



2021 HALF-YEARLY FINANCIAL REPORT

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BUSINESS REVIEW FIRST HALF OF 2021

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ENVIRONMENT AND MARKET TRENDS IN THE FIRST HALF OF 2021

The first half of 2021 was marked by the resurgence of a new wave of the Covid-19 epidemic in Europe. This led to the tightening of health restrictions already in force and successive lockdowns in the Group's operating countries. However, the situation gradually eased from May. STEF's activities have been impacted by the effects of the health crisis and how its evolution has been dealt with in all its operating countries.

A resilient European economy

As in the previous half-year, the European economy fared well, even exceeding its growth forecasts for the first quarter.

	GDP	
	Q1	Q2
Eurozone	-0.3%	+2%
France	-0.0%	+0.9%
Italy	0.2%	+2.7%
Spain	-0.4%	+2.8%
Portugal	-3.2%	+4.9%
Belgium	+1.1%	+1.4%
The Netherlands	-0.8%	n.a
Switzerland	-0.5%	n.a

OECD data: growth rate based on the corrected volume data of seasonal variations, variation compared with the previous quarter

The rapid progress in the vaccination campaigns and the simultaneous lifting of health restrictions contributed to a gradual return to confidence. Continued government support helped to suppress the impact of the economic crisis, both on companies and on communities.

It should be noted that Brexit, effective since 1st January 2021, has not led to the effects anticipated by certain pessimistic scenarios.

Globally, the significant increase in the prices of energy and the raw materials for food and industry caused by the economic recovery, has led to all stakeholders fearing a return to inflation, already visible in the second quarter. This has created increased costs for agrifood manufacturers and generated strong pressures on supplies. As for the transport and logistics sector, in addition to the rise in energy prices, it must also absorb the surge in pallet and packaging prices, and the extra costs related to the new health standards.

Food consumption behaviours: returning to some normality adopts new habits

Food consumption is gradually returning to some form of normality, far from the erratic purchasing behaviours seen during the first lockdown in 2020. Still affected by health

restrictions, behaviours are changing rapidly presenting a challenge for those involved in the agrifood chain due to the transformation of the distribution channels. The following should be noted in particular:

- The agility of agrifood manufacturers to rethink their product portfolios and offer consumers food suited to new societal challenges;
- The good performance of retail, driven by the closure of restaurants and remote working;
- The acceleration in the transformation of commercial catering, the most impacted segment, which has developed its takeaway activity and reinvented itself, based in particular on the “dark kitchen” model¹;
- The continued growth in food e-commerce, however at a slower pace than in 2020. Many online marketplaces continue to emerge to complement the existing offer.

These underlying trends have required the support of an ever-more agile logistics chain which is capable of adapting in real-time.

New behaviours have taken hold and their persistence is making it possible to imagine that new consumption habits could become entrenched in the long term. The growing number of entrants onto the “quick commerce”² and recipe boxes market is testimony to the craze for cooking at home. The digitalisation of the purchasing act has become more accessible, whether it is online ordering, paying in store or scanning a QR code to verify the composition of a product and its environmental impact. More broadly, a desire to consume better is running through society.

Working towards a sustainably green recovery

The first half of 2021 confirmed a groundswell of environmental awareness. Stakeholders across all sectors (re)affirmed their commitments on this subject and presented practical action plans to counter the negative externalities caused by their activities.

Organisations in the agrifood chain are part of this dynamic by focusing on various levers such as the relocation of their supplies, the fight against food waste and even reducing and recycling packaging.

The STEF Group, which has been working in this area for more than 10 years, is an integral part of this trend and has accelerated its transformation towards “low-carbon” logistics.

By launching its “Moving Green” programme, STEF has acted decisively with two major commitments:

- to reduce the CO₂ emissions of its vehicles by 30% by 2030;
- to consume 100% low-carbon energy in its buildings by 2025.

KEY EVENTS DURING THE PERIOD AT STEF

For the Group, the key events during the first half of 2021 were as follows:

¹ Dark kitchen: new restaurant concept consisting in a restaurant that does not have a dining room and which is designed solely for ‘takeaway/delivery’ sales. Also known as a “ghost kitchen”

² Quick commerce: new distribution concept which involves offering the home delivery of meals in under fifteen minutes.

- Periods of lockdown and health and movement restrictions in all the Group's operating countries which continued to affect its activities;
- From May, an acceleration in volumes and a return to growth for almost all the Business Units in France and abroad which benefited from the easing of health measures and the reopening of restaurant chains;
- For La Méridionale, a first half-year which was still uncertain since the new Marseille-Tangier line was unable to operate fully due to the border closure with Morocco and limited journeys;
- The start of "Moving Green", the Group's 2030 Climate environmental approach;
- On 1 July, the acquisition of the Nagel group's operations in the Netherlands, the final stage of the agreement signed in 2020, following the acquisition of their activities in Italy and Belgium;
- Finally, an upturn in business in France and the Group's other operating countries which has created tension in the labour market, as has been observed in other business sectors.

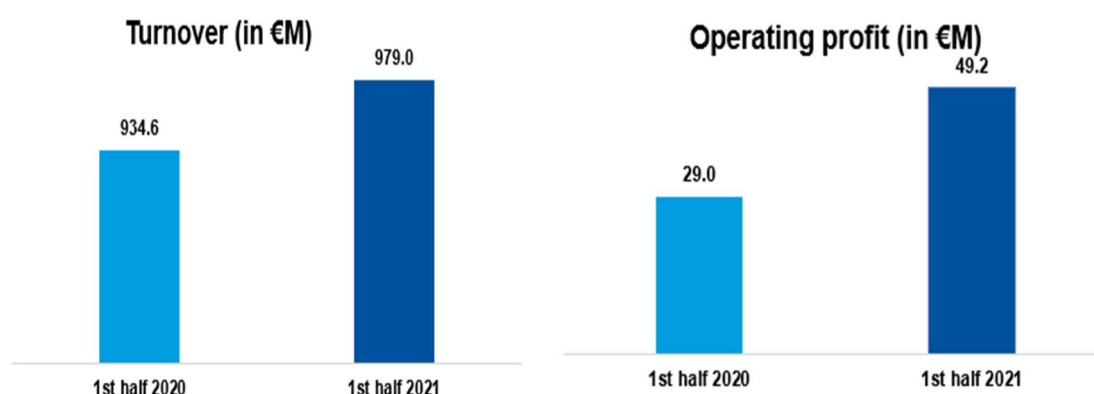
STEF GROUP'S OPERATIONS IN THE FIRST HALF OF 2021

In a context of gradual economic recovery with the lifting of health constraints in Europe, the Group's turnover was €1,636.8 million, up 9.8% (7.5% at constant scope) compared with the first half of 2020, which was very heavily impacted by the health crisis.

This solid growth marks a return to pre-Covid trends. However, recovery is still mixed depending on the activities and the geographical areas.

The Group's operating profit stood at €67.6 million, up 142% compared with 2020 and on the rise across all activities (with the exception of La Méridionale). It has therefore returned to the same performance level as that of the first half of 2019 (€67.4 million).

STEF FRANCE



Turnover in the first half of 2021 posted a rise of 4.7%, at €979.0 million compared with the first half of 2020.

Similarly to the first half of 2020, which was marked by dynamic activity over the first two months, followed by the sudden shutdown of the economy in March at the start of the Covid-19 pandemic, business in the first half of 2021 also highlighted two very distinct realities between the first and second quarter.

The first quarter was marked by restrictions related to the health crisis with turnover down 3.1%, with out-of-home foodservices and seafood products being the most affected activities.

Conversely, with the gradual easing of health constraints during the second quarter, the recovery in activity proved to be particularly strong with turnover up 13.2%.

Over the half-year, all the Business Units posted a positive growth rate compared with the first half of 2020. The volume of tonnage carried in France has returned to its 2019 level.

The continued effects of the plan to adapt resources implemented in 2020, combined with the widespread recovery in the business, allowed an operating profit of €49.2 million to be posted.

It was €29.0 in the first half of 2020 and exceeded the performance of the first half of 2019 which showed an operating profit of €43.9 million.

CHILLED CONSIGNMENTS

The chilled consignments business recorded a very good level of activity (+4.8%) close to that observed in the first half of 2019.

The return to growth was characterised by highly volatile activity over the period, with a first quarter marked by the health measures which had a particular impact on out-of-home foodservices activities, although the gradual easing of constraints led to a growth in turnover during the second quarter.

With these wide variations in activity, the Business Unit's challenge has been to adapt its production facilities in order to support the erratic changes in the needs of the Group's customers as closely as possible, while preserving the operating margin.

CHILLED SUPPLY CHAIN

The Chilled Supply Chain business grew by +4.3% compared with the previous year, due to strong commercial growth with the start of new contracts during the second half of 2020 and the first half of 2021.

This increase was accompanied by operating constraints linked to the variations in unusual volumes and the heavy demands on sites based in the Lyon region in particular. Operational performances are improving.

FROZEN

With an increase in turnover of 3.9% compared with the previous year, the Frozen business continued to post a high occupancy rate for its warehouses. Network flow activities benefited from the gradual lifting of the health constraints during the second quarter.

Results are improving, despite a higher electricity cost.

AMBIENT AND TEMPERATURE-CONTROLLED

The growth in ambient and temperature-controlled activity remained steady in the first half of 2021 with an increase of 9.3%.

The sites of Orléans and Vaulx Milieu were subject to extension works, which now enable the BU to offer a cumulative operating area of 80,000 m² and thus respond to the development dynamic of its long-standing customers and the arrival of new ones. Operational performances have been maintained due to the measures to adapt operating resources.

OUT-OF-HOME FOODSERVICES

The first four months of the financial year were marked by health constraints which weighed heavily on the activities of out-of-home foodservices customers. With the gradual easing of restrictions from mid-May, business returned to a more sustained pace and from June, volumes reverted to a growth rate similar to pre-crisis levels. Turnover increased by +8.7% over the period.

The plan to adapt operating conditions, implemented in coordination with customers, continued to have an effect, making it possible to control operating costs which however, remained high due to the irreducible fixed costs inherent in this activity.

Commercially, the professionalism of the BU was recognised with the renewal of a contract with a long-standing customer in the sector and the signing of an agreement for a company in the "Dark Kitchen" segment.

RETAIL

The activity of the Retail BU remained steady during the first half-year, compared with the first half of 2020 (+2.8%). Food e-commerce activities now represent a quarter of the Business Unit's turnover.

B to B activity experienced a relatively moderate increase, impacted in particular by strike action on an order preparation site in January in south-western France. Food e-commerce, driven by the closure of out-of-home foodservices premises, continued its double-digit growth.

The end of the crisis suggests a slowdown in growth in this sector. Nevertheless, the outlook remains positive for this sector, with the launch of a food e-commerce activity on the Aix en Provence site for a customer of the Group and the future opening, in the Paris region, of a site also specialising in food e-commerce, for manufacturers looking for shared solutions.

SEAFOOD

This activity was affected by the difficulties in the fishing industry and the reduction in the traditional fishmonger departments in retail stores.

Turnover for the Seafood BU remained steady in the first half of 2021 (+1.5%).

Volumes intended for wholesalers, the main distribution channel for these products, returned to growth from May with the reopening of restaurants.

The work to adapt production resources and restructure the collection system in France (Brittany) carried out in 2020, helped to maintain the performance.

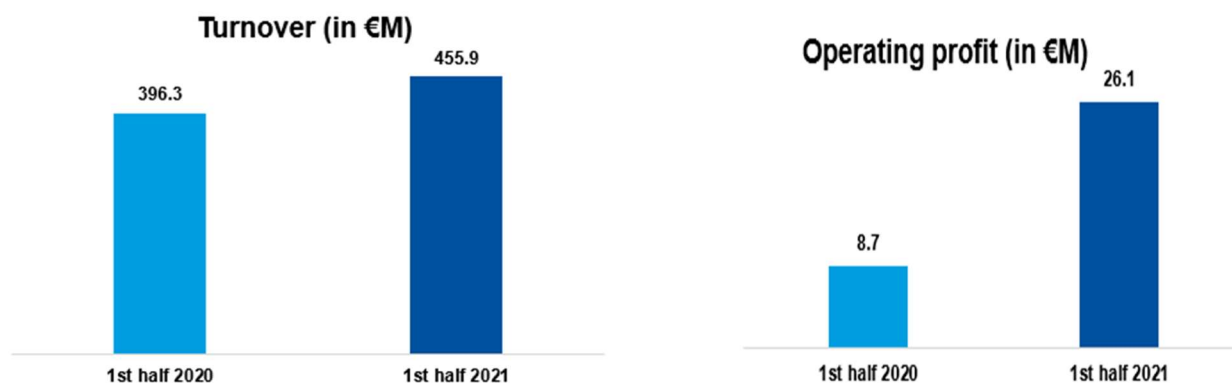
Commercially, the BU has worked to strengthen its image with its customers by positioning itself in support of the industry, with both stakeholders and organisations.

PACKAGING

The turnover of the Packaging Business Unit showed a marked increase over the half-year (+35.8%) compared with the first half of 2020, which was marked by a significant slowdown in production and an almost total shutdown of certain activities (co-packing).

The operational and commercial integration of the company DYAD, acquired in 2019 continued. The packaging development office, DYAD Solutions, is able to offer solutions to the needs of the Group's other Business Units and their customers for specific offers in terms of co-packing and co-manufacturing.

STEF INTERNATIONAL



International activities, the importance of which is growing within the Group, posted a turnover of €455.9 million, up by 15% (+6.6% at constant scope).

The change in scope comes from the acquisition of the Nagel group's operations in Belgium and Italy, integrated from January 2021.

All countries posted positive growth rates compared with the first half of 2020. Belgium (+32.8%), Switzerland (+23.1%), Italy (+17.6%), international consignments (+12.6%) and the Netherlands (+11.6%) even recorded a double-digit increase, including three at comparable scope: Switzerland (+23.1%), international consignments (+12.6%) and the Netherlands (+11.6%).

ITALY

Growth in turnover was steady in all the Group's operations in Italy: Chilled Consignments, Chilled Supply Chain, International and Frozen. Appropriate control of the use of subcontracting and good human resources management led to good profitability.

The integration of the activities acquired from the Nagel group in early 2021, helped to accelerate commercial growth and strengthen the Group's geographical network in this country.

SPAIN

Despite a first quarter still impacted by the health crisis, STEF's activities in Spain showed good commercial growth with an increase in turnover of nearly 10%.

STEF Spain strengthened its domestic transport facility in the Castille-Léon region with the opening of a centre to speed up flows in Benavente, the launch of a shipping business in Ciudad Real and the signing of a partnership in the province of Léon.

International transport operations continued to develop in an uncertain context, particularly due to the implementation of Brexit on 1 January 2021.

PORTUGAL

Impacted by severe health restrictions over the first four months of the year, despite everything, STEF Portugal succeeded in posting an increased turnover of 5% in the first half of 2021.

The Group continued its development plan in Portugal with the unveiling of its new Transport platform in Alenquer to the north of Lisbon. STEF Portugal also structured an offer for the fruit and vegetables sector.

STEF Portugal is committed to a CSR process in partnership with its customers and its supplier partners.

BELGIUM

STEF's activities in Belgium were heavily impacted in the first quarter by the fall in European consignments for export and by low volumes in out-of-home foodservices.

During the first half-year, efforts focused on the integration of the Nagel group's activities in Belgium. The Nazareth site (near Ghent) therefore becomes an additional link in STEF Belgium's distribution network and is a exit gateway for European consignments.

The challenges of the second half-year will focus on the construction of a new refrigerated warehouse at Tubize and increasing the density of the national chilled groupage network.

THE NETHERLANDS

The recovery plan and strengthening the teams enabled STEF in the Netherlands to implement the Group's processes, develop the commercial activity and improve the company's results.

The major priority of the second half-year will be the integration of the Nagel group's activities in the Netherlands, with the additional site at Raalte.

SWITZERLAND

The first half-year enabled STEF Switzerland to develop its commercial activity with the launch of a new e-commerce logistics business in late 2020 and the recovery in international consignments.

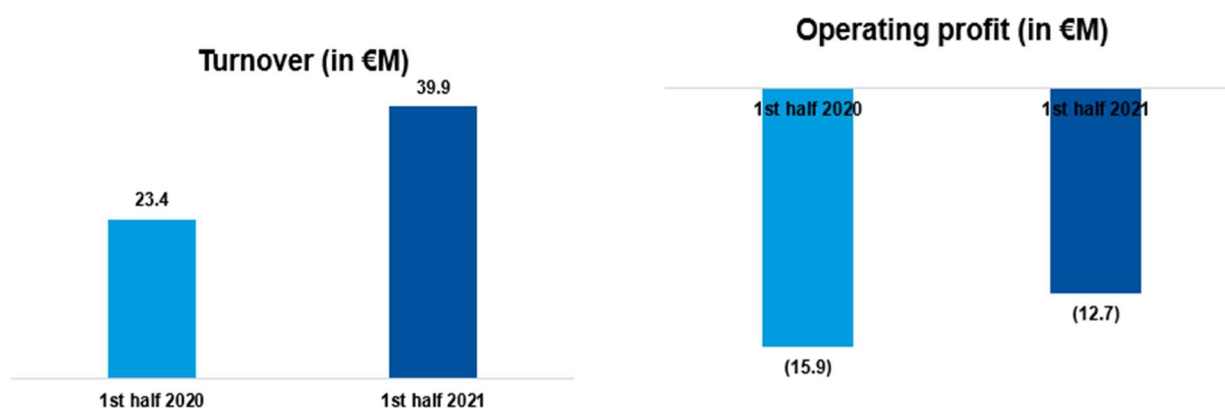
Strong commercial growth, combined with the high occupancy rates of the frozen warehouses generated a clear improvement in results. The trajectory is good with the prospective start of a new frozen logistics business, which will begin to operate in the autumn.

EUROPEAN CONSIGNMENTS

The growth in European consignments was maintained in the first half of 2021 due to an increase in order preparation activities for retail, rather than other catering activities.

Due to its expertise and suitable organisation, service quality remained excellent throughout the period, further strengthening the Group's position as leader in European consignments on the north/south axis.

MARITIME



La Mériidionale traditionally provides a public maritime passenger and freight service based on the use of ro-ro mixed passenger and cargo vessels between Marseille and Corsica. It has four ships: the Piana, the Kalliste, the Girolata and the Pelagos.

The Piana and the Kalliste are allocated to the Corsica service, with La Mériidionale providing this service from the ports of Ajaccio and Propriano as part of a 22-month public service concession (PSC) which began on 1 March 2021.

Following a particularly difficult 2020 for its historical activity providing services to Corsica, this new PSC generated a positive effect on turnover which increased by 62% on this segment compared with the first half of 2020.

Alongside its service to Corsica, in December 2020, La Mériidionale opened a regular maritime freight and passenger route connecting Marseille to Tangier Med in Morocco using 2 vessels, the Pelagos and the Girolata.

Given this new destination, Maritime turnover increased 70.4%.

Health restrictions in terms of the movement of passengers and freight continued to have a major impact on La Mériidionale's activity throughout the first half-year, for both its business to Corsica and its new Marseille-Tangier line, affecting its profitability.

For the Marseille-Tangier service, following a promising month in January, La Mériidionale had to reduce the number of planned crossings and was unable to implement the scheduled service due to the health restrictions between France and Morocco.

From June, passenger activity resumed with the health constraints still present. La Mériidionale participated in the "Marhaba 2021" operation to repatriate Moroccan residents from abroad.

Outlook:

- Services to Corsica: the summer season looks promising with summer bookings increasing;
- Marseille - Tangier Line: the opening of the borders at the start of the summer season should support the upswing in this new model which relates to a genuine need for users and takes place at a key moment in the search for alternative solutions to road.

OUTLOOK FOR 2021

The uncertain health and economic context of the first half-year has continued to affect the Group's activities in all its operating countries.

However, the correct adaptation of its production resources to the configuration of its customers' markets, combined with the Group's ability to recover have enabled it to return to its pre-crisis performance parameters.

The marked increase in turnover and operating profit are testimony to the Group's tolerance and also, a balanced distribution of its activities.

The growth and resilience of the food sector has enabled the Group to maintain its roadmap and continue its investments for 2021.

The pandemic's development will continue to raise questions in the second part of the year, but the Group remains optimistic that its activities will return to normal.

CENTRES OF EXPERTISE

REAL ESTATE

IMMOSTEF, the Group's real estate subsidiary, manages and develops the Group's real estate assets, handles the rental management of the real estate, real estate transactions and all operations related to these activities.

Despite the prolonged health crisis throughout the first half-year, the Group's real estate activity maintained a steady stream of site studies, constructions and extensions across Europe, totalling one of the highest investment volumes in recent years.

At 30 June 2021, the Group's real estate assets comprised over 250 sites (platforms and warehouses).

Main building projects started and/ or delivered in 2021

Building projects delivered in the first half of 2021:

- **Portugal:**
 - New transport site at Alenquer (north of Lisbon);
- **France:**
 - New site at Lisieux, allocated to transport operations dedicated to a retailer in Normandy;
 - Extension to the sites at Saint Sever (Landes) and Burnhaupt (Alsace), totalling 56,000 m³ of negative cold chambers;
 - Extension to the refrigerated sites at Burnhaupt, La Crèche, Pessac, Donzenac and Sorgues, representing a total additional surface area of over 15,000 m²;
 - Remodelling of the Macon site, acquired in late 2020, with the delivery of 7,000 m² of new chambers, over a total surface area of 19,000 m².

Main building projects started in the first half of 2021:

- **France:**
 - Frozen extensions to three sites in western France in late 2021 for a total of 115,000 m³: Ifs (Caen), Chateaubourg (Western Rennes) and Yffiniac (St Brieuc);
 - Remodelling of the Aix en Provence site in order to accommodate an e-commerce business in the autumn;
- **Outside France**, the following projects will be started:
 - Italy: Basiano (north-east Milan) with a new, 6,000 m² transport site and Longiano (Cesena) with a new 4000 m² chilled consignments platform;
 - Spain: Alcala (Madrid) with a 70,000 m³ frozen extension.
- **Projects out for tender**, representing a total surface area of over 50,000 m²:
 - Belgium: new chilled supply chain site at Tubize;
 - Spain: new chilled consignments and frozen site at Malaga and an extension dedicated to the chilled supply chain in Madrid;
 - France: Extension to the sites at Darvault (Seine et Marne), Toussieu (Rhône-Alpes, site dedicated to the Seafood BU) – Aurice (Landes), remodelling of the Angers chilled consignments platform (Maine et Loire) - new e-commerce site in Lieusaint (Seine et Marne).

Acquisitions and sale of land and real estate assets

In order to support the Group's development as closely as possible, STEF has implemented a structured approach to creating strategic land reserves. This, conducted with all the Group's stakeholders, has identified requirements in terms of bare or developed land in Europe which must be covered by 2030.

In this context, during the first half-year, IMMOSTEF acquired land in Cartama (Malaga) and Alicante in Spain, in Padova in Italy, as well as an SCI (real estate investment company) that owns a real estate asset in Saint Genis Laval (Rhône Alpes).

Three transport platforms representing a total surface area of over 16,000 m² complete the Group's investment as part of the acquisition of the Nagel group's activities in three countries: Nogarole Roca (Verona) in northern Italy, Nazareth (Ghent) in Belgium and Raalte in the northern Netherlands.

BLUE ENERFREEZE

During the first half-year, Blue EnerFreeze, the Group's energy management subsidiary continued its development with:

- In France, the design of photovoltaic energy production facilities on around ten eligible sites, for an implementation at the end of the year;
- Internationally, the continued creation and rise in operations of subsidiaries dedicated to photovoltaic electricity production intended for in situ consumption, with:
 - In Italy, the construction of an exceptionally-large photovoltaic power plant for in situ consumption on the Fidenza site. This will produce 15% of the electricity consumed over one year on this site, which will make it self-sufficient for 100% of its needs 50 days of the year;
 - The creation of Blue EnerFreeze subsidiaries in Spain and Portugal in order to structure the energy management in these countries.

At 30 June 2021, Blue EnerFreeze was operating 12 photovoltaic power plants: 4 in Italy, 3 in France, 2 in Spain, 2 in Portugal and one in Belgium. The production from these power plants represents between 10 and 35% of the consumption of the sites on which they are based. Other projects are in progress and by late 2021, should make it possible to achieve 20% of the objectives that the Group has set itself for 2025 in this area.

Finally, Blue EnerFreeze is actively working on green hydrogen production and energy storage projects with a view to deployment from 2022.

INFORMATION SYSTEMS

STEF Information et Technologies (STEF IT) designs software solutions and integrates and maintains the information systems that the Group needs to support its customers and improve the productivity of the business divisions. It supports the Group in its digital transformation through innovative projects.

The STEF IT teams remained highly mobilised to support the management of the Covid-19 health crisis. Despite successive periods of lockdown, most key projects were completed on time and investments in digital tools for paperless solutions continued.

The exceptional resources deployed in 2020 to manage the first lockdown period were maintained in order to ensure the continuity of operations under the best security and flexibility conditions. The physical, software and telecommunications infrastructures set up in 2020 to enable the Group's employees to work remotely were maintained and improved.

Priority projects and investments in digital tools for paperless solutions continued with, in particular, the deployment of a new digital portal for the Group's customers and their consignees for the goods. This solution offers real-time tracking of shipments, advanced performance indicators and additional services suited to customers' specific requirements.

The Group remained on course with its digital transformation strategy designed to enhance the services offered to its customers and improve its processes through a greater optimisation of data management.

Many pilot projects in mobility, sensors and big data/machine learning are underway within the Group. The digital transformation process is also committed to operational employees in the field, through the appointment of "10 Digital Champions" and the creation of a Group coordination committee.

HUMAN RESOURCES

The STEF Group's Human Resources department remained mobilised to support the management of the pandemic and the health restrictions in all the Group's operating countries.

At 30 June 2021, the Group's workforce (permanent and fixed-term employment contracts) changed as follows, compared to 30 June 2020:

WORKFORCE BY DIVISION

Permanent and fixed term employment contracts	30/06/2020	30/06/2021
STEF France	13,801	13,524
STEF International	4,032	4057
Maritime	534	626
Other activities and central functions	676	688
GROUP TOTAL	19,043	18,895

WORKFORCE BY COUNTRY

	30/06/2020	30/06/2021
France	15,081	14,909
Outside France:	3,962	3,986
Spain	1778	1779
Portugal	484	414
Italy	869	926
Belgium	382	416
The Netherlands	326	310
Switzerland	123	141
GROUP TOTAL	19,043	18,895

The Group's workforce (permanent and fixed-term employment contracts) decreased by 0.8% compared with the first half of 2020.

This fall is explained by the effects of the pandemic on fixed-term contracts, in regions or businesses particularly affected: Portugal, The Netherlands, Seafood and Out-of-home foodservices BU in France. The increase in the maritime workforce is related to the resources deployed for the opening of the Marseille - Tangier line with the fitting out of the Pelagos vessel.

Furthermore, the resulting monitoring of structure costs was reflected by adapting the functional organisation of the different scopes.

One of the key events of the first half of 2021 was the tension observed in the labour market, with major difficulties in recruiting for certain job profiles.

CONSOLIDATED FINANCIAL STATEMENTS

Change in scope

- Integration of the Nagel Group's operations in Italy and Belgium from 31 December 2020;
- Change in the consolidation scope during the first half of 2021: acquisition of 100% of the company SCI Fonciex which owns a real estate site in Saint Genis Laval (Rhône-Alpes).

Overview of turnover

After a first half of 2020 greatly affected by the Covid-19 health crisis and a strict lockdown in the countries where the Group operates, the Group returned to growth during the first half of 2021, with levels recovering close to those of 2019. However, certain activities were still penalised by the restrictions in terms of out-of-home foodservices.

Cumulative half-year	2020	2021	Change %	At constant scope %
STEF France	934.6	979.0	4.7%	4.7%
STEF International	396.3	455.9	15.0%	6.6%
Maritime	23.4	39.9	70.4%	70.4%
Others	136.6	161.9	18.6%	18.6%
Total	1,491.0	1,636.8	9.8%	7.5%

Consolidated income statement

The Group's operating profit saw strong growth over the half-year to return to levels similar to those of the first half of 2019, following an unprecedented first half of 2020 with a strict lockdown period. There is a notable improvement in the operating profit over most activities.

Financial income continued to benefit from an environment of low and negative rates but also the end of certain real estate financing at higher fixed rates.

The Group's effective rate of tax (excluding maritime activities which did not affect the tax expense given its specific taxation (tonnage tax)) in 2021 was down by 3.8 points compared with 31 December 2020 and 30 June 2020. This fall is mainly related to the reduction in corporate tax in France over the period (from 32.02% to 28.41%).

The net profit attributable to Group shareholders stood at €45.3 million (which is +€30.4 million compared to the first half of 2020).

Operating profit (in €M)	1st half 2020	1st half 2021	Change
Turnover	1,491.0	1,636.8	9.8%
EBIT	27.9	67.6	142.0%
Financial income	(3.9)	(3.5)	
Profit before tax	24.1	64.1	166.6%
Tax expense	(12.0)	(21.9)	
Share in net profit of associated companies	2.5	2.8	
Net profit	14.6	45.1	209.9%
- of which profit attributable to Group shareholders	14.9	45.3	
- of which profit attributable to minorities	(0.3)	(0.2)	

Financial structure

Consolidated equity amounted to €838 million against €818 million at 31 December 2020. This change includes the distribution of dividends amounting to €31 million following a decision at the STEF shareholders' meeting on 29 April 2021.

Financial flows

Cash flow from operations increased, mainly due to the improvement in activity over the period. Investment flows fell compared with the first half of 2020, a half-year that had been marked by the acquisition of the Pelagos vessel and external growth operations.

Transactions between related parties

The nature, terms and amounts of the transactions with related parties did not change significantly over the first half of 2021.

Significant changes compared with the last annual report

With the exception of the point referred to in note 25 "contingent liabilities" of the interim condensed consolidated financial statements, there is no change or uncertainty relating to the principal risk factors set out in the 2020 annual report which could have a significant impact on the business and the results of the second half of 2021.

Important events occurring between the balance sheet date and the date of this report

No significant event likely to have an impact on the accounts took place between the 30 June 2021 and the date on which the accounts were approved by the Board of Directors.



INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE FIRST
HALF-YEAR ENDED ON 30
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CONSOLIDATED INCOME STATEMENT*(in thousands of euros)*

	note	1st half 2021	1st half 2020
TURNOVER	9	1,636,830	1,490,966
Purchases from third parties	10	(976,389)	(890,276)
Taxes and related expenses		(26,826)	(34,085)
Payroll expenses	11	(472,473)	(455,094)
Depreciation and amortisation	12	(89,316)	(86,376)
(Net charges to) net reversals of provisions		(3,230)	1,953
Other operating income and expenses	13	(974)	855
OPERATING PROFIT		67,621	27,943
Financial expenses		(3,850)	(4,295)
Financial income		365	408
Financial results	15	(3,485)	(3,887)
PROFIT BEFORE TAX		64,136	24,057
Tax expense		(21,881)	(11,992)
Share in net profit of equity-accounted companies	23	2,836	2,488
PROFIT FOR THE PERIOD		45,090	14,553
* of which attributable to Group shareholders		45,258	14,855
* of which attributable to minorities		(168)	(302)
EBITDA	14	160,374	112,063
Earnings per share:		(in euros)	(in euros)
- basic earnings per share:		3.66	1.20
- diluted:		3.61	1.20

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT*(in thousands of euros)*

	1st half 2021	1st half 2020
PROFIT FOR THE PERIOD	45,090	14,553
Actuarial gains and losses on pension plans	3,148	(37)
Tax expense on non-recyclable items	(873)	12
Other items of comprehensive income, net of income tax which will not subsequently be reclassified into	2,275	(25)
Unrealised foreign exchange gains or losses from activities abroad	(295)	303
Effective portion of change in fair value of cash flow hedging derivatives	3,346	(950)
Tax expense on recyclable items	(462)	172
Other items of comprehensive income, net of income tax which are subsequently reclassified into income	2,589	(475)
COMPREHENSIVE INCOME FOR THE PERIOD	49,954	14,053
* of which attributable to Group shareholders	50,101	14,366
* of which attributable to minorities	(147)	(313)

CONSOLIDATED BALANCE SHEET*(in thousands of euros)*

ASSETS	note	30 June 2021	31 December 2020
Non-current assets			
Goodwill		203,977	206,177
Other intangible assets		13,065	13,779
Tangible fixed assets		1,318,280	1,303,673
Right of use under leases		229,083	222,792
Non-current financial assets		40,015	39,889
Investments in associated companies		49,435	48,583
Deferred tax assets		8,505	8,502
Total non-current assets		1,862,361	1,843,394
Current assets			
Inventories and work in progress		80,874	81,153
Customers		534,761	510,514
Other receivables and current financial assets		109,771	140,109
Current tax assets		0	10,520
Cash and cash equivalents		56,682	54,413
Total current assets		782,088	796,709
Total assets		2,644,449	2,640,103
LIABILITIES	note	30 June 2021	31 December 2020
Equity			
Share capital		13,000	13,000
Share premium account		0	0
Reserves		824,155	803,914
Equity, Group share		837,155	816,914
Minority interests		518	863
Total equity		837,673	817,776
Non-current liabilities			
Non-current provisions	20	47,425	47,829
Deferred tax liabilities		17,498	21,130
Non-current financial liabilities	21	289,173	362,111
Non-current lease obligations	21	163,710	159,244
Total non-current liabilities		517,805	590,314
Current liabilities			
Trade accounts payable		434,339	461,047
Current provisions	20	19,200	15,915
Other current liabilities		324,990	316,832
Current tax liabilities		9,290	363
Current financial liabilities	21	444,517	380,855
Current lease obligations	21	56,634	57,002
Total current liabilities		1,288,970	1,232,013
Total liabilities		2,644,449	2,640,103

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)

	Share capital	Share premium account	Consolidated reserves	Translation reserves	Treasury shares	Fair value reserves	Equity attributable to equity shareholders of the parent company STEF	Minority interests	Total equity
Equity at 1 January 2020	13,000	0	789,631	256	(39,454)	(4,167)	759,266	1,478	760,744
Dividends paid							0		0
Acquisition and disposal of treasury shares					550		550		550
Other share transactions			558				558		558
Transactions with minority interests							0		0
Total transactions with shareholders	0	0	558	0	550	0	1,108	0	1,108
Comprehensive income for the period	0	0	14,830	303		(767)	14,366	(313)	14,053
Equity at 30 June 2020	13,000	0	805,019	559	(38,904)	(4,934)	774,740	1,165	775,905
Equity at 1 January 2021	13,000	0	846,046	375	(38,923)	(3,585)	816,914	863	817,776
Dividends paid			(30,957)				(30,957)		(30,957)
Acquisition and disposal of treasury shares					363		363		363
Other share transactions			932				932		932
Transactions with minority interests			(198)				(198)	(198)	(396)
Total transactions with shareholders	0	0	(30,223)	0	363	0	(29,860)	(198)	(30,058)
Comprehensive income for the period	0	0	47,512	(295)		2,884	50,101	(147)	49,954
Equity at 30 June 2021	13,000	0	863,335	80	(38,560)	(701)	837,155	518	837,673

CASH FLOW STATEMENT*(in thousands of euros)*

	note	1st half 2021	1st half 2020
Profit for the period		45,090	14,553
+/- Net depreciation, amortisation, impairment of non-current assets and provisions	14	92,753	84,119
+/- Gains or losses from the sale of non-current assets		(515)	(777)
+/- Share in net profit (loss) of associated companies	23	(2,836)	(2,488)
+/- Change in market value of derivatives		31	(47)
+/- Other expenses and income, generating no change in cash		898	(1,278)
- Deferred tax		0	0
Cash flow from operations (A)		135,421	94,082
Cancellation of the tax expense (income)		21,881	11,992
Taxes paid		(7,305)	(27,672)
Changes in the other items of the WC		(9,212)	(39,930)
+/- Change in working capital (B)		5,364	(55,610)
NET CASH FROM OPERATING ACTIVITIES (C) = (A+B)		140,786	38,472
- Cash used in acquiring intangible assets		(921)	(1,890)
- Cash used in acquiring tangible fixed assets		(75,005)	(101,762)
+/- Change in granted loans and advances + financial assets		189	(8,296)
-/+ Proceeds and cash used in the acquisition and sale of subsidiaries net of acquired cash	7	1,662	(13,756)
+ Proceeds from sale of tangible and intangible fixed assets		1,867	9,427
+ Dividends received from associated companies		1,074	1,199
NET CASH FROM INVESTMENT ACTIVITIES (D)		(71,134)	(115,078)
+/- Acquisition and disposal of treasury shares		163	550
- Dividends paid to STEF owners		(30,957)	0
- Dividends paid to minority shareholders		0	0
+ Proceeds from new borrowings	21	95,500	198,550
- Repayment of borrowings and lease obligations	21	(124,480)	(191,675)
NET CASH FROM FINANCING ACTIVITIES (E)		(59,774)	7,425
Net cash position at beginning of period		7,387	38,749
Net cash position at end of period	21	17,264	(30,432)
= CHANGE IN NET CASH POSITION (C+D+E)		9,878	(69,181)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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1. ENTITY PRESENTING THE FINANCIAL STATEMENTS

STEF SA, is a public limited company incorporated under French law with its registered office in Paris and its shares listed on the NYSE Euronext Paris' B compartment. The half-yearly condensed consolidated financial statements for the half-year ended on 30 June 2021 include STEF S.A. and its subsidiaries, collectively referred to as "the Group" and the Group's share in associated companies. Unless otherwise specified, they are presented in euros, rounded to the nearest thousand.

These half-yearly condensed consolidated financial statements were approved by the Board of Directors of STEF S.A. on 02 September 2021.

2. COVID-19 PANDEMIC

The Group continued to operate against the backdrop of the health crisis without a significant impact on its activity over the first half of 2021 and this, despite the restrictions that severely affected restaurants during this period. The Group has not identified an indication of loss in value on its assets at 30 June 2021.

With regards to 2020, the health crisis and its consequences were set out in note 2 to the consolidated financial statements at 31 December 2020.

3. ACCOUNTING STANDARDS

The half-yearly condensed consolidated financial statements for the first half-year ended on 30 June 2021 have been prepared in accordance with the IAS 34 standard "*Interim financial information*" of the International Financial Reporting Standards (IFRS) as adopted by the European Union.

These half-yearly condensed accounts do not include all the information required for the annual accounts insofar as they contain only the notes to the financial statements that are significant in understanding the development of the Group's activity or financial situation and must be read alongside the consolidated financial statements for the financial year ended on 31 December 2020.

4. ACCOUNTING PRINCIPLES AND PRESENTATION OPTIONS

The accounting methods applied by the Group for the preparation of the half-yearly financial statements comply with the IFRS standards and interpretations as adopted by the European Union at 30 June 2021. These accounting policies used are consistent with those used in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2020.

In addition, the Group did not apply the following standards and interpretations, which were not adopted by the European Union at 30 June 2021 or the application of which was not mandatory at 1 January 2021.

- Amendments to IFRS 3 - Reference to the conceptual framework;
- Amendments to IAS 16 - Proceeds before intended use;
- Amendments to IAS 37 - Costs considered in assessing whether a contract is onerous;
- Annual improvements to IFRS Standards 2018 - 2020;
- Amendments to IAS 1 - Classification of liabilities as current or non-current;
- Amendment to IAS 1 - Presentation of financial statements and IFRS practice statement 2: disclosure of accounting policies;
- Amendments to IAS 8 - Definition of accounting estimates;
- Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to IFRS 16 - Covid-19-related rent concessions after 30 June 2021;
- IFRS 17 - Insurance contracts.

Amendments to the standards IAS 39, IFRS 7, IFRS 9 and IFRS 4 - Interest rate benchmark reform (IBOR) Phase 1 and 2

There are two phases to this amendment to the standards IAS 39, IFRS 7, IFRS 9 and IFRS 4 relating to the reform of interest rate benchmarks which are used as a valuation basis for many financial instruments:

- Phase 1, applicable from 1 January 2020, which allows uncertainties about the future of benchmark rates to be ignored when evaluating the effectiveness of hedging relationships and/or the highly probable nature of the hedged liability;
- Phase 2, applicable from 1 January 2021, which sets out that the accounting impacts related to the actual replacement of the benchmarks are to be specified. Phase 2 has no impact in the absence of an actual modification of the benchmarks in the Group's contracts at 30 June 2021. The transition to the new benchmarks will not have a significant impact.

Amendments to the IFRS 16 standard - Leases on the Covid-19 related rent concessions

This amendment to the IFRS 16 standard permits lessees not to apply the IFRS 16 guidelines on accounting for contract modifications for the rent concessions granted by lessors and resulting directly from the Covid-19 pandemic. This does not impact the Group's consolidated financial statements.

IFRIC decision - Attributing benefit to periods of service (IAS 19)

In May 2021, the ASB approved the IFRIC decision on attributing post-employment benefit plan rights. This decision focuses on the attachment of a plan's benefit to periods of service and encourages the approach that consists in linearising the period preceding retirement age and allowing the capped rights to be obtained. The Group is continuing to analyse the impacts of this decision, which should result in a reduction in retirement bonuses. This calculation will be finalised in the second half of the financial year.

5. ESTIMATES

The preparation of the half-yearly consolidated financial statements requires the Group's management to make estimates and assumptions that have an impact on the application of the accounting methods and on the values used to close the accounts for the financial year concerned. In particular, the definitive actual values may differ from the estimated values.

For the preparation of the half-yearly consolidated financial statements, the significant assumptions used to apply the Group's accounting methods and the main sources of uncertainty relating to the estimates were similar to those described in the consolidated financial statements for the financial year ending on 31 December 2020.

The specific evaluation methods applied to the interim financial reports were as follows:

- the tax expense for the half-year was evaluated by applying the profit before tax for the half-year excluding the Maritime profit, the estimated average effective tax rate for the full year;
- the expense relating to the contractual incentives (quality part) for personnel corresponds to half the estimated expense for the entire financial year;
- employee profit-sharing expenses and the expense relating to incentives (profitability part) were estimated based on the budget for the 2021 financial year. These elements are subject to a re-estimation depending on profits;
- the amounts recognised as pension benefit commitments in the consolidated balance sheet at 30 June were determined by adjusting the net book value on the opening of the accrued benefits, the interest costs and contributions to the plan depending on the amounts estimated at 31 December 2020 for 2021 along with the actuarial gains and losses of the period.

6. SEASONAL NATURE OF THE BUSINESS

Business in the second half-year is generally stronger than the first due to the concentration of the summer period and the end-of-year festive period.

Consequently, the operating profit for the first half-year is traditionally lower than that for the second half-year.

7. SCOPE OF CONSOLIDATION

Acquisitions and disposals over the period

Acquisitions

There was no significant acquisition of companies over the period.

Disposals

There were no disposals during the first half of 2021.

Monitoring of 2020 acquisitions and disposals

The purchase price of the shares in STEF Nogarole (formerly Nagel Italia) was subject to a downward price adjustment of €2,200 thousand during the first half of 2021. This price adjustment corresponds to the difference between the net cash position estimated on the acquisition and the actual net cash position at 31 December 2020. Consequently, the goodwill recorded at 31 December 2020 and relating to the acquisition of the Nagel Group's operations in Italy and Belgium (€9,633 thousand) was reduced by the same amount which is €7,433 thousand at 30 June 2021.

Furthermore, these acquired activities contributed €33.4 million to the Group's turnover in the first half of 2021.

	1st half 2021	1st half 2020
Net cash paid out following the acquisition of consolidated shareholdings	(538)	
Net cash paid out following acquisition of interests not giving control		(8,550)
Net cash following the sales of subsidiaries		
Other items (additional prices/recapitalisation, etc.)	2,200	(5,206)
Total proceeds and cash used in the acquisition and sale of subsidiaries net of acquired cash	1,662	(13,756)

The amount of (€538 k) show under the "Net cash paid out following the acquisition of consolidated shareholdings" line in the first half of 2021 corresponds to the acquisition of 100% of the shares in the company SCI Fonciex which owns a real estate site in Saint Genis Laval (69).

8. FINANCIAL RISK MANAGEMENT

The Group hedges the rate risk on floating rate debt related to long-term real estate and maritime financing through interest rate swaps.

At 30 June 2021, the total notional amount of the instruments for hedging the rate risk on floating rate debt was €129 million compared with €144 million at 31 December 2020.

Given the context of the health crisis, the Group's exposure to customer credit risk is subject to weekly monitoring. However, none of the Group's customers is of such a size that their bankruptcy could have a significant effect on the financial situation of the Group which, notwithstanding the protection mechanisms that it has due to the applicable regulations, continues to use credit insurance in the transport sector and for all its international activities.

With regards exchange rate risk, the Group operates mainly in the Eurozone and its exposure to the exchange rate fluctuations in other currencies remains low.

In terms of liquidity risk, the Group is still relatively unexposed given the existing margins on the available credit lines due to its active policy of centralising cash flow in France and in its principal European subsidiaries.

9. SEGMENT INFORMATION

1st half 2021	France	International	Maritime	Others	Consolidated data
Turnover from activities (inter-segment sales included)	993,460	463,870	39,924	199,661	1,696,914
Inter-segment	(14,443)	(7,928)	0	(37,712)	(60,083)
Net consolidated turnover	979,017	455,941	39,924	161,949	1,636,830
Recurring operating profit	50,039	26,010	(12,667)	5,214	68,596
<i>Other operating income and expenses</i>	(889)	85	(7)	(163)	(974)
Operating profit (loss) of activities	49,150	26,094	(12,674)	5,051	67,621

1st half 2020	France	International	Maritime	Others	Consolidated data
Turnover from activities (inter-segment sales included)	947,053	405,233	23,425	177,321	1,553,032
Inter-segment	(12,411)	(8,929)	0	(40,726)	(62,066)
Net consolidated turnover	934,642	396,304	23,425	136,595	1,490,966
Recurring operating profit	27,092	10,079	(15,860)	5,777	27,088
<i>Other operating income and expenses</i>	1,940	(1,370)	(49)	335	855
Operating profit (loss) of activities	29,032	8,709	(15,909)	6,112	27,943

The turnover of the "Other" sector includes goods trading for third parties for €151.4 million in the first half of 2021 compared with €126.3 million in the first half of 2020.

10. PURCHASES FROM THIRD PARTIES

	1st half 2021	1st half 2020
Purchases other than energy (including foodservice goods)	(170,542)	(147,588)
Purchases of diesel and other fuels	(63,617)	(58,187)
Purchases of other energy	(22,489)	(18,702)
Transport subcontracting	(515,215)	(467,532)
Rent and lease expenses	(14,072)	(14,932)
Maintenance	(49,860)	(44,288)
External staff and intermediaries' wages and salaries	(77,154)	(77,803)
Insurance and losses	(25,171)	(26,161)
External services and miscellaneous	(38,270)	(35,082)
Total:	(976,389)	(890,276)

The change in this item can be explained primarily by the good performance of the business in the first half of 2021 contrary to the first half of 2020 which was severely impacted by a strict lockdown in the countries in which the Group operates. In addition, purchases of diesel and electricity were also affected by the surge in prices over the first half of 2021.

11. PAYROLL EXPENSES

	1st half 2021	1st half 2020
Salaries and other compensation	(445,927)	(434,740)
Net length-of-service awards payable to staff on retirement and long-service awards	(2,614)	(2,450)
Employee incentive bonuses and profit-sharing (inc. company contributions)	(23,932)	(17,904)
Payroll expenses	(472,473)	(455,094)

The "Salaries and other compensation" item includes the expense relating to the allocation plans for performance shares. At 30 June 2021, this amounted to €1.5 million, including employer expenses (€0.6 million at 30 June 2020).

The main effect of the increase in the payroll expenses item is related to the rise in variable bonuses and profit sharing/incentive elements linked to the improvement in results over the period.

12. DEPRECIATION AND AMORTISATION

	1st half 2021	1st half 2020
Amortisation of intangible fixed assets	(1,482)	(1,728)
Amortisation of tangible fixed assets	(60,401)	(56,564)
Amortisation of rights of use	(27,433)	(28,085)
Total	(89,316)	(86,376)

13. OTHER OPERATING INCOME AND EXPENSES

	1st half 2021	1st half 2020
Gains on fixed asset sales	0	716
Gains on sales of rolling stock	595	1,252
Others	(1,569)	(1,113)
Total	(974)	855

The half-year was marked by the absence of significant real estate capital gains over the period.

14. EBITDA

	1st half 2021	1st half 2020
Operating profit	67,621	27,943
Net depreciation and amortisation of fixed assets	89,316	86,376
Net impairment and provisions and other items that do not have any impact on the cash recognised under other entries	3,437	(2,257)
Total	160,374	112,063

15. FINANCIAL INCOME

	1st half 2021	1st half 2020
Financial income	365	408
Income from fair value of financial assets and liabilities recorded at fair value in the profit and loss	31	59
Other financial income	334	343
Net foreign exchange gains	0	6
Financial expenses	(3,850)	(4,295)
Net interest expenses on financial liabilities measured at amortised cost	(2,848)	(3,252)
Interest expenses on lease obligations	(934)	(1,043)
Net foreign exchange losses	(68)	0
Total	(3,485)	(3,887)

The average cost of debt fell over the period (0.84% in the first half of 2021 compared with 0.93% in the first half of 2020).

16. TAX EXPENSE

The effective tax rate paid during the first half of 2021 and applied to the profits of companies excluding maritime stood at 28.1 %, down 3.8 points compared with the effective tax rate for the 2020 financial year excluding maritime (31.9%). This change is primarily explained by the reduction in corporate tax applied in France in 2021 (from 32.02% to 28.41%).

As a reminder, the losses of the Maritime business did not affect the tax expense given the specific taxation (tonnage tax).

17. GOODWILL

Goodwill decreased by €2.2 million over the period as a result of the price adjustment of the same amount received from the Nagel Group in relation to the acquisition of STEF Nogarole (formerly Nagel Italia) at the end of 2020 (ref. note 7 Change in scope).

18. INTANGIBLE AND TANGIBLE FIXED ASSETS

The principal acquisitions of tangible fixed assets over the period (excluding maintenance investments) covered:

- €50 million of real estate investment including Pessac (€2.8 million), Niort (€2.7 million), Bergame (€2.5 million), Brive (€2.5 million), Malaga (€2.3 million), Mulhouse (€2.2 million) and Alcala (€2.2 million)
- the purchase of a site at Saint Genis Laval for €0.9 million
- the acquisition of rolling stock for €26.7 million including €23.1 million of rights of use related to leases.

It should be noted that the acquisition of the Nagel Group's operations in the Netherlands was finalised on 30 June 2021 with the acquisition of a business and fixed assets for €0.8 million and the real estate site based in Raalte for €2.8 million.

19. EQUITY

At 30 June 2021, the share capital of STEF S.A. was comprised of 13,000,000 paid shares with a nominal value of 1 euro.

The dividend paid in the first half of 2021, under the result of the 2020 financial year amounted to 2.50 euros per share.

20. PROVISIONS

The change in the provisions for risks and expenses is presented as follows:

	31 December 2020	Allocation s	Reversals	Scope	Other changes	30 June 2021
Length-of-service awards payable on retirement	27,886	2,177	(1,998)	0	(3,052)	25,013
Long-service awards	11,441	218	(255)	0	(8)	11,396
Dispute provisions	13,764	6,755	(8,670)	0	110	11,959
Other provisions	10,653	9,647	(1,927)	0	(116)	18,257
Total	63,744	18,796	(12,850)	0	(3,066)	66,625

The length-of-service awards payable on retirement and long-service awards were impacted by the rise in the discount rates over the period (0.9% in the Eurozone compared with 0.6% at 31 December 2020 and 0.5% in Switzerland compared with 0.35% at 31 December 2020).

Other provisions mainly cover tax and social risks.

21. LOANS AND FINANCIAL LIABILITIES

The detail of the current and non-current financial liabilities is comprised of the following classes of liabilities:

	30 June 2021	31 December 2020
Non-current financial liabilities		
Bank borrowings and drawdowns of confirmed credit lines of more than one year	285,432	356,679
Lease obligations	163,710	159,244
Fair value of financial derivatives	3,741	5,431
Total	452,883	521,354
Current financial liabilities		
Portion at less than one year of:		
- Bank loans and spot lines of credit	52,077	50,869
- Lease obligations	56,634	57,002
- Other miscellaneous financial liabilities	3,142	3,739
- Commercial papers	348,000	277,000
Fair value of financial derivatives	1,880	2,221
Bank overdrafts and short-term loans (a)	39,418	47,026
Total	501,150	437,857
TOTAL FINANCIAL LIABILITIES (b)	954,034	959,211
Marketable securities and investments	2,245	2,264
Cash assets	54,437	52,149
Total cash and cash equivalents (c)	56,682 (c)	54,413
Bank overdrafts and short-term loans (a)	39,418	47,026
Total net cash (c) - (a)	17,264	7,387
Net debt (b)- (c)	897,351	904,799
Debt/equity ratio	1.07	1.11

Changes in financial activities over the period, detailed by cash and non-cash flows appear below:

	31 December 2020	Cash flows		Non-cash flows					30 June 2021
		New loans	Repayments	Changes in scope	Change in fair value	Impact of foreign exchange	New lease obligations	Reclassification and other changes*	
Bank loans and credit line drawdowns	407,549	24,500	(94,580)	398	0	(358)	0	0	337,509
Current lease obligations (IFRS16)	216,246	0	(29,459)	431	0	(84)	34,861	(1,650)	220,344
Commercial papers	277,000	71,000	0	0	0	0	0	0	348,000
Miscellaneous financial liabilities & accrued interest	3,739	0	(441)	8	0	(165)	0	0	3,142
Bank overdrafts and short-term loans	47,026	0	(7,608)	0	0	0	0	0	39,418
Fair value of financial derivatives	7,652	0	0	0	(2,031)	0	0	0	5,621
Total:	959,211	95,500	(132,088)	837	(2,031)	(607)	34,861	(1,650)	954,03

* Reclassifications and other changes include lease terminations

The Group has spot loans totalling €14 million, unused at 30 June 2021 (unused at 31 December 2020) and overdraft agreements, with no agreed expiry dates, totalling €148 million (€164 million at 31 December 2020) of which €39 million was used at 30 June 2021 (€47 million at 31 December 2020).

The current cash needs required for the Group's operations are mainly provided by credit lines at parent company level. The Group has 13 confirmed medium-term credit lines available, totalling €246 million, unused at 30 June 2021 (13 credit lines available at 31 December 2020 for €247 million, of which €68 million was used at this date).

Finally, the outstanding amount for the commercial papers programme, issued by STEF SA on maturities ranging from 1 day to 1 year is €348 million at 30 June 2021 (€277 million at 31 December 2020).

22. INFORMATION ON THE FAIR VALUE OF FINANCIAL INSTRUMENTS BY CATEGORY

	Balance sheet value 30/06/2021	Fair value through the income statement	Fair value through other comprehensive income	Financial instruments at amortised cost
Unconsolidated equity instruments	284		284	
Other non-current financial assets	6,783		334	6,449
Loans and receivables from financial activities	31,148			31,148
Marketable securities	1,800		1,800	
Sub-total: non-current financial assets	40,015		2,418	37,597
Customers	534,761			534,761
Other accounts receivable	109,771		991	108,780
Cash and cash equivalents	56,682	56,682		
Assets	741,230	56,682	3,409	681,138

	Balance sheet value 30/06/2021	Fair value through the income statement	Fair value through other comprehensive income	Financial instruments at amortised cost
Derivative financial liabilities	5,621	5	5,616	
Debts from financial activities	908,995			908,995
Current financial liabilities	39,418			39,418
Sub-total: financial liabilities	954,034	5	5,616	948,413
Suppliers	434,339			434,339
Other accounts payable	334,280			334,280
Liabilities	1,722,653	5	5,616	1,717,032

Financial instruments recognised at fair value are classified according to the following hierarchy levels:

- Level 1: financial instruments which are listed on an active market;
- Level 2: financial instruments whose evaluation requires the use of valuation techniques based on observable parameters;
- Level 3: financial instruments whose evaluation requires the use of valuation techniques based in whole or in part on non-observable parameters.

	Level 1	Level 2	Level 3
Financial assets at fair value through other comprehensive income		3,409	
Cash and cash equivalents	2,245	54,437	
Assets	2,245	57,846	0
Derivatives		5,621	
Liabilities	0	5,621	0

23. OPERATIONS WITH RELATED PARTIES

In terms of the STEF Group, related parties are associated companies, directors (including members of the Group's Executive Management) and the shareholding structures of managers and senior executives who are not directors and employee investment funds.

The nature, terms and amounts of the transactions with related parties did not experience any significant change over the first half of 2021.

The values of the shares and the Group's share of the profit of associated companies is broken down as follows:

30 June 2021	Attributable to Group shareholders	Company's net assets	Equity value	Net profit (loss)	Net profit (loss) attributable to Group
GROUPE PRIMEVER	40%	40,544	16,916	4,540	1,816
MESSAGERIES LAITIÈRES	39%	16,058	7,549	2,221	859
QSL	49%	2,121	1,039	(588)	(288)
FROID COMBI	26%	4,573	1,166	424	108
NORFRIGO	38%	24,203	6,235	(70)	(26)
LIA	49%	5,088	9,215	455	223
MEDSEALOG	40%	1,153	980	(575)	(230)
OLANO SEAFOOD IBERICA	32%	5,486	2,102	408	131
OLANO VALENCIA	40%	3,298	2,214	362	145
SNC NORMANDIE EXPORT LOGISTICS	39%	7,063	2,734	(143)	(55)
OTHERS (SSCV)			(715)	312	154
TOTAL		109,587	49,435	7,346	2,836

The contribution to the income of equity-accounted companies is positive at €2,836 thousand against a positive share at 30 June 2020 of €2,488 thousand.

24. OFF-BALANCE SHEET COMMITMENTS

The off-balance sheet commitments referred to in the notes to the 2020 consolidated accounts did not change significantly over the first half of 2021.

25. CONTINGENT LIABILITIES

The Corsica Ferries dispute described in note 31 to the 2020 consolidated accounts did not change during the first half of 2021.

The Group was subject to customs inspections on two sites in France challenging the application of the reduced rate of the French Domestic Tax on Final Electricity Consumption ("TICFE") from which Blue EnerFreeze benefits on its electricity bills. The Group is disputing these infringements. A rescript was submitted to the French Customs Department on 30 August in order to confirm Blue EnerFreeze's eligibility for the reduced rate.

26. POST CLOSURE EVENTS

No significant event likely to have an impact on the accounts took place between the 30 June 2021 and the reporting dates of the accounts by the Board of Directors.




STATEMENT FROM THE
PERSON RESPONSIBLE FOR THE
HALF-YEARLY FINANCIAL
REPORT



STATEMENT FROM THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

I certify, to the best of my knowledge, that the condensed consolidated financial statements at 30 June 2021 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of all the companies included in the scope of consolidation of the STEF Group and that the business review for the first half of 2021 gives an accurate picture of the information referred to in Article 222- 6 of the AMF's General Regulations.

Paris, 02 September 2021



Stanislas LEMOR
Président Directeur Général



STATUTORY AUDITORS'
REPORT ON THE 2021 HALF-
YEARLY FINANCIAL
INFORMATION

STEF

Head Office: 93, Boulevard Malesherbes – 75008 Paris

Statutory auditors' report on the half-yearly financial information

Period from 1 January 2021 to 30 June 2021

To the Shareholders,

In accordance with the assignment entrusted to us by your Shareholders' Meeting and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code, we have conducted:

- a limited review of the accompanying half-yearly consolidated financial statements for the company STEF, relating to the period from 1 January 2021 to 30 June 2021, as attached to this report;
- verification of the information given in the half-yearly business review.

The global crisis related to the Covid-19 pandemic created specific conditions for the preparation and limited review of half-yearly condensed consolidated financial statements. Indeed, this crisis and the exceptional measures taken in the context of the health emergency led to many consequences for companies, particularly on their operations and their financing along with increased uncertainties for their future prospects. Some of these measures, such as the restrictions on movement and remote working, have also had an impact on the internal organisation of companies and the procedures for implementing our work.

These half-yearly condensed consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these consolidated financial statements based on our limited review.

I – Conclusion on the accounts

We conducted our limited review in accordance with the professional standards applicable in France.

A limited review essentially involves interviewing the members of management responsible for accounting and financial matters and applying analytical procedures. These works are substantially less extensive than those required for an audit conducted in accordance with the professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free of material misstatement obtained under a limited review is a limited assurance, lower than that given by an audit. Based on our limited review, we found no material misstatement that would call into question the compliance of the condensed half-yearly consolidated financial statements with the IAS 34 standard of the IFRS relating to interim financial information as adopted by the European Union.

II – Specific procedures

We also verified the information given in the half-yearly business review commenting on the condensed half-yearly consolidated financial statements subject to our limited review.

We have no comment to make as to the fair presentation of this information or its consistency with the half-yearly consolidated financial statements.

Paris La Défense and Courbevoie, 2 September 2021

The Statutory Auditors

KPMG S.A.

MAZARS

Jérémie Lerondeau

Anne-Laure Rousselou

Associate

Associate