future impairment.
The primary impairment tests for the Company relate to annual goodwill impairment testing. These tests are carried out in the fourth quarter, unless there is reason to do so earlier. Property, plant and equipment (primarily tank storage terminals) as well as joint ventures are reviewed and, when required, tested. This primarily occurs at the level of Vopak whereby judgement is exercised by Vopak's management.

Assets held for sale and related liabilities
Based on the facts and circumstances at the reporting date, management needs to assess if the value of the assets will be recovered principally through a divestment transaction rather than through continuing use. These facts and circumstances may change and could result in a situation where assets are divested, which were not classified as held for sale at period-end. It could also result in a situation where assets classified as held for sale are ultimately not sold. Such a situation will have accounting consequences as amortization, impairment and depreciation of non-current assets will have to be adjusted retroactively. When classifying non-current assets as held for sale, management makes estimates of their value (sales price and expected costs of disposal). Depending on the nature of the non-current assets, the estimated fair value may be associated with uncertainty and possibly adjusted subsequently. Measurement of the fair value of non-current assets is categorized as level 3 in the fair value hierarchy as measurement is not based on observable market data.

Lease term
The lease term comprises of the non-cancellable period agreed in the lease contract and the periods covered by renewal or termination options that are reasonably certain to be exercised. Significant renewal and termination options primarily relate to the lease of real estate. Renewal and termination options are assessed at the lease commencement date and subsequently, if there is a change in circumstances within control of the Company. When assessing renewal and termination options, considerations include the quality and performance of the leased asset and the extent of leasehold improvements undertaken, potential relocation and termination expense including penalties and potential favorable extension terms.

Discount rate applied to lease contracts
In absence of interest rates implicit in the lease contracts, the Company applies the incremental borrowing rate (IBR) as the discount rate to determine the lease liabilities. The IBR is an approximation of the rate that a lessee would pay to attract the required funding to purchase the asset over a similar term, with similar security and in a similar economic environment. The IBR is determined as the sum of a reference rate, a credit risk premium and a country risk premium. The calculation of the IBR takes into account the currency of the lease contract, the lease term, the type of leased asset, the country and the credit quality of the lessee. A single IBR may be applied to a portfolio of leases within a country, which are similar in nature and lease term.

Implications of COVID-19

Revenues for the second quarter of 2020 of a number of subsidiaries, including GrandVision, Safilo, Broadview Holding, Atlas Professionals, Koninklijke Ahrend and Sports Timing Holding were significantly impacted by the consequences of the outbreak of COVID-19. In the first six months of 2021, the revenues of these companies improved. However, uncertainty with respect to the evolution of the pandemic persists and the potential effects on business performance remains difficult to predict. Government support and rent reductions received in the first half year were not significant and mainly related to the optical retail activities which were sold on July 1, 2021. The first half year 2020 included government support and rent reductions for respectively € 62.8 million and € 23.4 million primarily relating to the optical retail segment.

In the real estate and quoted minority segments there were no significant adverse developments relating to the consequences of the COVID-19 pandemic.

Recent accounting developments

New and amended standards and interpretations adopted

On March 31, 2021, the International Accounting Standards Board (IASB) issued *COVID-19-Related Rent Concessions beyond 30 June 2021*, which provides a one-year extension to the 2020 amended to IFRS 16, *Leases*, expiring on June 30, 2021. The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. Accordingly, these concessions will be recorded as a reduction of the lease liability through the current income statement and not amortized over the term of the lease. The amendment became effective for accounting periods beginning on or after April 1, 2021. The endorsement of these amendments by the EU is not yet finalized at the date at which these financial statements were authorized for issue. The Company has elected to adopt the amendment early. The amendment did not have a significant impact on the condensed interim consolidated financial statements of the Company.

On August 27, 2020, the IASB issued *Interest Rate Benchmark Reform - Phase 2*, which amends IFRS 9, IAS 9, IFRS 7, IFRS 4 and IFRS 16. The amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amendments provide practical relief from certain requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, and hedge accounting. These amendments did not have a significant impact on the condensed interim consolidated financial statements of the Group.

No other new or amended standards and interpretations had significant impact on the Company's condensed interim consolidated financial statements.

New standards, amendments and interpretations issued but not yet effective

There are no new standards, amendments to existing standards or new IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company.

Supplemental information

As a result of the 2014 implementation of IFRS 10, *Consolidated Financial Statements*, the Company consolidates the financial information of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo'). Supplemental information has been included on pages 32 through 40 whereby Vopak and Safilo are accounted for on an unconsolidated basis using the equity method as applied in the years until 2014. The inclusion of this information is considered appropriate and useful as the control model of the Company with respect to Vopak and Safilo is materially different than the model with respect to the other consolidated entities, where the Company's ownership interest exceeds 50%, and the effect of the inclusion of Vopak and Safilo in the consolidation has a significant effect on the financial statements. This information also preserves comparability with consolidated financial statements prior to 2014.

Consolidation

Critical accounting estimates and judgements

In the preparation of these financial statements, management has applied significant judgement to assess if the Company is deemed to have (de facto) control over entities where the Company's ownership interest does not exceed 50%. Although the Company's ownership interest in Vopak and Safilo is below 50%, IFRS requires these entities to be consolidated in these financial statements as the company is deemed to have control, as defined in IFRS 10 and more specifically in example 4 of the application guidance in appendix B of this standard, over these two entities. Vopak and Safilo are both publicly traded companies. Whereas HAL has board representation and, accordingly, may be considered to have significant influence over these entities, in the past neither operational nor strategic control was exercised. Moreover, Vopak and Safilo are, for example, not part of the Company's management reporting system which monitors the performance of the consolidated companies on a monthly basis. In addition, in view of its minority interest, the Company has no formal instruction rights with respect to Vopak and Safilo. The Company has set up a process to obtain information from Vopak and Safilo in order to prepare consolidated financial statements in accordance with IFRS. The Company does not, however, have access to the financial books and records, contracts and related information of Vopak and Safilo in order to independently verify that these are complete, valid and accurate.

Management performed an assessment with respect to the other minority-owned entities and asserted that (de facto) control was not deemed present for these entities.

1. Segmentation

The Company's reportable segments are defined as follows:

- Optical retail
- Unquoted
- Quoted minority interests
- Real estate
- Liquid portfolio

Operating income (for the purpose of this report defined as earnings before interest, exceptional and non-recurring items of the optical retail and other unquoted companies, taxes and amortization of intangible assets but including amortization of software) can be detailed as follows:

	2021	2020
Optical retail	**464.5**	232.6
Unquoted	**216.3**	80.2
Quoted minority interests	**288.6**	209.2
Real estate	**(0.5)**	(0.3)
Liquid portfolio	**58.3**	(60.0)
Total operating income	**1,027.2**	461.7
Reconciling items:		
- Discontinued operations (optical retail)	**(464.5)**	(232.6)
- Amortization and impairment of intangibles	**(69.6)**	(90.7)
- Other	**(26.5)**	(21.7)
Operating result as per the consolidated statement of income	**466.6**	116.7
Financial expense, net	**(73.0)**	(71.3)
Profit before tax as per the consolidated statement of income	**393.6**	45.4

The "other" reconciling items represent mostly corporate overhead and exceptional and non-recurring items (excluding those of Vopak, Safilo, Boskalis and SBM Offshore).

The composition of revenues by segment is as follows:

	2021	2020
Unquoted	**2,335.5**	1,476.2
Quoted minority interests	**1,097.3**	897.6
Total continuing operations	**3,432.8**	2,373.8
Discontinued operations (optical retail)	**1,891.1**	1,452.5
	5,323.9	3,826.3

2. Exceptional items

The summary of exceptional items is as follows:

	Notes	**2021**	2020
Impairment Vopak, net of reversals		**(69.7)**	-
Restructuring		**(28.7)**	(11.4)
Release of regulatory provision Safilo	15	**17.0**	-
Extraordinary gain at SBM Offshore N.V		**13.9**	-
Extraordinary charges at Royal Boskalis Westminster N.V		**-**	(64.5)
Impairment of goodwill and other intangibles continuing operations		**-**	(48.6)
Net gains on assets held for sale Vopak		**-**	33.0
Other		**(4.2)**	(12.9)
Effect on operating profit		**(71.7)**	(104.4)
Income tax		**3.8**	1.8
Effect on net profit from continuing operations		**(67.9)**	(102.6)
Other exceptional items related to discontinued operations	3	**94.8**	(10.2)
Effect on net profit		**26.9**	(112.8)

Vopak - Panama terminal
In 2021, Vopak recognized an incremental impairment for the Vopak Bahia las Minas terminal in Panama for an amount of € 69.7 million (fourth quarter 2020: € 42.9 million impairment), comprising € 15.6 million intangible assets and € 54.1 million property, plant and equipment. This additional impairment is the result of a further deteriorating business environment and lower occupancy rates in the first half of 2021 that put downward pressure on price levels. With only 3 out of 9 tanks currently on long-term rental contracts, the impairment model is highly sensitive to changes in assumptions regarding rates and occupancy. Therefore, the terminal is expected to remain very sensitive for (reversals of) impairments until more long-term contracts have been secured.

Restructuring
These expenses mainly relate to the announced closure of Safilo's Ormoz production plant in Slovenia, as part of its industrial restructuring plan, and a restructuring at Ahrend to align the organization with the lower (expected) production volumes as a result of the COVID-19 pandemic.

SBM Offshore - Panuke
The exceptional result of SBM Offshore relates to the final cash receipt for the period under the final settlement signed with a client following the redelivery of the Deep Panuke MOPU in July, 2020.

The other exceptional items are disclosed separately in the notes when relevant in order to increase transparency.

3. Discontinued operations and assets and liabilities held for sale

On July 30, 2019, an agreement was signed, subject to certain terms and conditions, to sell the 76.72% ownership interest in the issued share capital of GrandVision N.V. to EssilorLuxottica. As of that date, the assets and liabilities of GrandVision are classified as held for sale and recognition of depreciation, amortization and impairment of non-current assets of GrandVision in the books of the Company has been discontinued. The effect of this classification is set out in this note. The net results related to GrandVision in both the current and prior period are presented in the statement of income as profit from discontinued operations as GrandVision represents a separate major line of business (it represents the entire optical retail segment). Detailed financial information relating to GrandVision is set out in this note. The sale was completed on July 1, 2021. Reference is made to the note on subsequent events.

On July 12, 2021, Vopak announced that it had entered into agreement with Aegis in India to transfer its CRL terminal in Kandla, India, to the new joint venture Aegis Vopak Terminals Ltd. The transaction is expected to close early 2022, subject to customary closing conditions. The assets (€ 47.0 million, including € 18.5 million goodwill) and liabilities (€ 11.0 million) related to the CRL terminal were classified as held for sale as per June 30, 2021.

In addition to GrandVision and Vopak, at the reporting date the Company held € 16.6 million in property, plant and equipment and a € 15.5 million joint venture classified as held for sale. The joint venture relates to the Ethos Apartments complex in Kent, a suburb of Seattle, for which a sales agreement was signed on June 15, 2021. The sale will be completed, in two tranches, before the end of 2022 and will result in an estimated US$ 30 million pre-tax capital gain of which US$ 20 million will be recognized in 2021. The sale of the first tranche was completed in August 2021.

The composition of total assets held for sale and related liabilities is as follows.

	June 30, 2021	Dec. 31, 2020
Property, plant and equipment	**740.6**	681.6
Right-of-use assets	**1,907.7**	1,858.3
Intangible assets	**1,814.8**	1,813.2
Investments in associates and joint arrangements	**16.0**	0.9
Other non-current assets	**130.9**	144.9
Current assets	**1,038.9**	771.8
Total assets held for sale	**5,648.9**	5,270.7
Non-current liabilities	**1,317.9**	1,513.6
Current liabilities	**1,560.6**	1,463.8
Total liabilities related to assets held for sale	**2,878.5**	2,977.4
Total net assets held for sale	**2,770.4**	2,293.3

For informational purposes, the half year pro forma condensed interim consolidated income statement of the Company, would GrandVision not have been classified as a discontinued operation, is presented below.

In millions of euro	**2021**	Presentation*	Result impact**	2021 (adjusted)	2020 (adjusted)***
Revenues	**3,432.8**	1,891.1	-	5,323.9	3,826.2
Income from marketable securities and deposits	**58.3**	-	-	58.3	(60.0)
Share of results from associates and joint ventures	**161.5**	2.8	-	164.3	70.2
Income from other financial assets	**2.3**	-	-	2.3	1.9
Income from real estate activities	**1.8**	-	-	1.8	1.5
Other income	**(0.3)**	95.2	-	94.9	41.6
Total income	**3,656.4**	1,989.1	-	5,645.5	3,881.4
Usage of raw materials, consumables and other inventory	**(1,412.2)**	(488.1)	-	(1,900.3)	(1,169.3)
Employee expenses	**(830.1)**	(659.8)	-	(1,489.9)	(1,262.8)
Depreciation and impairment of property, plant, equipment and investment properties	**(261.1)**	-	(75.7)	(336.8)	(267.6)
Depreciation and impairment of right-of-use assets	**(63.0)**	-	(171.7)	(234.7)	(257.5)
Amortization and impairment of intangible assets	**(69.6)**	-	(16.8)	(86.4)	(235.8)
Other operating expenses	**(553.8)**	(285.4)	-	(839.2)	(768.3)
Total expenses	**(3,189.8)**	(1,433.3)	(264.2)	(4,887.3)	(3,961.3)
Operating profit	**466.6**	555.8	(264.2)	758.2	(79.9)
Financial expense	**(95.5)**	(18.5)	-	(114.0)	(130.4)
Other financial income	**22.5**	1.0	-	23.5	27.0
Profit before income tax	**393.6**	538.3	(264.2)	667.7	(183.3)
Income tax expense	**(83.4)**	(43.1)	-	(126.5)	(2.3)
Net profit from continuing operations	**310.2**	495.2	(264.2)	541.2	(185.6)
Net profit from discontinued operations	**495.2**	(495.2)	-	-	-
Total net profit	**805.4**	-	(264.2)	541.2	(185.6)
Net profit attributable to owners of parent	**599.0**	-	(190.1)	408.9	(216.7)
Net profit attributable to non-controlling interest	**206.4**	-	(74.1)	132.3	31.1
Total net profit	**805.4**	-	(264.2)	541.2	(185.6)
Comprehensive income attributable to owners of parent	**734.4**	-	(190.1)	544.3	(462.2)
Comprehensive income attributable to non-controlling interest	**259.7**	-	(74.1)	185.6	(38.4)
Total comprehensive income	**994.1**	-	(264.2)	729.9	(500.6)

* Reversal of the net presentation of the results of GrandVision (as required by IFRS 5)

** Reversal of the discontinuance of recognition of depreciation, amortization and impairments on non-current assets of GrandVision in the books of HAL (as required by IFRS 5)

*** Presentation in line with the notes to the HAL 2020 financial statements

The net profit from discontinued operations for the first six months of 2021 includes € 94.8 million in exceptional items, including a € 95.2 million gain on remeasurement of equity interests (refer to below) and a € 10.3 million release of a regulatory provision (refer to note 15).

Remeasurement of equity interests
At the end of March, 2021, the European Union granted approval for the sale of the Company's shareholding in GrandVision N.V. to EssilorLuxottica, contingent on the disposal of certain activities in the Netherlands, Belgium and Italy (the 'EU divestment business'). Based on European Union legislation these activities were brought under independent management and as of April 1, 2021, GrandVision considered it no longer had the ability to direct the relevant activities and to affect the returns of the EU divestment business and deconsolidated these activities. However, these operations continued to be highly dependent on GrandVision for the continued existence of their businesses, for example with regards to shared IT systems, which evidenced the existence of significant influence of the company over the EU divestment business. In accordance with the provisions of IFRS, the company revalued its equity interest in the EU divestment business to fair value through the consolidated statement of income and continued to account for these activities as associates. The exceptional gain from this revaluation amounted to € 95.2 million (HAL share € 73.1 million)

and, from the perspective of the Company, should be regarded an integral part of the full-year capital gain on disposal of GrandVision of approximately € 3.5 billion as disclosed in note 15.

In the first six months of 2021, GrandVision recognized COVID-19-related government grants for € 10.2 million (first six months 2020: € 49.7 million) as a reduction to employee expenses and € 6.1 million in rent reductions (first six months 2020: € 23.4 million) as a reduction to other operating expenses.

Details of the financial performance of GrandVision, standalone, for the half years presented are provided below. This is the financial information as reported by this company, including purchase price accounting adjustments made by the Company, intercompany eliminations and corporate goodwill.

	2021	IFRS 5 impact*	2021 (adjusted)	2020 (adjusted)
Revenues	**1,891.1**	-	1,891.1	1,452.5
Depreciation, amortization and impairment	**-**	(264.2)	(264.2)	(414.8)
Other expenses	**(1,352.7)**	-	(1,352.7)	(1,266.3)
Profit before income tax	**538.4**	(264.2)	274.2	(228.6)
Income tax expense	**(43.2)**	-	(43.2)	16.9
Profit after income tax from discontinued operation	**495.2**	(264.2)	231.0	(211.7)
Other comprehensive income	**19.3**	-	19.3	(35.4)
Total comprehensive income (CI)	**514.5**	(264.2)	250.3	(247.1)
Net profit attributable to owners of parent	**355.1**	(190.1)	165.0	(162.9)
Net profit attributable to non-controlling interest	**140.1**	(74.1)	66.0	(48.8)
CI attributable to owners of parent	**368.1**	(190.1)	178.0	(188.1)
CI attributable to non-controlling interest	**146.4**	(74.1)	72.3	(59.0)

* Due to classification as held for sale, no amortization, depreciation or impairment was recognized on the non-current assets of GrandVision in the books of HAL

The cash flows presented in the consolidated statement of cash flows include the half-year cash flows of GrandVision. The cash flows from GrandVision can be specified as follows:

	2021	2020
Cash inflow from operating activities	**352.4**	190.0
Net cash outflow from investing activities	**(71.7)**	(56.4)
Net cash outflow from financing activities	**(284.4)**	46.1
Exchange losses on cash and cash equivalents	**(23.6)**	(0.1)
Net increase/ (decrease) in cash generated by the discontinued operation	**(27.3)**	179.6
Dividend paid by GrandVision to GrandVision's non-controlling interest	**(10.9)**	(2.3)

The following assets and liabilities were classified as a disposal group, held for sale, in relation to GrandVision.

	June 30, 2021	Dec. 31, 2020
Non-current assets		
Property, plant and equipment	**702.8**	671.8
Right of use assets	**1,907.7**	1,858.3
Investments in associates and joint arrangements	**0.6**	0.9
Intangible assets	**1,796.3**	1,813.3
Deferred tax assets	**38.6**	51.7
Other non-current assets	**91.0**	93.1
Total non-current assets	**4,537.0**	4,489.1
Current assets		
Inventories	**334.9**	295.9
Receivables	**169.3**	140.8
Other financial assets	**1.3**	0.7
Other current assets	**175.3**	179.1
Cash and cash equivalents	**127.9**	155.3
Assets held for sale	**223.9**	-
Total current assets	**1,032.6**	771.8
Total assets	**5,569.6**	5,260.9
Non-current liabilities		
Deferred tax liabilities	**21.8**	28.3
Pension benefits	**139.2**	150.5
Provisions	**15.0**	22.7
Contract liabilities	**8.5**	8.3
Non-current lease liabilities	**835.0**	957.6
Long-term debt and other financial liabilities	**284.3**	338.0
Other non-current liabilities	**5.9**	8.2
Total non-current liabilities	**1,309.7**	1,513.6
Current liabilities		
Provisions	**32.7**	28.8
Contract liabilities	**121.8**	100.0
Accrued expenses	**384.6**	365.9
Income tax payable	**47.3**	58.0
Accounts payable	**207.2**	191.6
Current lease liabilities	**331.0**	357.4
Short term debt and other financial liabilities	**398.0**	351.7
Other current liabilities	**4.7**	10.4
Liabilities related to assets held for sale	**30.5**	-
Total current liabilities	**1,557.8**	1,463.8
Total liabilities	**2,867.5**	2,977.4
Net assets held for sale for GrandVision	**2,702.1**	2,283.5

4. Acquisitions

Top Employers Institute
In February, 2021, HAL completed the acquisition, together with management, of 100% of the shares in BVG International B.V. (‘Top Employers Institute’). Top Employers Institute is globally active in certification and benchmarking of human resources policies. Sales over 2020 were € 24 million and the company employs approximately 125 FTE. The allocation of the purchase price with respect to this acquisition is provisional as it is in the final stages of review. Intangible assets recognized include the trademark, customer relationships and software. The goodwill of € 27.2 million relates to the knowledge of the workforce and the expected growth and profitability of the company.

Stolze and Prins Group
On January 4, 2021, HAL obtained control through the acquisitions of 60% of the shares in GreenV B.V. (‘Stolze’) and 24% of the shares in PD Greenhouse Beheer B.V. (‘Prins Group’). Stolze and Prins Group are both active in the greenhouse building sector. Stolze is active worldwide in providing technical systems for horticultural greenhouses. Sales over 2020 were € 100 million and Stolze employs approximately 120 FTE. Prins Group is active worldwide in building and producing greenhouses and integrated greenhouse projects. Sales over 2020 were € 50 million and Prins Group employs approximately 45 FTE.
The allocation of the purchase price with respect to this acquisition is provisional as it is in the final stages of review. Procedures carried out to date resulted in the recognition of trademarks, dealer relationships (presented within customer relationships), order backlog, deferred tax liabilities and € 60.9 million in goodwill. This goodwill relates to the knowledge of the workforce, the operational excellence in executing greenhouse projects and expected growth and profitability of the company. The Company has recognized the non-controlling interests in Stolze and Prins Group applying the full goodwill method.

There were no other individually significant acquisitions during the half year. Details on the acquisitions in this period are as follows:

	Top Employers Institute	Stolze and Prins Group	Other	**Total**
Cash paid	59.7	58.4	37.9	**156.0**
Future consideration	-	-	2.7	**2.7**
Fair value of net assets acquired	(32.5)	(60.4)	(15.5)	**(108.4)**
Non-controlling interest recognized at fair value	-	62.9	-	**62.9**
Goodwill	27.2	60.9	25.1	**113.2**

The goodwill on the acquisitions is not deductible for tax purposes.

Details of the net asset values acquired are set out below:

	Top Employers Institute	Stolze and Prins Group	Other	**Total**
Property, plant and equipment and investment properties	0.3	18.9	4.3	**23.5**
Right-of-use assets	0.7	-	1.2	**1.9**
Intangible assets	51.8	31.7	18.0	**101.5**
Investments in associates and joint arrangements	-	-	0.1	**0.1**
Other financial assets	-	0.3	0.2	**0.5**
Deferred tax assets	-	0.1	1.5	**1.6**
Other non-current assets	-	-	0.2	**0.2**
Cash	5.8	19.2	5.0	**30.0**
Non-current debt	-	-	(3.9)	**(3.9)**
Non-current provisions	-	(3.6)	(0.5)	**(4.1)**
Lease liabilities	(0.7)	-	(0.7)	**(1.4)**
Deferred tax liabilities	(12.6)	(8.0)	(5.2)	**(25.8)**
Other non-current liabilities	-	-	(3.3)	**(3.3)**
Accounts receivable	1.3	18.0	8.5	**27.8**
Inventories	-	4.6	4.2	**8.8**
Other current assets	4.0	2.3	4.6	**10.9**
Contract assets	-	5.1	-	**5.1**
Income tax payable	(1.7)	(1.0)	(0.3)	**(3.0)**
Accounts payable	(1.5)	(9.3)	(10.1)	**(20.9)**
Accrued expenses	(8.5)	(4.7)	(4.2)	**(17.4)**
Contract liabilities	(6.4)	(13.2)	(4.1)	**(23.7)**
Net working capital	(12.8)	1.8	(1.4)	**(12.4)**
Fair value of net assets acquired	32.5	60.4	15.5	**108.4**

The above acquisitions generated the following results:

	Top Employers Institute	Stolze and Prins Group	Other	**Total**
Contribution to 2021 revenues	10.3	86.0	13.0	**109.3**
Contribution to 2021 operating income	2.7	11.9	2.2	**16.8**
Contribution to 2021 net income from continuing operations	(0.4)	1.8	1.3	**2.7**
Contribution to 2021 net income from discontinued operations	-	-	0.3	**0.3**
2021 first half year revenues	12.0	86.0	35.5	**133.5**
2021 first half year operating income	2.7	11.9	2.1	**16.7**
2021 first half year net income from continuing operations	(0.3)	1.8	0.4	**1.9**
2021 first half year net income from discontinued operations	-	-	0.3	**0.3**

Acquisition costs charged to the other operating expenses in the consolidated statement of income amounted to € 2.9 million.

Reconciliation to the interim consolidated statement of cash flows:

	Total
Cash paid for the above acquisitions	**156.0**
Cash acquired in the above acquisitions	**(30.0)**
Cash outflow due to acquisition of subsidiaries, net of cash acquired	**126.0**
Acquisition of associates and joint arrangements	**46.9**
Cash outflow due to acquisition of associates, joint arrangements and subsidiaries, net of cash acquired	**172.9**

5. Intangible assets

Intangible assets consist of:

	Goodwill	Software	Trade-marks	Customer relationships	Other	**Total**
Cost value	786.7	381.9	325.2	331.2	203.4	**2,028.4**
Accumulated amortization and impairments	(291.9)	(228.2)	(137.9)	(80.5)	(110.2)	**(848.7)**
Balance on January 1, 2020	494.8	153.7	187.3	250.7	93.2	**1,179.7**
Investments	92.9	105.1	0.2	0.1	10.3	**208.6**
Consolidation	-	9.9	117.1	2.4	46.2	**175.6**
Disposals	-	(0.4)	-	-	-	**(0.4)**
Amortization and impairments continuing operations	(30.5)	(41.3)	(23.2)	(35.1)	(18.5)	**(148.6)**
Reclassification	0.1	15.3	(11.8)	32.8	(32.3)	**4.1**
Reclassification to held for sale*	12.4	(42.8)	2.6	2.1	(1.4)	**(27.1)**
Exchange differences and other	(37.7)	(4.6)	(20.0)	(10.6)	(5.9)	**(78.8)**
Balance on December 31, 2020	532.0	194.9	252.2	242.4	91.6	**1,313.1**
Cost value	1,225.6	440.3	420.6	421.5	152.0	**2,660.0**
Accumulated amortization and impairments	(693.6)	(245.4)	(168.4)	(179.1)	(60.4)	**(1,346.9)**
Balance on December 31, 2020	532.0	194.9	252.2	242.4	91.6	**1,313.1**
Investments	113.2	57.2	0.2	-	11.7	**182.3**
Consolidation	-	2.9	27.0	55.6	16.0	**101.5**
Disposals	-	(0.5)	-	-	(3.6)	**(4.1)**
Amortization and impairments	-	(21.1)	(12.6)	(9.8)	(26.1)	**(69.6)**
Reclassification	(51.9)	(20.9)	22.5	(0.1)	(0.2)	**(50.6)**
Reclassification to held for sale*	27.4	(29.7)	1.0	(0.1)	(0.2)	**(1.6)**
Exchange differences and other	14.5	2.0	6.3	2.9	1.7	**27.4**
Balance on June 30, 2021	635.2	184.8	296.6	290.9	90.9	**1,498.4**
Cost value	1,329.1	476.5	454.3	480.3	177.8	**2,918.0**
Accumulated amortization and impairments	(693.9)	(291.7)	(157.7)	(189.4)	(86.9)	**(1,419.6)**
Balance on June 30, 2021	635.2	184.8	296.6	290.9	90.9	**1,498.4**

* Reclassifications to held for sale mainly relate to GrandVision N.V.

6. Investments in associates and joint arrangements

The movement of investments accounted for using the equity method is as follows:

	Associates	Joint ventures	**Total**
Share of net assets	1,701.7	824.0	**2,525.7**
Goodwill	297.7	66.1	**363.8**
Balance on January 1, 2020	1,999.4	890.1	**2,889.5**
Investments	32.1	249.0	**281.1**
Consolidation	1.3	12.2	**13.5**
Disposals	(6.9)	(1.7)	**(8.6)**
Share of results - real estate	-	(1.2)	**(1.2)**
Share of results - discontinued operations	-	(1.0)	**(1.0)**
Share of results - other	49.7	114.5	**164.2**
Share of other comprehensive income	(90.4)	(0.1)	**(90.5)**
Redemption of share capital	(85.2)	-	**(85.2)**
Dividends	(94.3)	(79.9)	**(174.2)**
Reclassification from other financial assets*	575.4	-	**575.4**
Reclassification to held for sale	(17.8)	0.1	**(17.7)**
Exchange differences	(29.5)	(64.9)	**(94.4)**
Other	(5.1)	13.4	**8.3**
Balance on December 31, 2020	2,328.7	1,130.5	**3,459.2**
Share of net assets	2,017.8	1,056.3	**3,074.1**
Goodwill	310.9	74.2	**385.1**
Balance on December 31, 2020	2,328.7	1,130.5	**3,459.2**
Investments	0.7	103.2	**103.9**
Consolidation	0.1	-	**0.1**
Disposals	(1.7)	(1.0)	**(2.7)**
Share of results - real estate	-	(1.6)	**(1.6)**
Share of results - discontinued operations	3.1	(0.3)	**2.8**
Share of results - other	100.3	61.1	**161.4**
Share of other comprehensive income	42.3	4.8	**47.1**
Dividends	(83.1)	(54.3)	**(137.4)**
Reclassification**	153.1	(0.4)	**152.7**
Reclassification to held for sale***	(148.9)	(14.9)	**(163.8)**
Exchange differences	16.5	28.8	**45.3**
Other	-	(0.1)	**(0.1)**
Balance on June 30, 2021	2,411.1	1,255.8	**3,666.9**
Share of net assets	2,092.9	1,189.1	**3,282.0**
Goodwill	318.2	66.7	**384.9**
Balance on June 30, 2021	2,411.1	1,255.8	**3,666.9**

* Reclassification from other financial assets related to the reclassification of the shareholding in SBM Offshore, subsequent to the Company obtaining significant influence

** Reclassification mainly relates to GrandVision's EU divestment business (refer to note 3)

*** Reclassification to held for sale mainly relates to GrandVision

The 2020 share of results from associates was substantially impacted by extraordinary charges at Boskalis of in total € 147.8 million. The share of the Company in these extraordinary charges amounted to € 64.5 million and was included in the consolidated statement of income within the line share of results from associates and joint ventures.

The difference between the market value of the Company's share in its publicly traded associates (Koninklijke Boskalis Westminster N.V. and SBM Offshore N.V.) and the book value is as follows:

	June 30, 2021	Dec. 31, 2020
Market value	**2,135.0**	1,980.6
Book value	**1,697.8**	1,663.5
	437.2	317.1

The book value of the quoted associates is, as of June 30, 2021, based on unaudited, publicly available information.

7. Marketable securities

Marketable securities consist of equity securities amounting to € 179.6 million (December 31, 2020: € 120.7 million) and fixed income securities amounting to € 55.3 million (December 31, 2020: € 55.1 million).

8. Right of use assets and lease liabilities

Movements in the right-of-use assets are as follows:

	Land and buildings	Vessels	Equipment and other	**Total**
Cost value	779.6	82.8	157.0	**1,019.4**
Accumulated depreciation and impairments	(67.2)	(8.7)	(50.7)	**(126.6)**
Balance on January 1, 2020	712.4	74.1	106.3	**892.8**
New lease contracts	167.1	0.1	33.0	**200.2**
Consolidation	38.4	-	11.7	**50.1**
Depreciation and impairments continuing operations	(71.0)	(17.6)	(32.0)	**(120.6)**
Reclassification	5.1	-	(0.3)	**4.8**
Reclassification to held for sale*	(257.5)	-	(41.4)	**(298.9)**
Reassessment and remeasurement	328.1	(0.4)	2.2	**329.9**
Exchange differences	(60.2)	(5.0)	(1.5)	**(66.7)**
Balance on December 31, 2020	862.4	51.2	78.0	**991.6**
Cost value	982.6	72.2	118.2	**1,173.0**
Accumulated depreciation and impairments	(120.2)	(21.0)	(40.2)	**(181.4)**
Balance on January 1, 2021	862.4	51.2	78.0	**991.6**
New lease contracts	46.3	27.7	22.9	**96.9**
Consolidation	1.5	-	0.4	**1.9**
Depreciation and impairments	(37.6)	(9.3)	(16.1)	**(63.0)**
Reclassification	(51.5)	-	(0.2)	**(51.7)**
Reclassification to held for sale*	(45.6)	-	(3.8)	**(49.4)**
Reassessment and remeasurement	71.4	(29.5)	(1.5)	**40.4**
Exchange differences	12.6	1.6	0.5	**14.7**
Balance on June 30, 2021	859.5	41.7	80.2	**981.4**
Cost value	1,012.2	66.6	131.9	**1,210.7**
Accumulated depreciation and impairments	(152.7)	(24.9)	(51.7)	**(229.3)**
Balance on June 30, 2021	859.5	41.7	80.2	**981.4**

* Reclassifications to held for sale mainly relate to GrandVision N.V.

Movements in the lease liabilities are as follows:

	2021	2020
Book value on January 1	**1,053.1**	955.8
New lease contracts	**96.9**	200.2
Consolidation	**1.4**	50.1
Accrued interest continuing operations	**13.3**	28.3
Accrued interest discontinued operations	**10.1**	24.7
Payments	**(262.6)**	(503.7)
Rent reductions	**(6.1)**	(34.0)
Reclassification to held for sale*	**149.0**	53.2
Reassessment and remeasurement	**38.3**	345.2
Exchange differences and other	**(47.1)**	(66.7)
Balance on June 30, 2021, and on December 31, 2020	**1,046.3**	1,053.1
Current lease liabilities	**112.3**	112.4
Non-current lease liabilities	**934.0**	940.7
Balance on June 30, 2021, and on December 31, 2020	**1,046.3**	1,053.1

* Reclassifications to held for sale mainly relate to GrandVision N.V.

9. Share capital

The issued share capital at June 30, 2021, consists of 86,729,713 shares of which 47,634 are held as treasury stock by the Company.

x 1,000	Issued shares	Treasury shares
Balance on January 1, 2020	83,448.9	51.7
Sale and transfer of treasury shares	-	-
Purchase of treasury shares, including stock dividend	-	32.2
Dividend paid in stock	-	
Balance on June 30, 2020	83,448.9	83.9
Balance on January 1, 2021	85,385.1	73.5
Sale and transfer of treasury shares, including dividend	-	(25.9)
Dividend paid in stock	1,344.6	
Balance on June 30, 2021	86,729.7	47.6

	June 30, 2021
Authorized shares	90,000.0
Outstanding shares	86,682.1
Par value (HAL Holding N.V.) *(in euro)*	0.02
Share capital *(in millions of euro)*	1.7

A 2020 dividend of € 401.0 million (excluding dividend on treasury shares) or € 4.70 per share was distributed on June 18, 2021 (a 2019 dividend was paid in the second half of 2020: € 483.8 million or € 5.80 per share), of which € 2.35 in cash and € 2.35 in shares. The shareholders received 1 new share per 63.5 existing shares.

This conversion ratio was determined based on the volume-weighted average share price of HAL Trust shares traded on Euronext in Amsterdam during the period May 24, 2021, through June 11, 2021. Accordingly, 1,344,646 shares were issued on June 18, 2021.

The net asset value based on the market value of the ownership interests in quoted companies and the liquid portfolio and on the book value of the unquoted companies amounted to € 13,464 million on June 30, 2021, and consists of the sum of the shareholders' equity attributable to the owners of the parent (€ 8,544 million) and the difference between the market value of the ownership interests in quoted companies and their book value (€ 4,920 million).

10. Debt and other financial liabilities

	June 30, 2021	Dec. 31, 2020
Long-term debt	**2,497.8**	2,310.6
Other financial liabilities	**121.4**	118.5
	2,619.2	2,429.1
Short-term debt	**858.6**	754.7
Other financial liabilities	**10.3**	23.6
	868.9	778.3
Total debt and other financial liabilities	**3,488.1**	3,207.4

11. Revenues

Revenues for the first six months of 2021 are disaggregated as follows:

2021	Europe	USA & Canada	Asia	Other	Total	Optical retail	Quoted	Unquoted
Revenue from contracts with customers								
Sale of goods	1,374.6	412.6	131.8	71.8	**1,990.8**	-	479.1	1,511.7
Construction/ development activities	580.9	-	-	-	**580.9**	-	-	580.9
Services	476.9	109.0	142.2	121.6	**849.7**	-	603.1	246.6
	2,432.4	521.6	274.0	193.4	**3,421.4**	-	1,082.2	2,339.2
Revenue from other sources	1.2	1.4	3.1	5.7	**11.4**	-	14.9	(3.5)
Total revenue from continuing operations	2,433.6	523.0	277.1	199.1	**3,432.8**	-	1,097.1	2,335.7
Revenue from discontinued operations	1,747.8	35.6	-	107.6	**1,891.0**	1,891.0	-	-
Total revenue	4,181.4	558.6	277.1	306.7	**5,323.8**	1,891.0	1,097.1	2,335.7

Revenues for the first six months of 2020 are disaggregated as follows:

2020	Europe	USA & Canada	Asia	Other	Total	Optical retail	Quoted	Unquoted
Revenue from contracts with customers								
Sale of goods	1,134.7	282.4	109.2	33.3	**1,559.6**	-	308.3	1,251.3
Construction/ development activities	-	-	-	-	**-**	-	-	-
Services	439.1	114.5	147.1	100.5	**801.2**	-	578.0	223.2
	1,573.8	396.9	256.3	133.8	**2,360.8**	-	886.3	1,474.5
Revenue from other sources	6.0	1.4	2.7	2.8	**12.9**	-	11.3	1.6
Total revenue from continuing operations	1,579.8	398.3	259.0	136.6	**2,373.7**	-	897.6	1,476.1
Revenue from discontinued operations	1,353.3	27.9	-	71.3	**1,452.5**	1,452.5	-	-
Total revenue	2,933.1	426.2	259.0	207.9	**3,826.2**	1,452.5	897.6	1,476.1

12. Income tax expense

The effective tax rate takes into account non-taxable income from associates and joint ventures and non-taxable income as a result of sales of associates, joint ventures and subsidiaries. For the first half of 2021, the effective tax rate on continuing operations was 33.7% (first half of 2020: 34.7% tax charge on a negative consolidated pre-tax income). The relatively high effective tax rate compared to the statutory rates is mainly due to the non-tax deductible impairment at Vopak of € 69.7 million. The effective tax rate excluding the effect of the consolidation of Vopak and Safilo is 24.8%.

13. Financial instruments

The carrying amount approximates the fair value for all financial assets and liabilities except for the non-current debt. The fair value of these liabilities, mainly from Vopak, exceeds their carrying value by € 270.8 million as of June 30, 2021 (December 31, 2020: € 304.9 million).

The tables below provide an analysis of the Company's financial instruments carried at fair value per line item and those carried at amortized cost with a difference between the book value and fair value, stating the classification of the instruments, their fair value and the applicable level within the fair value hierarchy:

June 30, 2021	Fair value level	Fair value through other comprehensive income	Financial assets at amortized cost	Fair value through profit and loss	**Total book value**	**Total fair value**
Assets						
Other financial assets						
- Unquoted debt securities	2	-	166.0	-	**166.0**	**166.0**
- Unquoted equity securities	3	42.2	-	-	**42.2**	**42.2**
- Quoted equity securities	1	-	-	176.8	**176.8**	**176.8**
- Quoted debt securities	1	55.3	-	-	**55.3**	**55.3**
- Unquoted equity securities	2	-	-	2.9	**2.9**	**2.9**
Derivatives	2	-	-	24.2	**24.2**	**24.2**
Other current assets		-	252.8	-	**252.8**	**252.8**
Receivables		-	1,043.8	-	**1,043.8**	**1,043.8**
Cash		-	1,294.3	-	**1,294.3**	**1,294.3**
Total financial assets		97.5	2,756.9	203.9	**3,058.3**	**3,058.3**

June 30, 2021	Fair value level	Financial liabilities at amortized cost	Fair value through profit or loss	**Total book value**	**Total fair value**
Liabilities					
Debt and other financial liabilities					
- Non-current debt	2	2,497.9	-	**2,497.9**	**2,777.7**
- Current debt		858.5	-	**858.5**	**858.5**
- Other financial liabilities	2	2.6	-	**2.6**	**2.6**
- Other financial liabilities	3	-	129.1	**129.1**	**129.1**
Lease liabilities		1,046.3	-	**1,046.3**	**1,046.3**
Derivatives	2	-	23.2	**23.2**	**23.2**
Accounts payable		994.6	-	**994.6**	**994.6**
Total financial liabilities		5,399.9	152.3	**5,552.2**	**5,832.0**

December 31, 2020	Fair value level	Fair value through other comprehensive income	Financial assets at amortized cost	Fair value through profit and loss	Total book value	Total fair value
Assets						
Other financial assets						
- Unquoted debt securities	2	-	227.2	-	227.2	227.2
- Unquoted equity securities	3	36.5	-	-	36.5	36.5
- Quoted equity securities	1	-	-	118.5	118.5	118.5
- Quoted debt securities	1	55.1	-	-	55.1	55.1
- Unquoted equity securities	2	-	-	2.2	2.2	2.2
Derivatives	2	-	-	15.7	15.7	15.7
Other current assets		-	245.2	-	245.2	245.2
Receivables		-	836.6	-	836.6	836.6
Cash		-	1,426.9	-	1,426.9	1,426.9
Total financial assets		91.6	2,735.9	136.4	2,963.9	2,963.9

December 31, 2020	Fair value level	Financial liabilities at amortized cost	Fair value through profit or loss	Total book value	Total fair value
Liabilities					
Debt and other financial liabilities					
- Non-current debt	2	2,310.6	-	2,310.6	2,615.5
- Current debt	2	754.7	-	754.7	754.7
- Other financial liabilities	2	0.5	-	0.5	0.5
- Other financial liabilities	3	-	141.6	141.6	141.6
Lease liabilities	2	1,053.1	-	1,053.1	1,053.1
Derivatives	2	-	37.0	37.0	37.0
Accounts payable		894.4	-	894.4	894.4
Total financial liabilities		5,013.3	178.6	5,191.9	5,496.8

There have not been any changes in valuation techniques applied to financial instruments carried at fair value compared to those disclosed in the financial statements of December 31, 2020. There were no transfers between levels 1, 2 and 3 during the period. The Company’s policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the beginning of the period.

A reconciliation of level 3 financial liabilities for the period is given below:

	2021	2020
Balance on January 1	**141.6**	90.6
Additions	**12.5**	107.9
Settlements	**(31.3)**	(35.6)
(Gains)/losses through income continuing operations	**3.8**	(7.7)
(Gains)/losses through income discontinued operations	**-**	(0.2)
Reclassification to held for sale	**-**	(1.0)
Exchange differences	**2.5**	(12.4)
Balance on June 30, 2021, and on December 31, 2020	**129.1**	141.6

Other financial liabilities in level 3 include earn-out and deferred/contingent payments with respect to acquisitions and reciprocal options to acquire non-controlling interests for € 92.9 million (December 31, 2020: € 88.6 million).

14. Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at December 31, 2020. In these financial statements it is set out that the financial risks of the entities belonging to the optical retail, quoted minority interests and unquoted segments are managed by these entities and not by the Company. There have been no changes in the risk management objectives and policies since December 31, 2020.

Liquidity risk

Compared to December 31, 2020, there have not been significant changes in the contractual undiscounted cash flows for financial liabilities.
Due to the sale of HAL's interest in GrandVision in July, 2021, and the subsequent increase in the corporate liquid portfolio by € 5 billion, the liquidity risk has significantly decreased since June 30, 2021. Also, the concentration risk with respect to the optical retail activities has ceased to exist. However, due to the increased size of the corporate liquid portfolio, the interest rate risk and the credit risk have increased. These risks are managed by maintaining an average duration for the fixed-income portfolio of less than two years and investing in portfolios that have an average S&P rating of at least A.

The consolidated net debt (current and non-current bank debt less marketable securities and cash and cash equivalents) as of June 30, 2021, amounted to € 1,827.2 million (December 31, 2020: € 1,462.6 million). This net debt excludes the net debt of GrandVision, which is classified as held for sale. Excluding the net debt of Vopak and Safilo the net cash position as of June 30, 2021, was € 487.0 million (December 31, 2020: € 513.0 million).

15. Events after the reporting period

GrandVision divestment
On July 1, 2021, HAL completed the sale of its 76.72% ownership interest in GrandVision N.V. to EssilorLuxottica S.A. at a price of € 28.42 per share. The total consideration for HAL's ownership interest amounted to € 5.5 billion, resulting in a € 3.5 billion net capital gain. As part of the transaction, HAL acquired the Chilean optical retail chain Rotter y Kraus. Rotter y Kraus operates 97 stores and has annual revenues of approximately € 50 million.

French Competition Authorities
On July 22, 2021, the French Competition Authority concluded on the case brought against GrandVision and Safilo following its 2009 investigation in relation to the distribution of branded sunglasses and branded frames. No sanctions were applied to either Safilo or GrandVision and the related risk provisions of € 17.0 million, respectively € 10.3 million, were released. As this event was considered to provide additional information regarding the situation as per June 30, 2021, the release of the provision was recognized in the income of the first half year. The release of the provision at GrandVision was recorded in results from discontinued operations.

List of Principal subsidiaries and minority interests

As of June 30, 2021

Name	Country of incorporation	Nature of business	Interest in common shares	Interest in preferred shares	Non-controlling interest
Subsidiaries					
HAL Holding N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL International N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL International Investments N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL Investments N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL Real Estate Inc.	U.S.A.	Real estate	100.0%	0.0%	0.0%
HAL Investments B.V.	The Netherlands	Holding company	100.0%	0.0%	0.0%
Atlas Professionals B.V.	The Netherlands	Staffing	100.0%	0.0%	0.0%
Orthopedie Investments Europe B.V.	The Netherlands	Orthopedic devices	100.0%	100.0%	0.0%
FD Mediagroep B.V.	The Netherlands	Media	100.0%	100.0%	0.0%
Broadview Holding B.V.	The Netherlands	Industrial	97.4%	0.0%	2.6%
Koninklijke Ahrend B.V.	The Netherlands	Office furniture	96.0%	100.0%	4.0%
Floramedia Group B.V.	The Netherlands	Communication	96.0%	100.0%	4.0%
Sports Timing Holding B.V.	The Netherlands	Timing equipment	95.5%	100.0%	4.5%
Infomedics Holding B.V.	The Netherlands	Financial services	95.3%	0.0%	4.7%
Timber and Building Supplies Holland N.V.	The Netherlands	Building materials	94.3%	0.0%	5.7%
AN Direct B.V.	The Netherlands	Hearing aids	90.0%	0.0%	10.0%
SB Real Estate	The Netherlands	Real estate	90.0%	0.0%	10.0%
Van Wijnen Holding B.V.	The Netherlands	Construction	88.3%	0.0%	11.7%
HR Top Holding B.V.	The Netherlands	HR services	81.0%	100.0%	19.0%
GrandVision N.V.	The Netherlands	Optical retail	76.7%	0.0%	23.3%
Anthony Veder Group N.V.	Curaçao	Shipping	62.9%	0.0%	37.1%
GreenV B.V.	The Netherlands	Greenhouse projects	60.0%	0.0%	40.0%
Controlled minority interests					
Safilo Group S.p.A.	Italy	Optical products	49.84%	0.00%	50.16%
Koninklijke Vopak N.V.	The Netherlands	Tank terminals	48.15%	0.00%	51.85%

All the above entities are included in the consolidation. The proportion of the effective voting rights in the respective entity are virtually equal to the proportion of the ordinary shares held.

Non-controlled minority interests	
Publicly traded	
Koninklijke Boskalis Westminster N.V.	45.54%
SBM Offshore N.V.	21.91%
Other	
Coolblue B.V.	49.00%
DMF Investment Management B.V.	25.00%

Supplemental information

General

The condensed interim consolidated financial statements of HAL Trust include the condensed interim consolidated financial statements of Koninklijke Vopak N.V. (‘Vopak’) and Safilo Group S.p.A. (‘Safilo’). This section provides supplemental information where Vopak and Safilo are accounted for on an unconsolidated basis using the equity method. This was the accounting treatment until the application of IFRS 10, effective January 1, 2014, which requires consolidation of these entities. In all other respects, the accounting policies applied are consistent with those on pages 11 through 14. The inclusion of this information is considered appropriate and useful as the control model with respect to the entities where the Company’s ownership interest exceeds 50% is materially different from the model with respect to Vopak and Safilo. Moreover, the inclusion of Vopak and Safilo in the consolidation has a significant effect on the condensed interim consolidated financial statements. The following supplemental information also preserves comparability with prior year condensed interim consolidated financial statements.

The following pro forma condensed interim consolidated statements are included as supplemental information:

- Statement of Financial Position
- Statement of Income
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows

The pro forma condensed interim consolidated statement of financial position, income and comprehensive income include a bridge from the consolidated financial statements (including Vopak and Safilo) to these pro forma statements.

Pro forma Interim Consolidated Statement of Financial Position

As of June 30, 2021, and December 31, 2020

In millions of euro	Notes	**Consolidated 2021**	Effect exclusion Vopak/Safilo	**Pro forma 2021**	Pro forma 2020
Non-current assets					
Property, plant and equipment		**5,238.8**	(4,010.1)	**1,228.7**	1,188.8
Right-of-use assets		**981.3**	(668.5)	**312.8**	320.5
Investment properties		**69.7**	-	**69.7**	42.0
Intangible assets		**1,498.4**	(433.7)	**1,064.7**	853.2
Investments in associates and joint arrangements	2	**3,666.9**	50.4	**3,717.3**	3,676.0
Other financial assets	3	**193.3**	(24.7)	**168.6**	167.6
Derivatives		**19.6**	(19.6)	**-**	-
Pension benefits		**63.1**	-	**63.1**	41.2
Deferred tax assets		**101.6**	(72.7)	**28.9**	21.0
Total non-current assets		**11,832.7**	(5,178.9)	**6,653.8**	6,310.3
Current assets					
Inventories		**751.1**	(195.1)	**556.0**	519.6
Receivables		**1,043.8**	(338.5)	**705.3**	566.1
Marketable securities and deposits		**234.9**	-	**234.9**	175.8
Other financial assets	3	**14.9**	-	**14.9**	20.0
Derivatives		**4.6**	(4.6)	**-**	0.8
Contract assets		**100.7**	-	**100.7**	79.3
Other current assets		**426.3**	(284.9)	**141.4**	157.2
Cash and cash equivalents		**1,294.3**	(129.9)	**1,164.4**	1,269.7
Assets held for sale		**5,648.9**	(37.8)	**5,611.1**	5,281.4
Total current assets		**9,519.5**	(990.8)	**8,528.7**	8,069.9
Total assets		**21,352.2**	(6,169.7)	**15,182.5**	14,380.2
Equity					
Equity attributable to owners of parent		**8,543.5**	(49.1)	**8,494.4**	7,957.3
Non-controlling interest		**2,787.9**	(1,810.7)	**977.2**	788.7
Total equity		**11,331.4**	(1,859.8)	**9,471.6**	8,746.0
Non-current liabilities					
Deferred tax liabilities		**400.2**	(207.9)	**192.3**	161.8
Pension benefits		**111.4**	(57.4)	**54.0**	58.3
Derivatives		**10.2**	(2.7)	**7.5**	10.0
Provisions		**92.0**	(34.9)	**57.1**	51.6
Contract liabilities		**20.7**	(3.8)	**16.9**	13.6
Lease liabilities		**934.0**	(701.5)	**232.5**	238.7
Debt and other financial liabilities	4	**2,619.2**	(1,995.4)	**623.8**	572.2
Total non-current liabilities		**4,187.7**	(3,003.6)	**1,184.1**	1,106.2
Current liabilities					
Provisions		**57.6**	(37.1)	**20.5**	14.4
Contract liabilities		**232.7**	(38.7)	**194.0**	141.2
Accrued expenses		**589.0**	(219.9)	**369.1**	325.8
Income tax payable		**86.5**	(38.2)	**48.3**	38.1
Accounts payable		**994.6**	(393.9)	**600.7**	529.5
Derivatives		**13.0**	(11.0)	**2.0**	0.2
Lease liabilities		**112.3**	(42.0)	**70.3**	72.1
Debt and other financial liabilities	4	**868.9**	(541.3)	**327.6**	413.1
Liabilities related to assets held for sale		**2,878.5**	15.8	**2,894.3**	2,993.6
Total current liabilities		**5,833.1**	(1,306.3)	**4,526.8**	4,528.0
Total equity and liabilities		**21,352.2**	(6,169.7)	**15,182.5**	14,380.2

Pro forma Interim Consolidated Statement of Income

For the six months ended June 30

In millions of euro	**Consolidated 2021**	Effect exclusion Vopak/Safilo	**Pro forma 2021**	Pro forma 2020
Revenues	**3,432.8**	(1,097.3)	**2,335.5**	1,476.1
Income from marketable securities and deposits	**58.3**	-	**58.3**	(60.0)
Share of results from associates and joint ventures	**161.5**	(49.1)	**112.4**	31.4
Income from other financial assets	**2.3**	1.6	**3.9**	-
Income from real estate activities	**1.8**	-	**1.8**	1.5
Other income (net)	**(0.3)**	-	**(0.3)**	(3.2)
Total income	**3,656.4**	(1,144.8)	**2,511.6**	1,445.8
Usage of raw materials, consumables and other inventory	**1,412.2**	(161.3)	**1,250.9**	675.6
Employee expenses	**830.1**	(305.9)	**524.2**	391.3
Depreciation and impairment of property, plant, equipment and investment properties	**261.1**	(199.5)	**61.6**	62.0
Depreciation and impairment of right-of-use assets	**63.0**	(24.6)	**38.4**	34.4
Amortization and impairment of intangible assets	**69.6**	(38.2)	**31.4**	71.0
Other operating expenses	**553.8**	(263.2)	**290.6**	256.2
Total expenses	**3,189.8**	(992.7)	**2,197.1**	1,490.5
Operating profit	**466.6**	(152.1)	**314.5**	(44.7)
Financial expense	**(95.5)**	77.4	**(18.1)**	(17.5)
Other financial income	**22.5**	(16.0)	**6.5**	3.0
Profit before income tax	**393.6**	(90.7)	**302.9**	(59.2)
Income tax expense	**(83.4)**	35.7	**(47.7)**	5.6
Net profit from continuing operations	**310.2**	(55.0)	**255.2**	(53.6)
Net profit from discontinued operations	**495.2**	-	**495.2**	203.0
Net profit	**805.4**	(55.0)	**750.4**	149.4
Attributable to:				
Owners of parent	**599.0**	0.3	**599.3**	89.6
Non-controlling interest	**206.4**	(55.3)	**151.1**	59.8
	805.4	(55.0)	**750.4**	149.4
Average number of Shares outstanding *(in thousands)*	**85,407**	-	**85,407**	83,393
Earnings per Share for profit attributable to owners of parent during the period *(in euro)*				
- basic and diluted from continuing operations	**2.85**	0.01	**2.86**	(0.63)
- basic and diluted from discontinued operations	**4.16**	-	**4.16**	1.68
- basic and diluted	**7.01**	0.01	**7.02**	1.05

Pro forma Interim Consolidated Statement of Comprehensive Income

For the six months ended June 30

In millions of euro	**Pro forma 2021**	Pro forma 2020
Net profit	**750.4**	149.4
Other comprehensive income (OCI)		
Items that will not be reclassified to statement of income in subsequent periods		
Change in fair value of financial assets through OCI	**-**	(89.6)
Actuarial results on post-employment benefit obligations	**37.9**	(5.4)
Income tax on actuarial results	**(8.5)**	0.9
Associates and joint ventures - share of OCI, net of tax	**4.2**	(5.1)
	33.6	(99.2)
Items that may be reclassified to statement of income in subsequent periods		
Change in fair value of financial assets through OCI	**0.7**	(3.3)
Effective portion of hedging instruments	**9.7**	(2.8)
Income tax related to hedging instruments	**(2.0)**	(0.6)
Translation of foreign subsidiaries, net of hedges	**36.4**	(59.6)
Associates and joint ventures - share of OCI, net of tax	**67.4**	(94.1)
	112.2	(160.4)
Other comprehensive income for the half year, net of tax	**145.8**	(259.6)
Total comprehensive income for the half year, net of tax	**896.2**	(110.2)
Total comprehensive income for the half year, attributable to:		
- Owners of parent*	**734.7**	(156.0)
- Non-controlling interest	**161.5**	45.8
	896.2	(110.2)

* For both reporting periods there are no differences in other comprehensive income attributable to the owner of parent between the consolidated and the pro forma consolidated statements of comprehensive income.

	Attributable to owners of parent					
In millions of euro	Share capital	Retained earnings	Other reserves	Total	Non-controlling interest	**Total equity**
Balance on January 1, 2020	1.7	7,748.5	210.1	7,960.3	630.3	**8,590.6**
Net profit for the half year	-	89.6	-	89.6	59.8	**149.4**
Other comprehensive income for the half year	-	(9.4)	(236.2)	(245.6)	(14.0)	**(259.6)**
Total comprehensive income for the half year	-	80.2	(236.2)	(156.0)	45.8	**(110.2)**
Dividend paid	-	-	-	-	(11.2)	**(11.2)**
Transactions with NCI*	-	(51.0)	-	(51.0)	(3.2)	**(54.2)**
Reclassification**	-	113.2	(113.2)	-	-	**-**
Share-based payment plans	-	4.7	-	4.7	0.4	**5.1**
Treasury shares	-	(4.0)	-	(4.0)	-	**(4.0)**
Other	-	(0.2)	-	(0.2)	(0.1)	**(0.3)**
Transactions with the owners of parent recognized directly in equity	-	62.7	(113.2)	(50.5)	(14.1)	**(64.6)**
Balance on June 30, 2020	1.7	7,891.4	(139.3)	7,753.8	662.0	**8,415.8**
Balance on January 1, 2021	1.7	8,193.4	(237.8)	7,957.3	788.7	**8,746.0**
Net profit for the half year	-	599.3	-	599.3	151.1	**750.4**
Other comprehensive income for the half year	-	31.5	103.9	135.4	10.4	**145.8**
Total comprehensive income for the half year	-	630.8	103.9	734.7	161.5	**896.2**
Acquisitions and disposals	-	-	-	-	66.3	**66.3**
Dividend paid	-	(200.5)	-	(200.5)	(40.2)	**(240.7)**
Share-based payment plans	-	1.0	-	1.0	0.9	**1.9**
Treasury shares	-	1.0	-	1.0	-	**1.0**
Other	-	0.9	-	0.9	-	**0.9**
Transactions with the owners of parent recognized directly in equity	-	(197.6)	-	(197.6)	27.0	**(170.6)**
Balance on June 30, 2021	1.7	8,626.6	(133.9)	8,494.4	977.2	**9,471.6**

* Transactions with non-controlling interests include € (51.8) million related to options entered into by Safilo with the minority shareholders in Blenders and Privé Revaux

** Reclassification resulting from the reclassification of SBM Offshore from other financial assets to investments in associates and joint arrangements

Equity reconciliation	
Equity attributable to owners of parent per consolidated statement of financial position	8,543.5
Equity attributable to owners of parent per pro forma consolidated statement of financial position	8,494.4
Difference	49.1

The difference is due to purchase price accounting adjustments as a result of the retrospective application of IFRS 10 to Vopak and Safilo.

Pro forma Interim Consolidated Statement of Cash Flows

For the six months ended June 30

In millions of euro	Notes	**Pro forma 2021**	Pro forma 2020
Cash flows from operating activities			
Profit before taxes from continuing operations		**302.9**	(59.2)
Profit before taxes from discontinued operations		**538.3**	186.1
Dividend from associates and joint ventures	2	**144.0**	102.5
Changes in working capital		**(48.6)**	209.9
Adjustments for non-cash items		**(5.9)**	254.5
Cash generated from operating activities		**930.7**	693.8
Other financial income received		**3.1**	3.1
Finance cost paid, including effect of hedging		**(40.2)**	(32.5)
Income taxes paid		**(110.3)**	(24.0)
Net cash from operating activities		**783.3**	640.4
Cash flows from investing activities			
Acquisition of associates and subsidiaries, net of cash acquired		**(134.7)**	(128.3)
Proceeds from divestiture of associates, joint arrangements and subsidiaries		**2.7**	28.5
Proceeds from sale of/(acquisition of) other intangibles		**(44.1)**	(24.8)
Purchase of property, plant, equipment and investment properties		**(138.2)**	(79.6)
Proceeds from sale of property, plant, equipment		**6.0**	38.9
Proceeds from/(acquisition of) other financial assets	3	**12.2**	(243.5)
Acquisition of marketable securities and deposits		**(2.5)**	(6.0)
Proceeds from marketable securities and deposits		**1.9**	27.4
Net cash from/(used in) investing activities		**(296.7)**	(387.4)
Cash flows from financing activities			
Proceeds from debt and other financial liabilities		**87.6**	618.4
Repayment of debt and other financial liabilities		**(114.0)**	(173.7)
Payments on lease liabilities		**(229.1)**	(204.3)
Net proceeds from/(repayments of) short-term financing		**(129.1)**	(436.3)
Other non-controlling interest transactions (including dividend paid)		**(36.8)**	(15.6)
Movement in treasury shares		**1.0**	(4.0)
Dividend paid		**(200.4)**	-
Net cash from/(used in) financing activities		**(620.8)**	(215.5)
Increase/(decrease) in cash and cash equivalents		**(134.2)**	37.5
Cash and cash equivalents at beginning of year		**1,269.7**	1,399.9
Cash and cash equivalents included in assets held for sale at beginning of year		**155.3**	162.9
Effect of exchange rate changes and reclassifications		**1.5**	1.0
Cash and cash equivalents retranslated at beginning of year		**1,426.5**	1,563.8
Net increase/(decrease) in cash and cash equivalents		**(134.2)**	37.5
Cash and cash equivalents at end of period		**1,292.3**	1,601.3
Cash and cash equivalents included in assets held for sale		**127.9**	342.5
Cash as included on the consolidated statement of financial position		**1,164.4**	1,258.8

All amounts in millions of euro, unless otherwise stated

1. Segmentation

The condensed interim consolidated financial statements are significantly affected by the consolidation of Vopak and Safilo. Accordingly, the segmented information on a basis whereby Vopak and Safilo are not consolidated is materially different. This section provides segmented information excluding the effect of the consolidation of Vopak and Safilo.

	2021	2020
Optical retail	**464.5**	232.6
Unquoted	**216.3**	80.2
Quoted minority interests	**98.5**	28.1
Real estate	**(0.5)**	(0.3)
Liquid portfolio	**58.3**	(60.0)
Total operating income	**837.1**	280.6
Reconciling items:		
- Discontinued operations (optical retail)	**(464.5)**	(232.6)
- Amortization and impairment of intangibles	**(31.4)**	(71.0)
- Other	**(26.7)**	(21.7)
Operating result as per the pro forma consolidated statement of income	**314.5**	(44.7)
Financial expense, net	**(11.6)**	(14.5)
Profit before tax as per the pro forma consolidated statement of income	**302.9**	(59.2)

2. Investments in associates and joint arrangements

The amount of investments in associates and joint arrangements in the condensed interim consolidated financial statements is significantly affected by the consolidation of Vopak. Vopak has a significant amount of associates and joint arrangements on its balance sheet (€ 1,485.5 million at June 30, 2021). This section provides information about the investments in associates and joint arrangements excluding the investments in associates and joint arrangements of Vopak and Safilo. The movement of investments accounted for using the equity method is as follows:

	Associates	Joint ventures	**Total**
Share of net assets	2,867.3	101.6	**2,968.9**
Goodwill	310.3	-	**310.3**
Balance on January 1, 2020	3,177.6	101.6	**3,279.2**
Investments	27.6	77.7	**105.3**
Consolidation	1.3	12.2	**13.5**
Disposals	(55.0)	(1.7)	**(56.7)**
Share of results - real estate	-	(1.2)	**(1.2)**
Share of results - discontinued operations	-	(1.0)	**(1.0)**
Share of results - other	112.7	0.5	**113.2**
Share of other comprehensive income	(159.5)	(0.1)	**(159.6)**
Dividends	(106.4)	(4.0)	**(110.4)**
Reclassification from other financial assets	578.5	(0.1)	**578.4**
Reclassification to held for sale	(17.8)	0.1	**(17.7)**
Exchange differences	-	(15.1)	**(15.1)**
Other	(51.9)	-	**(51.9)**
Balance on December 31, 2020	3,507.1	168.9	**3,676.0**
Share of net assets	3,187.5	168.9	**3,356.4**
Goodwill	319.6	-	**319.6**
Balance on December 31, 2020	3,507.1	168.9	**3,676.0**
Investments	-	8.7	**8.7**
Consolidation	0.1	-	**0.1**
Disposals	(1.8)	(0.9)	**(2.7)**
Share of results - real estate	-	(1.6)	**(1.6)**
Share of results - discontinued operations	3.1	(0.3)	**2.8**
Share of results - other	108.4	4.0	**112.4**
Share of other comprehensive income	71.6	-	**71.6**
Dividends	(139.4)	(4.6)	**(144.0)**
Reclassification*	152.9	(0.3)	**152.6**
Reclassification to held for sale**	(148.9)	(14.9)	**(163.8)**
Exchange differences	0.1	5.1	**5.2**
Balance on June 30, 2021	3,553.2	164.1	**3,717.3**
Share of net assets	3,226.7	164.1	**3,390.8**
Goodwill	326.5	-	**326.5**
Balance on June 30, 2021	3,553.2	164.1	**3,717.3**

* Reclassification mainly relates to GrandVision's EU divestment business

** Reclassification to held for sale mainly relates to GrandVision

3. Other financial assets

The specification is as follows:

	June 30, 2021	Dec. 31, 2020
Non-current	**168.6**	167.6
Current	**14.9**	20.0
	183.5	187.6

	June 30, 2021	Dec. 31, 2020
Other financial assets		
Loans to associates and joint ventures	**119.4**	129.7
Other loans	**36.4**	34.9
Other	**27.7**	23.0
	183.5	187.6

In 2020, a € 90 million subordinated loan was provided to Safilo Group S.p.A. in order to finance acquisitions. In June, 2021, this company announced a share capital increase, by means of a rights issue, of up to € 135 million to repay this loan and strengthen its capital structure.

4. Debt and other financial liabilities

The amount of debt and other financial liabilities in the condensed interim consolidated financial statements (€ 3,488.1 million) is significantly affected by the consolidation of Vopak and Safilo.

The amount excluding Vopak and Safilo is set out below.

	June 30, 2021	Dec. 31, 2020
Long-term debt	**595.2**	542.8
Other financial liabilities	**28.6**	29.4
	623.8	572.2
Short-term debt	**317.3**	389.5
Other financial liabilities	**10.3**	23.6
	327.6	413.1
Total debt and other financial liabilities	**951.4**	985.3

Statement by the Executive Board

The administrative procedures, the risk management and internal control systems associated with the Company's strategy and its implementation, the financial reporting and compliance are all designed to provide a reasonable degree of assurance that significant risk factors are identified, their development is monitored and, where appropriate, action is taken on a timely basis. The Supervisory Board is regularly informed about these matters.

The companies in which HAL has invested differ in industry, size, culture, geographical diversity and stage of development. Each company is subject to specific risks relating to strategy, operations, finance and (fiscal) legislation. HAL has therefore chosen not to institute a centralized management approach and not to develop a central risk management system. Each investee company has its own financial structure and is responsible for evaluating and managing its own risks. The companies generally have a supervisory board of which the majority of members is not affiliated with HAL. This corporate governance structure allows the operating companies to fully concentrate on developments which are relevant to them and to assess which risks to accept and which risks to avoid. Accordingly, in addition to risks associated with HAL's strategy and its implementation as referred to in the report on the first half year of 2021 and which are further described in the 2020 annual report, there are specific risk factors associated with each individual investee company. It is the responsibility of each investee company to evaluate these specific risks.

HAL's objective is, in the context of the inherent limitations of the decentralized management approach described above, that its internal and external financial reporting is complete, accurate, valid and timely. Financial reporting risk can be defined as any event that impedes HAL to achieve its financial reporting objectives. This risk is impacted by the fact that, although HAL's ownership interest in Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo') is below 50%, IFRS requires these associates to be consolidated in the consolidated financial statements as HAL is deemed to have control, as defined in IFRS 10, over these two entities. Vopak and Safilo are both publicly traded companies. Whereas HAL has board representation and, accordingly, may be considered to have significant influence over these associates, in the past neither operational nor strategic control was exercised. Moreover, Vopak and Safilo are, for example, not part of the management reporting system which monitors the performance of the consolidated companies on a monthly basis. In addition, in view of its minority interest, the Company has no formal instruction rights with respect to Vopak and Safilo. The Company has entered into Memoranda of Understanding with Vopak and Safilo with respect to confidentiality, the process of exchanging information and visitation rights to the audit committee meetings of Vopak and the meetings of the Control and Risk Committee of Safilo, for an independent financial expert on behalf of HAL. This allows HAL to comply with IFRS and prepare consolidated financial statements which include the financial statements of Vopak and Safilo. However, HAL does not have access to the financial books and records, contracts and related information of Vopak and Safilo in order to independently verify that these financial statements are complete, valid and accurate.

The Chairman of the Executive Board of HAL is a member of the Supervisory Board of Vopak and the Board of Safilo. Mr. J.N. van Wiechen, member of the Executive Board of HAL, is a member of the Supervisory Board of Koninklijke Boskalis Westminster N.V. and SBM Offshore N.V. The information obtained in these capacities is not used for the preparation of the consolidated financial statements of the Company in order to preserve confidentiality and to allow these quoted associates to operate independently from HAL. Accordingly, the risk management and internal control systems of HAL with respect to financial reporting risks are not designed and are not able to provide assurance that the information relating to quoted associates in HAL's consolidated financial statements does not contain material errors due to the inherent limitations described above. The assessment that HAL's financial statements do not contain material errors attributable to the financial statements of Vopak and/or Safilo, is based on the external audit of these companies and the involvement of the independent financial expert referred to above. Vopak and Safilo both have included a description of their risks and risk management system in their respective annual reports. These risks are neither monitored nor managed by HAL.

Based on the above, taking into account the inherent limitations referred to, we declare that, to the best of our knowledge, the condensed interim consolidated financial statements for the six-month period ended June 30, 2021, which have been prepared in accordance with IAS 34, *Interim Financial Reporting*, give a true and fair view of the assets, liabilities, financial position and net income of the consolidated entities taken as a whole, and the interim report of the Executive Board includes a fair view of the information required pursuant to section 5:25d. subsections 8 and 9 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

Executive Board HAL Holding N.V.

M.F. Groot *(Chairman)*
A.A. van 't Hof
J.N. van Wiechen

August 26, 2021