INTERIM FINANCIAL REPORT AND CONDENSED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2021

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CONTENTS

INTERWASTE

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SELECTED FINANCIAL INFORMATION & MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

1.1

SELECTED FINANCIAL INFORMATION

Key interim financial data

Consolidated data

In millions of euros	06/30/2019	06/30/2020	06/30/2021	Gross change
Contributed revenue (A)	314.4	299.7	354.7	+18.3%
EBITDA	63.6	53.8	81.1	+50.7%
Current operating income	22.1	13.0	32.9	+152.1%
Net income (Group share)	**7.6**	**(0.9)**	**13.5**	**ns**
Recurring operating cash flow (B)	52.9	41.7	62.9	+50.8%
Net industrial capex paid (excl. IFRIC 12)	30.2	35.4	34.7	-2.0%
Free operating cash flow (C)	**35.0**	**39.4**	**45.1**	**+14.5%**
Net financial debt under IFRS	445.9	445.5	465.5	+4.5%
Financial leverage ratio	**3.2x**	**3.3x**	**2.7x**	**-0.6x**

Definitions:

A. Reported consolidated revenue net of: 1/ IFRIC 12 revenue representing investments made for assets under concession arrangements and booked as revenue pursuant to the standard IFRIC 12, 2/ damages and compensation paid to Séneval, net of variable cost savings, to cover costs incurred to maintain continuity of services to local authorities during asbestos removal at the Euro Métropole Strasbourg incinerator until 2019, 3/ the impact of the TGAP tax (General Tax on Polluting Activities).

B. EBITDA minus 1/ calculated expenses, 2/ current and non- current income and expenses, 3/ rehabilitation and maintenance expenses for waste treatment sites and assets under concession arrangements (including major maintenance and renewal contracts) and 4/ net IFRIC 12 investments paid.

C. Recurring operating cash flow less the change in working capital requirement, taxes paid, net interest paid and recurring industrial investments, before development investments and financial investments, before dividends and financing.

1.2

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

The first half of 2021 demonstrated Séché Environnement's capacity to benefit from the effects of economic recovery after it confirmed the resilience of its businesses and margins in 2020.

During the period, Séché's sales, operating and financial performance was stronger than in the first six months of both 2020 and 2019.

With its offering of solutions that meet the long-term challenges facing its industrial and public sector customers in implementing a low-carbon circular economy, Séché is well positioned in the value-added segments of waste recovery, in businesses with high barriers to entry. Drawing on innovations produced by its R&D strategy of focusing as closely as possible on its customers' requirements, the Group is able to capture the growth in its markets, in volume and value terms, in France and internationally.

In France, the Group is enjoying strong growth momentum in terms of volumes and prices. Internationally, most regions are returning to pre-crisis activity levels. Séché has also continued to expand and adapt its service offering by pursuing a targeted acquisition strategy. With Spill Tech in South Africa, it has rounded out its existing recovery and treatment offering with high value-added environmental emergency management services. And recently, Séché announced its intention to acquire Osis-IDF from Veolia. This company specializes in sanitation services - recurring activities in regions where the Group is not established - and brings a new portfolio of clients.

Operating margins rose sharply: the industrial efficiency policy and the cost savings plan also contributed significantly to the increased profitability of our facilities and our entire organization. From a financial perspective, the Group has carefully managed its debt while maintaining a dynamic policy of investing in growth, particularly internationally, and cash generation has helped to significantly improve the flexibility of its balance sheet.

These trends are sustainable. The excellent economic, operating and financial performance of the past six months has led the Group to raise its targets for 2021 and to bring forward the goals set for 2022 by one year. New targets for business growth and medium-term operating profitability will be announced at the end of the year. I am certain that they will illustrate the relevance of Séché Environnement's profitable growth strategy at the heart of sustainable development markets in France and around the world."

Joël Séché
Chairman of the Board of Directors


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INTERIM
ACTIVITY REPORT

Acquisition of Spill Tech in South Africa

Spill Tech specializes in hazardous waste management and offers high value-added services for industrial cleaning, site decontamination, marine decontamination and polluted soil treatment.

Through its network of 16 sites and 1,300 highly qualified employees, Spill Tech responds at all times, throughout South Africa, to environmental emergencies in order to protect people, equipment and the environment from the consequences of industrial accidents or historical pollution.

Thanks to its rapid response capacity (usually in less than an hour), Spill Tech provides solutions that are perfectly adapted to the risks posed by environmental accidents and their consequences, such as the spillage of hazardous materials on land and at sea. Spill Tech also offers high value-added services for cleaning or decontamination of industrial sites, soil decontamination and hazardous waste management.

The Spill Tech business lines therefore offer seamless industrial, geographical and commercial synergies with the offering of Interwaste, a Séché Environnement subsidiary since 2019 and the second largest waste management operator in South Africa, complementing its upstream value chain.

Based on certification procedures meeting the highest international standards, including ISO 9001, ISO 14001, and OHSAS 18001, Spill Tech is active among an industrial clientele of major South African and international companies in the oil extraction and petrochemical sectors, with accreditation from Sasol, Total, BP, Engen and Shell, among others.

A company with a strong culture of social responsibility, Spill Tech also fully meets the requirements of Level 1 of the B-BBEE government program aimed at reducing racial inequality in South Africa.

Spill Tech was included in the scope of consolidation as of March 1, 2021.

A fast-growing company (with average revenue growth of 40% per year between 2018 and 2020), Spill Tech generated revenue of around ZAR 365 million (approximately €19.8 million) for its 2019/2020 financial year(1), with EBITDA of around ZAR 88 million (approximately €4.8 million) and net income of around ZAR 44 million (approximately €2.4 million)(2).

Expected turnover for the 2020/2021 financial year is around ZAR 530 million (approximately €28.7 million), with EBITDA of around ZAR 145 million (approximately €7.9 million) and net income of around ZAR 85 million (approximately €4.6 million).

(1) Year ended February 29, 2020.
(2) Based on the exchange rate at the acquisition date (January 6, 2021) of €1 = ZAR 18.46.

Bond issue with ESG impact criteria

In March 2021, Séché Environnement issued a €50 million bond maturing in 8 years (redemption at term), with enhanced interest rates and subject to ESG impact criteria:

- Energy independence rate;
- Action to preserve biodiversity;
- Accident trends as measured by the accident frequency rate.

In the event of a positive change in these criteria, which are measured annually, the nominal interest rate of the issue, which was 2.90%, may be lowered by 20 basis points (0.2%).

The bond is intended to finance the recent acquisition of Spill Tech in South Africa as well as growth investments planned for 2021.

The success of this bond issue with ESG impact criteria among leading sustainable finance institutions confirms their acknowledgment of Séché Environnement's status as a major player in the ecological transition, and the quality of its social and environmental commitment.

Good business momentum, solid operating margins and further improvement in financial flexibility

In the first half of 2021, Séché Environnement strengthened its profitable growth momentum and confirmed the positive outlook for its business, operating profitability and financial position for the year as a whole and beyond.

A lasting bullish environment

In France, the Group benefited from solid markets with strong volumes and positive price trends in both its industrial and local authority markets.

This sales momentum is underpinned by an industrial efficiency policy that facilitates the full availability of recovery and treatment facilities and improves the organization's performance.

International activities confirmed their return to growth and, to varying degrees, posted stronger activity levels after 2020 was affected by the pandemic.

At constant scope, in the first six months of 2021, Séché Environnement's business, operating and financial performance was stronger than in the same period of 2020 and much stronger than in the first half of 2019.

Over the period, the Group managed its debt while maintaining an active policy of investing in growth, particularly internationally. The Group's financial flexibility has improved significantly.

Drawing on its sustainable growth momentum at the heart of bullish markets in the circular economy and efforts to address climate change, Séché is also confident that its industrial efficiency policy will continue to have a positive impact on its operating margins.

Change in the main interim balances and other financial aggregates

At June 30, 2021, Séché Environnement posted contributed revenue[1] of €354.7 million, up 18.4% compared to June 30, 2020. This includes the contribution of Spill Tech, which was consolidated from March 1, 2021, for €11.1 million.

At constant scope, contributed revenue stood at €343.6 million, up sharply by +14.6% compared to June 30, 2020 (€299.7 million) and +15.0% at constant exchange rates. This figure also compares very favorably with contributed revenue at June 30, 2019 (€314.4 million).

In the first half of 2021, Séché Environnement confirmed the strong growth in its activities in France, and, to varying degrees, a recovery for International activities:

- In France (74% of contributed revenue), revenue rose sharply (+16.9% to €261.2 million), with the Group benefiting from high volumes and positive price trends in all its recovery and treatment markets, while the Service activities confirmed their momentum;
- Internationally, revenue (€93.5 million, +22.4% in reported data) included Spill Tech's contribution over four months, representing €11.1 million. At constant scope and exchange rates, growth in international revenue came to +9.4%.

  Europe and South Africa posted strong growth in the first half of 2021, while Latin America, where the public health crisis began later, suffered from an unfavorable basis for comparison.

Operating results were significantly higher than in the first six months of 2020 and 2019:

- EBITDA totaled €81.1 million, or 22.9% of contributed revenue, up +50.7% from June 30, 2020 (and +27.5% compared to the same period in 2019).

  These figures include a scope effect related to the consolidation of Spill Tech from March 1, 2021, representing €3.4 million (30.6% of revenue).

  At constant scope, EBITDA increased by +44.4% compared to June 30, 2020. It came to 22.6% of contributed revenue (vs. 18.0% at June 30, 2020 and 20.2% at June 30, 2019).

  In France, the Group benefited from high capacity availability, boosted by the effects of its industrial efficiency policy, which enabled it to receive greater volumes and benefit from favorable price and mix effects.

  Internationally, the Group reported better activity trends in relation to the same period last year, and tight control of operating expenses, in particular in Latin America.

(1) See page 8 "Definitions".

- Current operating income stood at €32.9 million, or 9.3% of contributed revenue, up +152.1% from June 30, 2020 (and +48.4% compared to the same period in 2019).

  This includes Spill Tech's contribution of €2.9 million (26.1% of revenue).

  At constant scope, current operating income rose sharply compared to June 30, 2020 (+130.0%).

  The current operating margin came in at 8.7% of contributed revenue (4.4% in the first half of 2020 and 7.0% in the same period of 2019). This sharp improvement mainly reflects the rise in gross operating margin with careful management of depreciation and amortization expenses in line with the selective investment policy;

- Operating income totaled €30.8 million, or 8.7% of contributed revenue, up by 158.8% compared to 2020 (+42.6% compared to 2019). This sharp increase mainly reflects the growth in current operating income.

Net financial income improved to -€9.4 million, compared with -€10.4 million a year earlier, due to the slight decrease in the cost of gross debt (2.78% vs. 2.91% one year ago) and a better balance of financial income and expenses, with, in particular, a reduction in foreign exchange losses).

After recognizing a tax expense of -€7.2 million vs. -€2.3 million in the first half of 2020, the share of income from associates of -€0.5 million, vs. -€0.1 million, and non-controlling interests of -€0.4 million, vs. €0.0 million, net income (Group share) amounted to €13.5 million or 3.8% of contributed revenue, vs. a net loss of -€0.9 million at June 30, 2020 (and net profit of €7.6 million at June 30, 2019).

Industrial investments (excluding IFRIC 12) remained under control, at €38.8 million (vs. €25.8 million a year earlier) or 10.9% of contributed revenue (8.6% at June 30, 2020). The increase in investments in the first half of 2021 essentially reflects the resumption of development investments, which had been suspended in the same period of last year.

Available operating cash flow came to €45.1 million (vs. €39.4 million at June 30, 2020), an increase of +14.5% over the period. The ratio of free cash flow to EBITDA stood at 56%, well above the target of 35% set by the Group[1].

Free cash came to €134.3 million (vs. €215.1 million one year earlier, including €100 million drawn on the credit facility), helping to strengthen the liquidity position at €304.3 million (vs. €310.1 million at June 30, 2020).

Net financial debt (IFRS) remained under control at €465.5 million (vs. €445.5 million at June 30, 2020), while the financial leverage ratio, calculated according to the definition provided in the banking contract[2], fell sharply, to 2.7x EBITDA (vs. 3.3x one year ago), illustrating a significant improvement in the Group's balance sheet flexibility.

(1) *See press release from December 17, 2019.*
(2) *The definition included in the banking contract excludes certain debt such as non-recourse debt and lease liabilities from the calculation of net financial debt.*

2021 growth targets raised

Drawing on its economic, operating and financial achievements in the first half of 2021, Séché Environnement is confident that it will continue to grow in France and internationally, while further increasing its operating margins and improving its financial strength and flexibility.

Séché Environnement therefore expects to achieve most of the targets it set in its roadmap through to 2022[1] by 2021, one year ahead of schedule.

New medium-term targets for growth and operating profitability will be announced at an "Investor Day" scheduled at the end of 2021.

Events after June 30, 2021

Séché Environnement has announced its intention to acquire Osis IDF, a specialist in sanitation businesses in the Ile-de-France region[2].

This transaction is expected to be finalized at the beginning of 2022 subject to approval by the Competition Authority.

(1) See press release from December 17, 2019.
(2) See Chapter 2.7 of this document.

2.2

COMMENTS ON CONDENSED ACTIVITY AT JUNE 30, 2021

At June 30, 2021, Séché Environnement reported consolidated revenue of €382.5 million, vs. €313.2 million at June 30, 2020. Reported consolidated revenue includes non-contributed revenue of €27.8 million (vs. €13.5 million at June 30, 2020).

Net of non-contributed revenue, contributed revenue totaled €354.7 million at June 30, 2021, up by +18.4% from June 30, 2020. This includes the contribution of Spill Tech, which was consolidated from March 1, 2021, for €11.1 million.

At constant scope, contributed revenue came to €346.6 million (vs. €299.7 million a year earlier), marking a sharp increase of +14.6% compared with reported data at June 30, 2020, and +15.0% at constant scope and exchange rates.

Breakdown of revenue by geographic region

	06/30/2020		06/30/2021		Gross change
	In €m	*As a %*	In €m	*As a %*	*As a %*
Subsidiaries in France (excl. IFRIC 12 revenue and TGAP tax)	223.4	*74.5%*	261.2	*73.6%*	+16.9%
o/w scope effect	-	-	-	-	
International subsidiaries	76.3	*25.5%*	93.5	*26.4%*	+22.5%
o/w scope effect	*13.6*	-	*11.1*	-	
Total contributed revenue	**299.7**	***100.0%***	**354.7**	***100.0%***	**+18.4%**

Consolidated data at current exchange rates. At constant exchange rates, contributed revenue at June 30, 2020 came to €298.7 million, reflecting a foreign exchange loss of -€1.0 million.

Business was strong in France and in the main international subsidiaries in the first half of 2021:

- In France, contributed revenue rose sharply (+16.9%) to €261.2 million, vs. €223.4 million at June 30, 2020.

  Séché Environnement benefited from strong industrial markets underpinned by the high level of industrial output, while local authority markets were boosted by the implementation of regulations on the circular economy.

  Strong markets and sales momentum enabled the Group to enjoy favorable volume and price effects.

  All activities contributed to growth.

  Revenue earned in France accounted for 73.6% of contributed revenue at June 30, 2021 (vs. 74.5% one year earlier);

- Internationally, revenue totaled €93.5 million at June 30, 2021, vs. €76.3 million a year earlier, an increase of +22.5% (reported data).

  International revenue included a scope effect of +€11.1 million linked to the contribution of Spill Tech, which was consolidated from March 1, 2021.

  The foreign exchange loss was significantly lower than in the first half of 2020, at -€1.0 million vs. -€10.2 million.

  At constant scope and exchange rates, international revenue increased by +9.4% over the period, illustrating the return to growth in most regions:

  - Europe (revenue: €34.2 million, up 4.0%): growth momentum in Europe, with a good performance by Mecomer (hazardous waste platform activities in Italy), Valls Quimica (chemical recovery in Spain), and UTM (recovery of industrial gases in Germany), was offset by the weaker performance of Iber Trédi - waste trading in Spain;
  - South Africa (revenue: €33.9 million, up 20.8%): Interwaste confirmed its return to normal activity levels in markets driven by major industrial clients' need for environmental solutions meeting the highest international standards;
  - Latin America (revenue: €6.3 million, down 25.4%): Peru and Chile, where the public health crisis began later, recorded extended effects from the pandemic, with a strong basis for comparison in the first half of 2020;
  - Rest of World (revenue: €9.0 million, up 23.4%). Solarca - industrial services - saw an improvement in activity levels, but they remain lower than in 2019 owing to government restrictions on international travel, which have penalized the rapid execution of projects.

  Revenue earned by the international subsidiaries accounted for 26.4% of contributed revenue at June 30, 2021 (vs. 25.5% one year earlier).

Breakdown of revenue by division

	06/30/2020		06/30/2021		Gross change
	In €m	*As a %*	In €m	*As a %*	
Hazardous Waste division	195.5	*65.3%*	228.7	*64.5%*	+17.0%
o/w scope effect	*13.6*	-	*11.1*	-	-
Non-Hazardous Waste division (excl. IFRIC 12 revenue and TGAP tax)	104.2	*34.7%*	126.0	*35.5%*	+20.6%
o/w scope effect	-	-	-	-	-
Total contributed revenue	**299.7**	***100.0%***	**354.7**	***100.0%***	**+18.4%**

Consolidated data at current exchange rates.

The recovery and treatment sectors contributed fairly equally to growth, with the NHW division being particularly buoyed by the strength of Interwaste's activities, while the Hazardous Waste (HW) division - excluding scope effects - continues to be penalized by the poor performance in Latin America.

The HW division, which accounted for 64.5% of consolidated contributed revenue (vs. 65.3% a year earlier), generated revenue of €228.7 million, up 17.0% compared to June 30, 2020. This increase includes a scope effect of €11.1 million due to the consolidation of Spill Tech.

At constant scope and exchange rates, this division's growth came to +12.0%, with differing situations in the Group's various geographical regions:

- In France, the division brought in €165.1 million in revenue, up sharply by +17.0%.

  Over the period, recovery and treatment activities were underpinned by industrial markets, where volumes and prices remained strong, while decontamination activities, strengthened by the rise in environmental emergency contracts, achieved very strong growth;

- Internationally, the division's revenue totaled €52.5 million at June 30, 2021 (vs. €53.7 million one year earlier), relatively stable compared to June 30, 2020 (+0.1% at constant exchange rates).

  This stability masks differences between regions, with Europe and South Africa returning to pre-crisis activity levels, while Latin America and Solarca in the Rest of the World continued to be penalized, to varying degrees, by the consequences of the public health crisis.

The NHW division, which accounted for 35.5% of contributed revenue (vs. 34.7% a year earlier), generated contributed revenue of €126.0 million, up by +20.6% from June 30, 2020.

- In France, this division generated €96.1 million in revenue, an increase of +17.7% from the previous year.

  The division confirmed its strong performance in volumes and prices, boosted by the implementation of regulations on the circular economy and growing restrictions on exports of non-hazardous waste;

- Internationally, revenue totaled €29.9 million, showing a very strong increase of +32.3% at current exchange rates and +30.7% at constant exchange rates, mainly due to the substantial contribution by Interwaste in South Africa.

Breakdown of revenue by activity

	06/30/2020		06/30/2021		Gross change
	In €m	*As a %*	In €m	*As a %*	
Treatment	144.2	*48.2%*	164.0	*46.2%*	+13.7%
o/w scope effect	*13.4*	-	-	-	-
Recovery	44.5	*14.8%*	51.5	*14.5%*	+15.7%
o/w scope effect	*0.1*	-	-	-	-
Services	111.0	*37.0%*	139.2	*39.3%*	+25.4%
o/w scope effect	*0.1*	-	*11.1*	-	-
Total contributed revenue	**299.7**	***100.0%***	**354.7**	***100.0%***	**+18.4%**

Consolidated data at current exchange rates.

The contribution of all activities to growth was well balanced, with services activities also recording the contribution of Spill Tech, which was newly consolidated.

Waste treatment activities generated revenue of €164.0 million at June 30, 2021, up +13.7% at current exchange rates and +14.1% at constant exchange rates.

This growth masks a contrasting situation between France and International activities, particularly in Latin America:

- In France, treatment activities increased very significantly, rising +16.8% to €137.1 million. They benefited from favorable volume and price effects, as well as high capacity availability, boosted by the effects of the industrial efficiency policy;
- Internationally, treatment activities posted slight growth compared to the same period in 2020 (to €26.9 million, or +2.3% at constant exchange rates). While most regions confirmed their return to normal activity levels, waste treatment continues to be penalized by slower activity levels in Latin America, where the public health crisis began later;

Treatment activities accounted for 46.2% of contributed revenue at June 30, 2021 (vs. 48.2% one year earlier).

Recovery activities recorded revenue of €51.5 million at June 30, 2021 (vs. €44.5 million one year earlier), a significant increase of +15.7% as reported and +15.7% at constant exchange rates.

This increase reflects:

- In France (revenue: €41.2 million, up +23.6% from June 30, 2020), the strong performance in material recovery activities - particularly hazardous waste - driven by the implementation of regulations for the circular economy, and in energy recovery activities, underpinned by customer demand for low-carbon energy solutions;
- Internationally (revenue: €10.3 million, down -7.7% as reported and -7.8% at constant exchange rates), the strong trend in subsidiaries' activities, which was offset by the negative performance of Iber Trédi in Spain (-19.5%).

Recovery activities accounted for 14.5% of contributed revenue at June 30, 2020 (vs. 14.8% one year earlier).

Service activities recorded revenue of €139.2 million at June 30, 2021 (vs. €111.0 million one year earlier, an increase of +25.4% as reported).

This sharp increase includes Spill Tech's contribution of €11.1 million. At constant scope and exchange rates, Service activities achieved a significant increase of +15.9%.

They benefited from:

- In France (revenue: €82.9 million, up +14.0%), the contribution of Comprehensive Services, which meet customers' growing long-term needs in terms of outsourcing their sustainable development issues, and the good performance of decontamination activities, strengthened by the growth in emergency response services;
- Internationally (revenue: €45.2 million, up +18.2% at current exchange rates and +19.4% at constant exchange rates), strong growth in Interwaste's service activities in South Africa.

Service activities accounted for 39.3% of contributed revenue at June 30, 2021 (vs. 37.0% one year earlier).

2.3

COMMENTS ON CONDENSED RESULTS AT JUNE 30, 2021

Summary of interim balances

Unless expressly specified, the percentages shown in the tables and mentioned in the comments below are calculated based on contributed revenue.

In millions of euros		Consolidated		France		International	
At June 30		**2020**	**2021**	**2020**	**2021**	**2020**	**2021**
Revenue (reported)		313.2	382.4	236.9	289.0	76.3	93.5
Contributed revenue		**313.0**	**354.7**	**236.7**	**261.2**	**76.3**	**93.5**
EBITDA		**53.8**	**81.1**	**42.7**	**64.6**	**11.1**	**16.5**
	As a %	*17.2%*	*22.9%*	*19.1%*	*24.7%*	*14.5%*	*17.6%*
Current operating income		**13.0**	**32.9**	**11.0**	**26.9**	**2.0**	**6.0**
	As a %	*4.1%*	*9.3%*	*4.7%*	*10.3%*	*2.6%*	*6.4%*
Operating income		11.9	30.8				
	As a %	*3.8%*	*8.7%*				
Net financial income		(10.4)	(9.4)				
	As a %	*(3.3)%*	*(2.7)%*				
Tax expense		(2.3)	(7.2)				
	As a %	*(0.1)%*	*(2.0)%*				
Share of income of associates		(0.1)	(0.5)				
Minority interests		(0.0)	(0.3)				
Net income (Group share)		**(0.9)**	**13.5**				
	As a %	*(0.0)%*	*3.8%*				
Net income (Group share) per share		**€(0.12)**	**€1.72**				

Séché Environnement's consolidated results at June 30, 2021 were significantly higher than in both the first half of 2020, when operations were impacted by the Covid-19 crisis and by the fall in energy recovery in France, and the first six months of 2019.

EBITDA

As at June 30, 2021, Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) were up by +50.7% from June 30, 2020, at €81.1 million, representing 22.9% of contributed revenue.

This increase includes a scope effect linked to the consolidation of Spill Tech over four months, representing +€3.4 million. The exchange rate effect was negligible.

At constant scope, EBITDA margin came out at 22.6% of contributed revenue (vs. 18.0% one year earlier).

This significant increase in profitability across the historical scope mainly reflects:

- Positive volume and mix effects, for +€28.7 million, mainly benefiting treatment activities, related to sales momentum and the effects of the industrial efficiency policy;
- Favorable price effects, for +€14.7 million, in line with high waste treatment capacity use in France.

Which were partially offset by the rise in:

- Variable operating expenses (+€11.7 million), in line with the increase in activity;
- Employee expenses (+€5.5 million), partly related to the return to normal operating conditions for staff in comparison with the first half 2020, which was affected by the pandemic, and partly due to the resumption in activities at Interwaste;
- Various expenses (including property ownership tax of +€0.4 million), representing +€2.3 million.

Breakdown of EBITDA by geographic scope

In millions of euros	**06/30/2020**			**06/30/2021**		
	Consolid.	France	Internat.	Consolid.	France	Internat.
Contributed revenue	299.7	223.4	76.3	354.7	261.2	93.5
EBITDA	**53.8**	**42.7**	**11.1**	**81.1**	**64.5**	**16.6**
% of contributed revenue	18.0%	19.1%	14.5%	22.9%	24.7%	17.8%

Consolidated data at current exchange rates.

For each geographic scope, the main changes were:

- In France, EBITDA totaled €64.5 million, or 24.7% of contributed revenue (vs. €42.7 million, or 19.1% of contributed revenue, a year earlier). This sharp increase (+€21.8 million) over the period primarily reflects:
  - Favorable business trends in terms of volumes, the waste mix and prices, due to strong market trends in France and the improvement in the capacity utilization rate resulting from the industrial efficiency policy;
  - Tight control of operating expenses, linked to the optimization of logistics and the cost savings plan;
  - The absence of non-recurring items seen in the first half of 2020, such as the industrial accident at Séneval, which had reduced EBITDA by -€7.6 million.
- Internationally, EBITDA totaled €16.6 million, or 17.8% of revenue. This figure includes a scope effect of €3.4 million related to the consolidation of Spill Tech over four months. The exchange rate effect was negligible.

  At constant scope, EBITDA reached €13.2 million, or 16.0% of contributed revenue.

  This increase of +19.2% reflects:
  - The improvement in activity in this scope, and in particular in South Africa;
  - Partially offset by the rise in certain operating costs in Europe and subdued activity in Latin America (particularly Peru), despite measures taken to reduce operating expenses.

Current operating income

At June 30, 2021, current operating income stood at €32.9 million, or 9.3% of contributed revenue.

This includes a scope effect related to the consolidation of Spill Tech over four months, totaling €2.9 million. The exchange rate effect was negligible.

At constant scope, current operating income rose sharply (+130.8%), amounting to €30.0 million, or 8.7% of contributed revenue (vs. €13.0 million, or 4.4% of contributed revenue, a year earlier).

This sharp improvement mainly reflects the increase in EBITDA (+€23.9 million), which was partially offset by the rise in the depreciation and amortization of storage cells and the start-up of waste treatment facilities in France.

Breakdown of current operating income by geographic scope

In millions of euros	06/30/2020			06/30/2021		
	Consolid.	France	Internat.	Consolid.	France	Internat.
Contributed revenue	299.7	223.4	76.3	354.7	261.2	93.5
Current operating income	**13.0**	**11.0**	**2.0**	**32.9**	**26.9**	**6.0**
% of contributed revenue	4.4%	4.9%	2.6%	9.3%	10.3%	6.4%

Consolidated data at current exchange rates.

For each geographic scope, the main changes were:

- In France, current operating income totaled €26.9 million, or 10.3% of contributed revenue (vs. €11.0 million, 4.9% of contributed revenue a year earlier).

  This good performance reflects the increased contribution of EBITDA (+€15.9 million) minus, in particular, the increase in depreciation and amortization on the final waste storage business and the start-up of new facilities;

- Internationally, current operating income totaled €6.0 million, or 6.4% of revenue.

  It includes a scope effect of €2.9 million relating to the consolidation of Spill Tech from March 1, 2021. The exchange rate effect was negligible.

  At constant scope, current operating income amounted to €3.1 million or 3.8% of revenue (vs. €2.0 million, or 2.7% of contributed revenue, a year earlier).

  This change mainly reflects the improvement in EBITDA (+€2.0 million), partially offset by the rise in depreciation, amortization, and provisions (+€0.9 million).

Operating income

Operating income totaled €30.8 million, or 8.7% of contributed revenue, up by 158.8% compared to June 30, 2020.

This sharp increase mainly reflects the increase in current operating income. This aggregate also recorded goodwill impairment of €0.9 million in Peru, which experienced delays in its recovery caused by the health crisis.

Net financial income

At June 30, 2021, net financial income came to -€9.4 million compared to -€10.4 million one year earlier.

This improvement reflects:

- A fall in the cost of net debt to €8.1 million (vs. €8.7 million a year earlier) linked to the slight decline in the cost of gross debt to 2.78% (vs. 2.91% in the first half of 2020);
- Positive trends in the balance of other financial income and expenses, which stood at -€1.2 million vs. -€1.7 million a year earlier, due to the improvement in foreign exchange income and, above all, the absence of losses on disposals of long-term investments, which had negatively impacted this balance by -€1.0 million in the first half of 2020.

Income tax

At June 30, 2021, the income tax expense was -€7.2 million vs. -€2.3 million a year earlier.

This expense breaks down into -€5.6 million for France (vs. -€0.3 million one year ago) and -€1.6 million for the International business (vs. €2.0 million one year ago).

The effective tax rate was 34.1% vs. 35.3% at December 31, 2020.

Share of income of associates

The share of net income of associates primarily includes the Group's share in the income of Gerep and Sogad and amounted to -€0.5 million at June 30, 2021, compared with -€0.0 million a year earlier.

Net income (Group share)

At June 30, 2021, net income before minority interests was €13.8 million vs. -€0.9 million a year earlier.

After recognizing minority interests in net income, in the amount of -€0.3 million vs. -€0.0 million at June 30, 2020, representing in particular minority interest holdings in Solarca and Mecomer, net income (Group share) came to €13.5 million, or 3.8% of contributed revenue (vs. a loss of -€0.9 million in the first half of 2020).

Net earnings per share amounted to €1.72 vs. -€0.12 at June 30, 2020.

2.4

COMMENTS ON CONDENSED CASH FLOWS AT JUNE 30, 2021

Summary of cash flows

In millions of euros	**06/30/2020**	**06/30/2021**
Cash flows from operating activities	71.4	76.1
Cash flows from investments	(42.1)	(67.8)
Cash flows from financing activities	94.1	25.1
Change in cash flows from continuing operations	123.4	*33.4*
Change in cash flows from discontinued operations	-	-
Change in cash and cash equivalents	**123.4**	**33.4**

During the period, the change in cash and cash equivalents fell from +€123.4 million in the first half of 2020 to +€33.4 million in the first half of 2021.

This decrease of -€90.0 million reflects:

- The increase in cash flows from operating activities: +€4.7 million;
- The fall in cash flows from investments: -€25.7 million;
- A reduction in flows related to financing activities: -€69.0 million.

Cash flows from operating activities

In the first half of 2021, the Group generated €76.1 million in cash flows from operations (vs. €71.4 million one year earlier), an increase of +€4.7 million.

This change reflects the combined effect of:

- The very sharp increase in cash flows from operating activities before taxes and financing costs, to €73.8 million (vs. €46.0 million one year earlier);
- The change in WCR for +€4.6 million, representing a decline of €26.9 million compared to the first half of 2020, as no assignment of receivables was performed during the period, unlike last year;
- A net tax payment of -€2.4 million vs. -€6.3 million at June 30, 2020.

Cash flows relating to investments

In millions of euros	06/30/2020	06/30/2021
Industrial investments	26.0	43.7
Financial investments	0.1	0.0
Investments recorded	**26.1**	**43.7**
Industrial investments	35.6	39.6
Financial investments	-	-
Acquisition of subsidiaries - Net cash flow	6.6	28.4
Investments paid out	**42.2**	**68.0**

In the first half of 2021, industrial investments amounted to €43.7 million, including €4.9 million in investments in "IFRIC 12" concessions (vs. €26.0 million, including €0.2 million in investments in concessions in a year earlier).

Excluding investments in concessions, they cover:

- Recurrent investments totaling €21.3 million, representing 6.0% of contributed revenue (vs. €17.4 million at June 30, 2020, or 5.8% of contributed revenue);
- Non-recurrent investments totaling €17.5 million, or 4.9% of contributed revenue (vs. €8.4 million, or 2.8% of contributed revenue, at June 30, 2020). These mainly concern growth investments in recently acquired subsidiaries in Italy and South Africa.

Industrial investments can be broken down between facilities as follows:

- €6.0 million in category two expenses for major maintenance and renewal (vs. €4.1 million in the first half of 2020);
- €11.0 million for energy storage and production facilities (vs. €6.4 million in the first half of 2020);
- €3.2 million in thermal treatment facilities, platforms, and other treatment facilities (vs. €0.7 million in the first half of 2020);
- €0.4 million for materials recovery facilities (vs. €0.7 million in the first half of 2020);
- €3.5 million for eco-service systems, including the vehicle fleet (vs. €1.4 million in the first half of 2020);
- €10.1 million for holding company activities, covering information systems, regulatory investments, and development investments in subsidiaries (vs. €8.0 million in the first half of 2020);
- €4.6 million in miscellaneous recurring investments (vs. €4.4 million in the first half of 2020).

Cash flows relating to financing activities

Total net cash relating to financing activities amounted to +€25.1 million in the first half of 2021, essentially reflecting:

- Flows relating to new borrowings: +€64.4 million vs. €122.8 million in the first half of 2020, which recorded a drawdown on the credit facility in the amount of €100 million;
- Flows relating to loan repayments: -€21.9 million vs. -€9.6 million in the first half of 2020, which saw a moratorium on bank loan repayments;
- The payment of lease liabilities (including interest paid on leases for €0.9 million): -€10.0 million vs. -€7.4 million in the first half of 2020;
- Interest expense: -€6.8 million vs. -€8.0) million in the first half of 2020;
- Flows relating to dividends paid to minority interests: -€0.7 million vs. -€0.5 million in the first half of 2020;
- Cash flows without gain of control: -€0.2 million vs. -€2.9 million in the first half of2020.

Recurring cash flow from operating activities[1] totaled €62.9 million at June 30, 2021 vs. €41.7 million a year earlier). This increase of +50.8% mainly reflects the sharp increase in EBITDA over the period.

Free operating cash flow[2] was up +14.5% to €45.1 million despite a smaller contribution from the change in WCR (income of €4.8 million vs. €31.7 million a year earlier), as no assignment of receivables was recorded during the period, unlike in the first half of 2020.

This produced a ratio of free cash flow to EBITDA of 56% (vs. 73% a year earlier), well above the target of 35% set by Séché Environnement.

(1) *See "Definitions".*
(2) *Free cash flow before non-recurring industrial investments, financial investments, dividends, and financial debt repayment.*

2.5

COMMENTS ON THE CONDENSED FINANCIAL POSITION AT JUNE 30, 2021

Condensed consolidated financial position

In millions of euros	12/31/2020	06/30/2021
Non-current assets	770.2	795.9
Current assets (excluding cash and cash equivalents)	219.1	256.1
Cash and cash equivalents	105.3	134.3
Assets held for sale	-	-
Total assets	**1,094.6**	**1,186.3**
Share capital (including minority interests)	257.2	264.5
Non-current liabilities	534.9	583.7
Current liabilities	302.5	338.1
Liabilities held for sale	-	-
Total liabilities and shareholders' equity	**1,094.6**	**1,186.3**

During the period, Séché Environnement strengthened its financial position, with a strong liquidity position and controlled net debt, leading to a sharp improvement in its financial flexibility.

The liquidity position stood at€304.3 million (vs. €310.1 million at December 31, 2020), illustrating solid cash generation over the period (+€33.4 million):

- Cash balance: €134.3 million vs. €105.3 million at December 31, 2020), with this change covering cash generation over the period less the change in current bank loans, net of changes in scope;
- Credit facilities: €20.0 million (unchanged against December 31, 2020);
- RCF: €150.0 million (unchanged against December 31, 2020).

At June 30, 2021, net debt amounted to €465.5 million (vs. €450.3 million at December 31, 2020). Based on the definition provided in the banking contract, it totaled €410.8 million (vs. €390.1 million at December 31, 2020), producing a significantly improved financial leverage ratio of at 2.7x EBITDA (vs. 3.1x at December 31, 2020).

Change in non-current assets

Non-current assets are primarily fixed assets (property, plant and equipment and intangible assets — including goodwill — and long-term investments) and deferred tax assets.

Total non-current assets increased by +€25.7 million and mainly broke down as follows:

- Property, plant and equipment and intangible assets:+€32.3 million, with this increase covering in particular:
  - Goodwill: +€17.5 million mainly related to changes in scope (+€17.9 million) and the impairment of goodwill on the Peruvian subsidiary for -€0.9 million;
  - Intangible assets -€0.2 million;
  - Property, plant and equipment:+€15.0 million;
- Non-current operating financial assets -€5.0 million;
- Non-current tax receivables: -€1.6 million, due to the use of deferred tax assets.

Change in current assets

Current assets excluding cash amounted to €256.1 million, up by €36.9 million on December 31, 2020. This increase primarily reflects:

- An increase in inventories, for +€2.7 million;
- An increase in client accounts receivable, for +€34.0 million;
- The change in operating financial assets, for +€0.2 million.

Change in shareholders' equity

The change in shareholders' equity (Group share) in the first half of 2021 breaks down as follows:

In millions of euros	Group	Minority interests
Shareholders' equity at January 1, 2021	**252.9**	**4.3**
Other comprehensive income	1.5	ns
Net income	13.5	0.3
Dividends paid	(7.6)	(0.8)
Treasury stock	(0.0)	0.0
Business combinations	-	0.4
Other changes	ns	ns
Share capital at June 30, 2021	**260.3**	**4.2**

The main changes in shareholders' equity, Group share reflect the recognition of net income (Group share) less dividends paid to shareholders.

Change in current and non-current liabilities

Current liabilities cover all liabilities with a maturity of less than one year. Non-current liabilities represent all liabilities with a maturity of more than one year.

Current and non-current liabilities break down as follows:

	12/31/2020			06/30/2021		
In millions of euros	**Non-current**	**Current**	**TOTAL**	**Non-current**	**Current**	**TOTAL**
Hedging instruments	-	0.1	**0.1**	-	ns	**ns**
Provisions	44.8	1.8	**45.5**	41.8	1.1	**42.9**
Other liabilities	2.4	231.4	**233.8**	3.4	265.4	**268.8**
Income tax payable	-	1.4	**1.4**	-	4.0	**4.0**
TOTAL (excl. financial debt)	**47.2**	**234.7**	**281.9**	**45.2**	**270.5**	**315.7**
Financial debt	487.7	67.8	**555.5**	532.3	67.6	**599.9**
TOTAL	**534.9**	**302.5**	**837.4**	**577.5**	**338.1**	**915.6**

Current and non-current liabilities excluding financial debt amounted to €315.7 million, up +€33.8 million, reflecting mainly:

- A change in provisions, for -€2.6 million;
- Other liabilities including amounts due to the government — excluding corporation tax — for +€35.0 million (+€19.3 million due to the change in the payment date of the first interim payment for the TGAP tax on polluting activities) and other debts (including dividends payable to shareholders, totaling €7.5 million);
- The change in taxes payable, for +€2.5 million.

Consolidated net financial debt evolved as follows over the period:

In millions of euros	12/31/2020	06/30/2021
Bank debt (excl. non-recourse bank loans)	241.5	239.5
Non-recourse bank debt	29.6	28.2
Bonds	229.3	278.9
Lease finance liabilities	45.0	47.8
Miscellaneous financial debt	3.1	3.3
Short-term bank borrowings	7.1	2.1
Total financial debt (current and non-current)	**555.5**	**599.8**
o/w due in less than one year	60.7	67.6
o/w due in more than one year	389.5	532.2
Cash balance	**(105.3)**	**(134.3)**
Net financial debt	**450.2**	**465.5**
Net financial debt (bank definition)	395.2	410.8

The change in net debt breaks down as follows:

In millions of euros	12/31/2020	06/30/2021
Opening net debt	**456.2**	**450.3**
Non-cash change in debt	13.4	11.9
Scope effect	-	3.7
Cash flows relating to operating activities	**(121.3)**	**(76.1)**
Net industrial capex paid	64.2	39.6
Net financial capex paid	12.8	28.4
Dividends	8.3	0.7
Net bank interest paid	15.1	6.8
Change in other financial loans and receivables:	(0.2)	(0.6)
Interest paid on financial leases	1.9	0.9
Net debt at closing	**450.3**	**465.5**

Net financial capex paid (€28.4 million) includes:

- for €22.9 million: the fair value of the consideration transferred by Spill Tech group, with the net debt acquired representing a non-cash change in net debt totaling €7.5 million;
- for €5.5 million: payment of the last remaining earnout on the acquisition of Mecomer Group.

2.6

RELATED-PARTY AGREEMENTS

Séché Environnement Group's main transactions with related parties are presented in Note 3.2.4.17 to the condensed financial statements.

2.7

RECENT EVENTS AND OUTLOOK

Planned acquisition of operating centers from Osis IDF[1]

On July 31, 2021, Séché Environnement entered into an agreement with Veolia group to acquire eight operating centers specializing in the maintenance of sanitation networks and structures in Ile-de-France, which belonged to Osis-IDF, a subsidiary of Veolia.

For Séché, the acquisition of these eight centers, grouped under the name "Agence Osis-IDF Collectivité" [the Osis-IDF Municipality Branch], rounds out its range of environmental services with new growing business lines and extends its geographical coverage to Ile-de-France through a leader on its markets.

These centers are expanding steadily, with average growth in revenue of +7% per year since 2017 (excluding 2020). They are expected to generate revenue of around €27 million in the current financial year, representing growth of around 10% compared to 2020. EBITDA expected for 2021 is around €4 million, with EBIT at a similar level.

Séché Environnement has irrevocably undertaken to acquire the centers from Osis-IDF, subject to approval by the Competition Authority, among other conditions.

The acquisition is expected to be finalized in early 2022. It will be financed by the Group's free cash flow, with no significant impact on the liquidity position or financial leverage ratio.

2021 growth targets raised

Drawing on its economic, operating and financial achievements in the first half of 2021, Séché Environnement is confident that it will continue to grow in France and internationally, while further increasing its operating margins and continuing to improve its financial strength and flexibility.

Bullish markets in volume and prices

In H2 2021, Séché Environnement is expected to continue to benefit in France from persistently strong industrial markets, with industrial production remaining high, particularly among its core clients, which should facilitate volume effects, particularly for hazardous waste recovery and treatment facilities.

Local authority markets, and mainly those involving non-hazardous waste, should continue to benefit from the positive effects of the implementation of the circular economy and lasting price rises.

(1) *See press release from August 2, 2021.*

These trends should enable the Group to continue to enjoy strong sales trends throughout the year.

Internationally, most areas are expected to confirm their return to growth, this period benefiting in addition from the favorable comparison basis of H2 2020.

Contributed revenue[1] for 2021 is expected to be close to €750 million — the minimum target initially set for 2022[1].

Ramping up improvements in operating performance

At the operating level, Séché Environnement will pursue its industrial efficiency strategy, which is based on being increasingly selective in its investments optimizing its logistics. It will also maintain its productivity efforts through the cost savings plan.

These factors should allow the Group to improve its gross operating profitability (EBITDA/contributed revenue including the TGAP tax) and aim for a new target of gross operating margin[2] of between 21% and 22% of contributed revenue - including the TGAP tax.

Confirmation of significantly improved flexibility

Séché Environnement will maintain its selective investment policy and its development projects in the amount of €20 million (for the year as a whole). The industrial investments, which are expected to total around €90 million, will be made while observing the Group's liquidity and flexibility objectives.

The Group has confirmed the improvement in its financial flexibility target, and is now targeting a financial leverage ratio of around 2.7x EBITDA at end-2021 (excluding acquisitions), after having already lowered it from 3.0x to 2.9x in March 2021[3].

Medium-term outlook

Séché Environnement expects to achieve the targets it set in its roadmap through to 2022[4] by 2021, one year ahead of schedule.

New medium-term targets for growth and operating profitability will be announced at an "Investor Day" scheduled at the end of 2021.

(1) At constant scope, including the TGAP tax estimated at around €45 *mill*ion for 2021.
(2) See press release from March 8, 2021: "targeting EBITDA/contributed revenue of 21%".
(3) See press release from March 8, 2021.
(4) See press release from December 17, 2019.

2.8

SHARE OWNERSHIP

Breakdown of share ownership and voting rights

At June 30, 2021	Shares	As a %	Voting rights	As a %
Joël Séché	1	0.00%	2	0.00%
Séché Group SAS (1)	4,859,483	61.84%	8,385,950	73.40%
Pégase-53 (2)	564,407	7.18%	564,407	4.94%
Controlling group	**5,423,891**	**69.02%**	**8,950,359**	**78.34%**
Treasury stock (3)	57,285	0.73%	57,285	0.50%
Employees	41,294	0.53%	74,113	0.65%
Free float	2,335,262	29.72%	2,343,859	20.51%
Total	**7,857,732**	**100.00%**	**11,425,616**	**100.00%**

(1) Séché Group SAS is majority-owned by Joël Séché, and his two sons Guillaume Séché and Maxime Séché.

(2) Pegase-53 is 60% owned by Séché Group SAS and 40% owned by Unexo, an investment company of the Crédit Agricole group.

(3) Treasury stock is stripped of voting rights. However, the table here presents the calculation of voting rights as recommended by the AMF for shareholding notification requirements.

On March 26, 2021, Séché Group SAS, acting through the company Pégase 53, which it controls, exercised the second unilateral promise of sale of Séché Environnement shares granted to it by ICM SA on September 15, 2020. This second unilateral promise of sale concerned 564,407 Séché Environnement shares at the price of €44.00 per share. These shares were acquired on April 7, 2021.

As a result:

- Pégase 53 reported an increase in its holding in Séché Environnement beyond the threshold of 5% of the share capital on March 26, 2021, with this increase in its holding resulting from Séché Group's transfer to Pégase 53 of the promise of sale agreement dated September 15, 2020;
- The Séché family Group, comprised of Joël Séché and the companies Séché Group SAS and Pégase 53, reported an increase in its holding beyond two-thirds of Séché Environnement's share capital on April 7, 2021, with this increase in its holding arising when Pégase 53 came into possession of 564,407 shares previously held by Séché Group SAS.

The Company has not been informed of any other changes in holdings above or below legal or statutory thresholds between January 1, 2021 and June 30, 2021.

3

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2021

3.1

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2021

3.1.1 Condensed consolidated financial position

(In thousands of euros)	12/31/2020	06/30/2021	Notes
Goodwill	309,079	326,577	3.2.4.1.a
Intangible fixed assets under concession arrangements	41,419	39,101	3.2.4.1.b
Other intangible fixed assets	39,156	41,281	3.2.4.1.b
Property, plant and equipment	313,768	328,801	3.2.4.2
Investments in associates	180	0	3.2.4.3
Non-current financial assets	7,209	6,753	3.2.4.4.a
Non-current derivatives - assets	-	-	-
Non-current operating financial assets	35,930	31,528	3.2.4.4.a
Deferred tax assets	23,438	21,881	-
Non-current assets	**770,179**	**795,922**	-
Inventories	15,009	17,733	-
Trade and other receivables	171,023	205,044	-
Current financial assets	974	4,682	-
Current derivatives - assets	-	-	-
Current operating financial assets	32,103	28,572	3.2.4.4.a
Cash and cash equivalents	105,265	134,329	3.2.4.4.a
Current assets	**324,374**	**390,360**	-
Assets held for sale	-	-	-
TOTAL ASSETS	**1,094,554**	**1,186,283**	-
Share capital	1,572	1,572	-
Additional paid-in capital	74,061	74,061	-
Reserves	163,479	171,203	-
Net income	13,815	13,450	-
Shareholders' equity (Group share)	**252,927**	**260,286**	**3.2.4.7**
Minority interests	4,302	4,212	-
Total shareholders' equity	**257,230**	**264,497**	-
Non-current financial debt	487,729	532,255	3.2.4.4.b
Non-current derivatives - liabilities	0	0	-
Employee benefits	16,497	17,200	-
Non-current provisions	22,185	24,575	3.2.4.5
Non-current operating financial liabilities	2,377	3,366	3.2.4.4.b
Deferred tax liabilities	6,076	6,295	-
Non-current liabilities	**534,865**	**583,690**	-
Current financial debt	67,809	67,589	3.2.4.4.b
Current derivatives - liabilities	75	33	-
Current provisions	1,756	1,076	3.2.4.5
Tax liabilities	1,440	3,968	-
Current operating financial liabilities	231,379	265,429	3.2.4.4.b
Current liabilities	**302,459**	**338,096**	-
Liabilities held for sale	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,094,554**	**1,186,283**	-

The notes are an integral part of the condensed financial statements

3.1.2 Condensed income statement

(In thousands of euros)	06/30/2020	06/30/2021	Notes
Revenue	**313,246**	**382,477**	**-**
Other business income	79	421	-
Income from ordinary activities	**313,326**	**382,898**	**3.2.4.10**
Purchases used for operations	(43,692)	(46,095)	-
External expenses	(109,071)	(132,251)	3.2.4.9
Taxes and duties	(23,461)	(32,726)	3.2.4.9
Employee expenses	(83,266)	(90,682)	3.2.4.9
EBITDA	**53,835**	**81,144**	**-**
Expenses for rehabilitation and/or maintenance of sites under concession arrangements	(7,645)	(5,094)	-
Depreciation & amortization, impairment, and provisions	(33,074)	(42,823)	3.2.4.10
Other operating items	(77)	(379)	3.2.4.10
Current operating income	**13,039**	**32,848**	**-**
Other non-current items	(1,151)	(2,063)	3.2.4.13
Operating income	**11,888**	**30,785**	**-**
Cost of net financial debt	(8,692)	(8,132)	-
Other financial income and expenses	(1,721)	(1,232)	-
Net financial income	**(10,413)**	**(9,365)**	**3.2.4.12**
Income tax	(2,323)	(7,168)	3.2.4.13
Share of income of associates	(67)	(465)	-
Net income from continuing operations	**(916)**	**13,787**	**-**
Income from discontinued operations	-	-	-
Net income	**(916)**	**13,787**	**-**
o/w attributable to minority interests	(10)	(337)	-
o/w Group share	**(926)**	**13,450**	**-**
Non-diluted earnings per share (in euros)	(0.12)	1.72	-
Diluted earnings per share (in euros)	(0.12)	1.72	-

The notes are an integral part of the condensed financial statements.

3.1.3 Condensed consolidated statement of other comprehensive income

(In thousands of euros)	**06/30/2020**	**06/30/2021**
Other comprehensive income not subsequently reclassified to profit or loss:	**-**	**-**
Actuarial gains/losses on employee benefit liabilities [(1)]	-	-
Income tax effects	-	(197)
Amount before income tax (A)	-	**(197)**
o/w share of income of associates	-	-
Other comprehensive income subsequently reclassified to profit or loss:	**-**	**-**
Change in net investments [(2)]	(9,448)	2,477
Change in fair value of derivatives	125	95
Tax effect on the items listed above	105	(28)
Foreign exchange rate adjustments	(660)	(863)
Amount before income tax (B)	(9,877)	1,681
o/w share of income of associates	-	-
TOTAL OTHER COMPREHENSIVE INCOME	(9,877)	1,484
Net income	**(916)**	**13,787**
TOTAL COMPREHENSIVE INCOME	**(10,793)**	**15,272**
o/w Group share	(10,461)	14,952
o/w attributable to minority interests	(332)	319

(1) Actuarial assumptions have not been revised as the changes over the period ended June 30, 2021 were not significant (see Note 3.2.1.1).

(2) Including €2.6 million related to net financing of the investment in South Africa following the appreciation of the South African exchange rate.

The notes are an integral part of the condensed financial statements.

3.1.4 Condensed statement of changes in shareholders' equity

(In thousands of euros)	Share capital	Additional paid-in capital	Treasury stock	Consoli-dated reserves	Foreign exchange rate adjust-ments	Fair value reserves	Group share	Share of non-controlling interests	Total share-holders' equity
At December 31, 2019	**1,572**	**74,061**	**(3,209)**	**190,512**	**(6,259)**	**(1,294)**	**255,376**	**8,096**	**263,472**
Other comprehensive income	-	-	-	-	(317)	(9,218)	(9,535)	(342)	(9,877)
Net income	-	-	-	(926)	-	-	(926)	10	(916)
Total comprehensive income	**-**	**-**	**-**	**(926)**	**(317)**	**(9,218)**	**(10,462)**	**(332)**	**(10,793)**
Dividends paid	-	-	-	(7,465)	-	-	(7,465)	(482)	(7,947)
Treasury stock	-	-	(207)	-	-	-	(207)	-	(207)
Business combinations	-	-	-	-	-	-	-	-	-
Transactions between shareholders	-	-	-	(400)	-	-	(400)	(1,891)	(2,291)
Other changes	-	-	-	(30)	-	-	(30)	2	(29)
At June 30, 2020	**1,572**	**74,061**	**(3,416)**	**181,691**	**(6,576)**	**(10,512)**	**236,812**	**5,392**	**242,205**
At December 31, 2020	**1,572**	**74,061**	**(3,602)**	**196,778**	**(15,621)**	**(254)**	**252,927**	**4,302**	**257,230**
Other comprehensive income (1)	-	-	-	(197)	1,639	61	1,503	(18)	1,485
Net income	-	-	-	13,450	-	-	13,450	337	13,787
Total comprehensive income	**-**	**-**	**-**	**13,253**	**1,639**	**61**	**14,952**	**319**	**15,272**
Capital increase	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	(7,565)	-	-	(7,565)	(854)	(8,419)
Treasury stock	-	-	(27)	-	-	-	(27)	-	(27)
Business combinations (2)	-	-	-	-	-	-	-	444	444
Transactions between shareholders	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-
At June 30, 2021	**1,572**	**74,061**	**(3,629)**	**202,465**	**(13,983)**	**(193)**	**260,286**	**4,212**	**264,497**

(1) *See Note 3.1.3.*

(2) *Concerns the acquisition of South African company Spill Tech Group Holdings (Pty) Ltd and its subsidiaries, described in Note 3.2.2.1 a).*

The notes are an integral part of the condensed financial statements.

3.1.5 Condensed statement of cash flows

(In thousands of euros)	06/30/2020	06/30/2021	Notes
Net income	**(916)**	**13,787**	**-**
Share of income of associates	67	465	-
Dividends from joint ventures and associates	-	-	-
Depreciation & amortization, impairment, and provisions	33,198	43,089	-
Income from disposals	986	101	-
Deferred taxes	(891)	1,444	3.2.4.13
Other income and expenses	1,761	1,246	3.2.4.15
Cash flows	**34,204**	**60,132**	**-**
Income tax	3,354	5,724	3.2.4.13
Cost of gross financial debt before long-term investments	8,491	7,940	-
Cash flows from operating activities before taxes and financing costs	**46,049**	**73,795**	**-**
Change in working capital requirement	31,679	4,753	3.2.4.15
Tax paid	(6,324)	(2,417)	-
Net cash flows from operating activities	**71,404**	**76,131**	**-**
Investments in property, plant and equipment and intangible assets	(36,485)	(41,002)	-
Disposals of property, plant and equipment and intangible assets	904	1,403	-
Increase in loans and financial receivables	(118)	(77)	-
Decrease in loans and financial receivables	11	234	-
Takeover of subsidiaries net of cash and cash equivalents	(6,482)	(28,380)	3.2.4.15
Loss of control over subsidiaries net of cash and cash equivalents	55	(0)	-
Net cash flows from investing activities	**(42,115)**	**(67,821)**	**-**
Dividends paid to equity holders of the parent	-	(0)	-
Dividends paid to holders of minority interests	(482)	(715)	-
Capital increase or decrease by controlling company	-	-	-
Cash and cash equivalents without loss/gain of control	(2,919)	(168)	-
Change in shareholders' equity	(300)	24	-
New loans and financial debt	122,779	64,555	3.2.4.4.b
Repayment of loans and financial debt	(9,621)	(21,852)	3.2.4.4.b
Interest paid	(7,985)	(6,758)	3.2.4.4.b
Repayment of lease liabilities and associated financial expenses	(7,399)	(10,011)	3.2.4.4.b
Net cash flows from financing activities	**94,074**	**25,075**	**-**
Total cash flows from continuing operations	**123,362**	**33,385**	**-**
Net cash flows from discontinued operations	-	0	-
TOTAL CASH FLOWS FOR THE PERIOD	**123,362**	**33,385**	**-**
Cash and cash equivalents at beginning of year	80,741	98,184	-
Cash and cash equivalents at end of year	202,988	132,251	-
Effect of changes in foreign exchange rates	(1,065)	(683)	-
(1) of which:	-	-	-
Cash and cash equivalents	*215,116*	*134,329*	-
Short-term bank borrowings (current financial debt)	*(12,216)*	*(2,078)*	-

The notes are an integral part of the condensed financial statements.

3.2

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

3.2.1 Accounting principles and valuation methods

On September 10, 2021, the condensed consolidated financial statements at June 30, 2021 were presented to Séché Environnement's Board of Directors, which authorized their publication.

3.2.1.1 Basis for preparing and presenting the condensed financial statements

Pursuant to Regulation (EC) No. 1606/2002 of July 19, 2002, amended by European regulation No. 297/2008 of March 11, 2008, the Group's condensed financial statements at June 30, 2021 are compliant with the IFRS standards and interpretations as adopted by the European Union (available at the following URL: *https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en*).

The condensed financial statements of Séché Environnement Group covering the interim period to June 30, 2021 were prepared in accordance with IAS 34 on Interim Financial Reporting, which allows the presentation of a selection of Notes and information. The following principles have been applied:

- Regarding pension commitments, no new full actuarial calculation is made for the closing of the condensed interim financial statements. The half-year expense for pension commitments is equal to half of the expense calculated for 2020 based on actuarial assumptions as at December 31, 2020. The impact of changes in assumptions on post-employment benefits that occurred in the first half of 2021 (discount rate and long-term inflation rate) was not material for the period ended June 30, 2021.

The condensed financial statements for the period ended June 30, 2021 must therefore be read alongside the consolidated financial statements for the year ended December 31, 2020 as presented in the Annual Report - Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on March 12, 2021 ("2020 Universal Registration Document", pages 141 and following).

A- New standards and interpretations applicable on or after January 1, 2021

The following amendments to IFRS, published by the IASB and applicable from January 1, 2021, had no material impact on the Group's condensed financial statements:

- Interest Rate Benchmark Reform Phase 2 - amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 connected with the benchmarks reform.

B. Standards and interpretations adopted by the IASB but not yet applicable at June 30, 2021

Standard	Applicable from	Subject
Amendments to IFRS 16	April 1, 2021	Rent concessions beyond June 30, 2021
Amendments to IFRS 3	January 1, 2022	Update of Reference to the Conceptual Framework
Amendments to IAS 37	January 1, 2022	Onerous contracts - Cost of fulfilling a contract
Annual Improvements to IFRSs 2018-2020 Cycle	January 1, 2022	Annual improvements to standards, 2018-2020 cycle
Amendments to IAS 16	January 1, 2022	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to IAS 1	January 1, 2023	Classification of Liabilities as Current or Non-current
Amendments to IAS 8	January 1, 2023	Definition of Accounting Estimates
Amendments to IAS 12	January 1, 2022	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

An assessment of the impact of applying these amendments is under review. However, these provisions are not contrary to the Group's current accounting practices.

3.2.1.2 Measurement method

The condensed financial statements at June 30, 2021 are presented using the historical cost method, with the exception of the following assets and liabilities which are reported at fair value: derivatives, financial assets and liabilities measured at fair value through profit or loss and those measured at fair value through other comprehensive income and not subsequently reclassified to profit or loss.

3.2.1.3 Use of estimates

The preparation of the condensed financial statements requires the use of estimates and assumptions that have an impact on the application of accounting policies and the amounts recognized in the consolidated financial statements.

These estimates and their underlying assumptions are based on past experience and other factors considered reasonable under the circumstances. They serve as the basis for any judgment required for determining the carrying amounts of assets and liabilities when such amounts cannot be obtained directly from other sources. The real amounts may differ from the estimates.

- Assessment of the recoverable value of goodwill and intangible assets with an indefinite lifespan:

In addition to annual impairment tests on goodwill and intangible assets that cannot be depreciated, ad hoc tests are performed when there is an indication of impairment on all goodwill, property, plant and equipment and intangible assets. Any impairment losses result from differences between the carrying amount of the asset in question and its recoverable value.

In the first half of 2021, the Group concluded that there was no evidence of impairment on any cash-generating units (CGUs) besides the Peruvian CGU, for which an impairment test was performed. This test used the same discount rate (WACC) as at December 31, 2020 (see Note 3.2.1.8 d) of the Universal Registration Document).

Accordingly, the Group reviewed the projected performance of the business in Peru to measure the impact of the crisis on the achievement of projects planned in the 2020 business plan (see Note 3.2.4.1 a) of the Universal Registration Document). This test led to an impairment of €0.9 million at June 30, 2021 (see Note 3.2.4.1 a).

A five-point decrease in the terminal value of EBITDA would lead to an additional impairment of €1.2 million.

- Assessment of tax loss carryforwards and potential future tax savings:

The Group has identified no facts or circumstances that could call into question the recoverable nature of its deferred tax assets.

3.2.1.4 Change in accounting method and accounting estimates

There were no changes in the first half of 2021.

3.2.2 Main changes in consolidation scope and other significant events

The list of the Group's subsidiaries and associates is presented in Note 3.2.3 "Consolidation scope".

3.2.2.1 Main changes in the consolidation scope

a. Acquisition of a controlling stake in South African company Spill Tech Group Holdings (Pty) Ltd and its subsidiaries

On March 1, 2021 Séché Holdings SA acquired full and exclusive control of the South African Group "Spill Tech Group Holdings (Pty) Ltd" and its subsidiaries, hereinafter referred to as "Spill Tech".

Spill Tech specializes in hazardous waste management and offers high value-added services for industrial cleaning, site decontamination, marine decontamination and the treatment of polluted soils.

Spill Tech Group Holdings (Pty) Ltd and its subsidiaries have been fully consolidated in the Group's condensed financial statements since March 1, 2021.

The provisional breakdown of the acquisition price at June 30, 2021 is provided in the table below:

(In thousands of euros)	On the acquisition date
Fair value of the transferred group	26,035
Net assets and liabilities acquired	8,103
Provisional goodwill arising from the acquisition (see 3.2.4.1 a)	17,932
Cash and cash equivalents acquired	4,342

The fair value of the transferred group had been disbursed as of June 30, 2021, affecting "Cash and cash equivalents with gain of control" in the condensed statement of cash flows (see Note 3.2.4.15 c).

The amount of goodwill was provisional at June 30, 2021 as the estimate of the value of the transferred group and its breakdown were ongoing at the reporting date.

The contribution of the acquisition of Spill Tech to the main income statement items was as follows:

(In thousands of euros)	June 30, 2021 Reported	Impact of the acquisition of Spill Tech Group (1)	June 30, 2021 Restated
Revenue	382,477	11,085	371,391
EBITDA	81,144	3,409	77,735
Current operating income	32,848	2,884	29,964
Operating income	30,785	2,884	27,901
Net financial income	(9,365)	(55)	(9,310)
Net income	**13,787**	**2,068**	**11,719**
o/w attributable to minority interests	(337)	(70)	(268)
o/w Group share	**13,450**	**1,999**	**11,451**

(1) *Extracted from management reporting data for the period from March 1, 2021 to June 30, 2021.*

The Group is implementing the principles set out in the Broad-Based Black Economic Empowerment (B-BBEE) regulation in South Africa in order to observe its business and regulatory commitments.

b. Legal restructuring operations

The Group did not carry out any legal restructuring operations in the first half of 2021.

c. Creation and start-up of subsidiaries

Uper Retiers, an energy generation and recovery unit in Retiers, was created on March 16, 2021. Séché Environnement owns 100% of the company and it is fully consolidated.

d. Disposals of subsidiaries

No disposals, with or without a loss of control, were made in the first half of 2021 or in 2020.

3.2.2.2 Other significant events

a. Measurement of financial performance

In the first half of 2021, Séché Environnement strengthened its profitable growth momentum and confirmed the positive outlook for its business, operating profitability and financial position for the year as a whole and beyond:

- At June 30, 2021, Séché Environnement posted contributed revenue of €354.7 million (see Note 3.2.4.8 b), up +18.4% compared to June 30, 2020. This includes the contribution of Spill Tech group, which was consolidated from March 1, 2021, for €11.1 million.
- EBITDA totaled €81.1 million, or 22.9% of contributed revenue, up +50.7% from June 30, 2020 (and +27.5% compared to the same period in 2019);
- Current operating income stood at €32.9 million, or 9.3% of contributed revenue, up +152.1% from June 30, 2020 (and +48.4% compared to the same period in 2019);
- Operating income totaled €30.8 million, or 8.7% of contributed revenue, up by 158.8% compared to 2020 (+42.6% compared to 2019);
- Net debt remained under control at €465.5 million (vs. €445.5 million at June 30, 2020), while the financial leverage ratio, calculated according to the definition provided in the banking contract (see Note 3.2.4.14 c), fell sharply, to 2.7x EBITDA (vs. 3.3x one year ago), illustrating a significant improvement in the Group's balance sheet flexibility.

The operating performance of the Group's various business lines is discussed in the Interim Activity Report.

b. Bond issue with ESG impact criteria

In March 2021, Séché Environnement issued a €50 million bond maturing in eight years (redemption at term) (see Note 3.2.4.4 b), with enhanced interest rates and subject to ESG impact criteria:

- Energy independence;
- Action to preserve biodiversity;
- Accident trends as measured by the accident frequency rate.

In the event of a positive change in these criteria measured annually, the nominal interest rate of the issue, which was 2.90%, may be lowered by 20 basis points (0.2%).

The bond is intended to finance the recent acquisition of Spill Tech in South Africa as well as growth investments planned for 2021 (see press release from March 24, 2021).

3.2.3 Consolidation scope

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
			12/31/2020	06/30/2021	12/31/2020	06/30/2021
PARENT COMPANY						
Séché Environnement	Changé	France	Parent	Parent	Parent	Parent
CONSOLIDATED SUBSIDIARIES						
Alcéa	Changé	France	100.00	100.00	Full	Full
Béarn Environnement	Pau	France	100.00	100.00	Full	Full
Ciclo	Quilicura	Chile	70.00	70.00	Full	Full
Depo	Milan	Italy	90.00	90.00	Full	Full
Drakenstein Energy Pty	Gauteng	South Africa	83.17	83.17	Full	Full
Drimm	Montech	France	100.00	100.00	Full	Full
East Gauteng Energy Pty Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Ecosite de la Croix Irtelle	Changé	France	100.00	100.00	Full	Full
Eden Waste Construction Ltd (4)	Gauteng	South Africa	62.38	-	Full	-
Eden Waste Management Ltd (4)	Gauteng	South Africa	62.38	-	Full	-
Eden Waste Operations Ltd (4)	Gauteng	South Africa	62.38	-	Full	-
Energécie	Changé	France	74.60	74.60	Full	Full
Enviroserv Polymer Solutions Pty Ltd (1)	Durban	South Africa	-	100.00	-	Full
Envirosure Underwriting Managers Pty Ltd (1)	Brighton Beach	South Africa	-	85.00	-	Full
Envirowaste SA Pty Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Gabarre Energies	Les Abymes	France	51.00	51.00	Full	Full
Gerep	Paris	France	50.00	50.00	Equity	Equity
Greens Scrap Recycling Pty Ltd	Germiston South	South Africa	83.17	83.17	Full	Full
IberTrédi Medioambiental	Barcelona	Spain	100.00	100.00	Full	Full
Interwaste Environmental Solutions Pty Ltd	Lusaka	Zambia	82.33	-	Full	-
Interwaste Holding Pty Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Interwaste Industrial Cleaning Pty Ltd	Gauteng	South Africa	41.59	41.59	Equity	Equity
Interwaste On-site Pty Ltd	Gauteng	South Africa	48.99	48.99	Full	Full
Interwaste Petrochemicals (5)	Gauteng	South Africa	48.99	48.99	Full	Full
Interwaste Properties Pty Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Interwaste Pty	Gauteng	South Africa	83.17	83.17	Full	Full
IWE Fleet Sales Pty	Gauteng	South Africa	83.17	83.17	Full	Full
Kanay	Lima	Peru	100.00	100.00	Full	Full
Karu Energy	-	Guadeloupe	24.00	24.00	Equity	Equity
La Barre Thomas	Rennes	France	40.00	40.00	Equity	Equity
Limpopo Platinum Waste Pty Ltd (4)	Gauteng	South Africa	58.22	-	Full	-
M53 Investements	Gauteng	South Africa	32.40	32.40	Equity	Equity
Mayenne Investment	Gauteng	South Africa	100.00	100.00	Full	Full
Masakhane Interwaste Pty Ltd	Gauteng	South Africa	48.32	48.32	Full	Full
Mecomer	Milan	Italy	90.00	90.00	Full	Full
Mo'UVE	Montauban	France	100.00	100.00	Full	Full

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
Moz Environmental Limitada	Maputo	Mozambique	100.00	100.00	Full	Full
Namaqua	Gauteng	South Africa	40.20	40.20	Full	Full
Opale Environnement	Calais	France	100.00	100.00	Full	Full
Platinum Waste Resources Pty Ltd	Gauteng	South Africa	42.42	42.42	Full	Full
Sabsco Asia	Singapore	Singapore	86.00	86.00	Full	Full
Sabsco Limited	Kent	United Kingdom	86.00	86.00	Full	Full
Sabsco Malaysia	Petaling Jaya	Malaysia	86.00	86.00	Full	Full
SCI LCDL	Changé	France	99.80	99.80	Full	Full
SCI Les Chênes Secs	Changé	France	99.80	99.80	Full	Full
SCI Mézerolles	Changé	France	99.99	99.99	Full	Full
Séché Alliance	Changé	France	100.00	100.00	Full	Full
Séché Chile Spa	Las Condes	Chile	100.00	100.00	Full	Full
Séché Développement	Changé	France	100.00	100.00	Full	Full
Séché Eco-Industries	Changé	France	100.00	100.00	Full	Full
Séché Éco-Services	Changé	France	100.00	100.00	Full	Full
Séché Environnement Ouest	Changé	France	100.00	100.00	Full	Full
Séché Holdings SA	Gauteng	South Africa	100.00	100.00	Full	Full
Séché Health Arequipa	Lima	Peru	100.00	100.00	Full	Full
Séché Healthcare	Changé	France	100.00	100.00	Full	Full
Séché South Africa	Claremont	South Africa	83.17	83.17	Full	Full
Séché Transports	Changé	France	100.00	100.00	Full	Full
Séché Urgences Interventions	La Guerche-de-Bretagne	France	100.00	100.00	Full	Full
Sem Trédi	Mexico City	Mexico	100.00	100.00	Full	Full
Sénergies	Changé	France	80.00	80.00	Full	Full
Sénerval	Strasbourg	France	99.90	99.90	Full	Full
Singapore MTT	Singapore	Singapore	86.00	86.00	Full	Full
Sogad	Le Passage	France	50.00	50.00	Equity	Equity
Solarca Chile Colectiva Civil (3)	Las Condes	Chile	-	86.00	-	Full
Solarca France	Marseille	France	80.38	80.38	Full	Full
Solarca Portugal	Setubal	Portugal	86.00	86.00	Full	Full
Solarca Qatar	Doha	Qatar	42.14	42.14	Full	Full
Solarca Russia	Moscow	Russia	86.00	86.00	Full	Full
Solarca SL	La Selva Del Camp	Spain	86.00	86.00	Full	Full
Solena	Viviez	France	60.00	60.00	Full	Full
Solena Valorisation	Viviez	France	60.00	60.00	Full	Full
Soluciones Ambientales Del Norte	Antofagasta	Chile	100.00	100.00	Full	Full
Sotrefi	Etupes	France	100.00	100.00	Full	Full
Sovatrise	Chassieu	France	65.00	65.00	Full	Full
Speichim Processing	Saint-Vulbas	France	100.00	100.00	Full	Full
Spill Tech Pty Ltd (1)	Durban	South Africa	-	100.00	-	Full
Spill Tech (Gauteng) Pty Ltd (1)	Durban	South Africa	-	100.00	-	Full
Spill Tech Group Holding Pty Ltd (1)	Durban	South Africa	-	100.00	-	Full

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
Spill Tech Hire Pty Ltd [1]	Durban	South Africa	-	100.00	-	Full
Spill Tech Industrial Cleaning Pty Ltd [1]	Congella	South Africa	-	100.00	-	Full
Therm-Service	Seevetal	Germany	86.00	86.00	Full	Full
Trédi Argentina	Buenos Aires	Argentina	100.00	100.00	Full	Full
Trédi SA	Saint-Vulbas	France	100.00	100.00	Full	Full
Triadis Services	Etampes	France	100.00	100.00	Full	Full
Uper Retiers [2]	Changé	France	-	100.00	-	Full
UTM	Lübeck	Germany	100.00	100.00	Full	Full
Valls Quimica	Valls	Spain	100.00	100.00	Full	Full
Varenne Investments Pty Ltd	Gauteng	South Africa	100.00	100.00	Full	Full

(1) *Acquisition (see Note 3.2.2.1.a).*

(2) *Creation on March 16, 2021 (see Note 3.2.2.1.c).*

(3) *Solarca Chile Colectiva Civil is now a significant holding and is consolidated (see Note 3.2.2.1.c).*

(4) *Wound up in the first quarter of 2021.*

(5) *Through a preference share arrangement with Interwaste, all of Petrochemicals' profits and shareholders' equity are included in the Group share for a set period.*

3.2.4 Notes to the consolidated financial statements

3.2.4.1 Intangible fixed assets

a. Goodwill

Goodwill by cash-generating unit (CGU) breaks down as follows:

(In thousands of euros)	France	Germany	Spain	Chile	Peru	South Africa	Italy	Total
Gross value								
At December 31, 2020	257,255	3,582	12,051	10,051	21,273	1,815	28,947	334,973
Changes in consolidation scope	-	-	-	-	-	17,932	-	17,932
Impairment	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	13	(738)	1,173	-	449
Other	-	-	-	0	(0)	0	-	0
At June 30, 2021	**257,255**	**3,582**	**12,051**	**10,065**	**20,535**	**20,919**	**28,947**	**353,353**
Impairment								
At December 31, 2020	(20,220)	-	(5,674)	-	-	-	-	(25,894)
Changes in consolidation scope	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	(900)	-	-	(900)
Currency translation differences	-	-	-	-	18	-	-	18
Other	-	-	-	-	-	-	-	-
At June 30, 2021	**(20,220)**	**-**	**(5,674)**	**-**	**(882)**	**-**	**-**	**(26,775)**
Net value								
At December 31, 2020	237,035	3,582	6,377	10,051	21,273	1,815	28,947	309,079
Changes in consolidation scope	-	-	-	-	-	17,932	-	17,932
Impairment	-	-	-	-	(900)	-	-	(900)
Currency translation differences	-	-	-	13	(720)	1,173	-	467
Other	-	-	-	0	(0)	0	-	0
At June 30, 2021	**237,035**	**3,582**	**6,377**	**10,065**	**19,653**	**20,919**	**28,947**	**326,577**

The "Changes in consolidation scope" line corresponds to the provisional goodwill calculation for Spill Tech Group Holdings (Pty) Ltd (see Note 3.2.2.1 a).

The "Impairment" line represents the €0.9 million impairment recorded following the impairment test performed on the Peruvian cash-generating unit at June 30, 2021 (see Note 3.2.1.3).

b. Other intangible fixed assets

(In thousands of euros)	Software, patents	Intangible fixed assets under concession arrangements	Other intangible fixed assets	Total
Gross value				
At December 31, 2020	**13,300**	**65,063**	**52,312**	**130,676**
Acquisitions	970	23	3,746	4,739
Disposals	(18)	-	-	(18)
Changes in consolidation scope	-	-	-	-
Currency translation differences	(25)	0	467	443
Change in accounting method	-	-	-	-
Other	231	(0)	(218)	13
At June 30, 2021	14,459	65,086	56,307	135,852
Depreciation & amortization and impairment				
At December 31, 2020	**(11,512)**	**(23,644)**	**(14,944)**	**(50,100)**
Allocations	(733)	(2,340)	(2,018)	(5,091)
Impairment	-	-	-	-
Disposals	17	-	-	17
Changes in consolidation scope	-	-	-	-
Currency translation differences	9	-	(243)	(234)
Other	(59)	-	(2)	(61)
At June 30, 2021	(12,277)	(25,985)	(17,207)	(55,469)
Net value				
At December 31, 2020	**1,789**	**41,419**	**37,368**	**80,575**
At June 30, 2021	2,182	39,101	39,100	80,383

3.2.4.2 Property, plant and equipment

(In thousands of euros)	Land	Buildings	Technical facilities	Transport-ation equip-ment	Fixtures & Office equipment	Fixed assets under construction	Leases	Total
Gross value								
At December 31, 2020	**47,311**	**196,906**	**446,375**	**47,578**	**114,432**	**33,919**	**87,208**	**973,730**
Acquisitions	30	1,194	10,407	922	3,627	18,060	6,700	40,940
Disposals	(55)	(2,356)	(8,273)	(3,896)	(1,003)	(4)	(1,444)	(17,031)
Changes in consolidation scope	-	-	2,567	4,877	1,080	-	5,648	14,171
Currency translation differences	499	232	268	1,892	441	136	997	4,466
Other	2	7,113	7,417	1,866	1,501	(15,721)	(1,922)	256
At June 30, 2021	47,788	203,089	458,760	53,239	120,078	36,391	97,187	1,016,533
Depreciation & amortization and impairment								
At December 31, 2020	**(10,708)**	**(141,105)**	**(357,275)**	**(34,330)**	**(77,655)**	**-**	**(38,889)**	**(659,962)**
Allocations	(640)	(7,713)	(13,711)	(1,659)	(3,714)	-	(7,505)	(34,944)
Impairment	-	(611)	29	(1)	(137)	-	-	(720)
Disposals	-	1,594	7,725	3,547	765	-	1,063	14,694
Changes in consolidation scope	-	-	(1,465)	(2,529)	(655)	-	(929)	(5,577)
Currency translation differences	(178)	(12)	(187)	(1,191)	(359)	-	(231)	(2,158)
Other	1	(124)	570	(852)	107	-	1,233	936
At June 30, 2021	(11,525)	(147,972)	(364,314)	(37,015)	(81,648)	-	(45,257)	(687,731)
Net value								
At December 31, 2020	**36,603**	**55,800**	**89,100**	**13,248**	**36,778**	**33,919**	**48,319**	**313,768**
At June 30, 2021	36,263	55,117	94,446	16,224	38,430	36,391	51,930	328,801

The net impact of currency translation differences of €2.3 million was due to the appreciation of the South African and Peruvian currencies at June 30, 2021.

Following damage incurred at the Moz Environmental Limitada site in the first half of 2021, an impairment of property, plant and equipment was recorded in the amount of -€0.8 million, impacting other non-current items (see Note 3.2.4.11).

The "Changes in consolidation scope" line reflects the acquisition of Spill Tech Group (see Note 3.2.2.1 a).

Lease contracts break down as follows:

(In thousands of euros)	Land	Buildings	Technical facilities	Transportation equipment	Fixtures and fittings	Total leases
			Gross value			
At December 31, 2020	**1,658**	**31,636**	**24,328**	**29,178**	**408**	**87,208**
Acquisitions	-	2,220	1,546	2,935	-	6,700
Disposals	(42)	(699)	(295)	(407)	-	(1,444)
Changes in consolidation scope	-	3,183	160	2,305	-	5,648
Currency translation differences	-	298	(123)	805	17	997
Other	0	0	0	(1,922)	(0)	(1,922)
At June 30, 2021	**1,616**	**36,637**	**25,615**	**32,893**	**426**	**97,187**
			Depreciation & amortization and impairment			
At December 31, 2020	**(516)**	**(12,947)**	**(14,465)**	**(10,802)**	**(159)**	**(38,889)**
Allocations	(128)	(2,099)	(2,383)	(2,833)	(62)	(7,506)
Impairment	-	-	-	-	-	-
Disposals	42	235	397	390	-	1,063
Changes in consolidation scope	-	-	(23)	(906)	-	(929)
Currency translation differences	-	(30)	68	(261)	(9)	(231)
Other	0	348	(371)	1,257	(0)	1,234
At June 30, 2021	**(602)**	**(14,493)**	**(16,778)**	**(13,155)**	**(230)**	**(45,257)**
			Net value			
At December 31, 2020	1,141	18,690	9,862	18,377	249	48,319
At June 30, 2021	**1,014**	**22,145**	**8,838**	**19,738**	**196**	**51,930**

3.2.4.3 Investments in associates

The changes in the Group's investments in associate companies were as follows:

(In thousands of euros)	December 31, 2020	June 30, 2021
Balance at start of period	**431**	**180**
Changes in consolidation scope	(45)	-
Impairment	-	-
Share in net income for the period [(1)]	(1,477)	(465)
Change in other comprehensive income	-	-
Dividends received / paid	-	-
Other [(1)]	1,271	285
Balance at end of period	**180**	**-**

(1) The negative share of investments in associates was reclassified as non-current provisions (see Note 3.2.4.5).

3.2.4.4 Financial assets and liabilities

(In thousands of euros)	December 31, 2020			June 30, 2021		
	Non-current	Current	Total	Non-current	Current	Total
Equity instruments	594	-	594	493	-	493
Financial loans and receivables	6,614	974	7,588	6,260	4,682	10,942
Financial assets	**7,209**	**974**	**8,183**	**6,753**	**4,682**	**11,435**
Trade and other receivables	35,736	171,023	206,759	31,405	205,044	236,449
Other operating financial assets	194	32,103	32,297	123	28,572	28,695
Operating loans and receivables at amortized cost	**35,930**	**203,126**	**239,056**	**31,528**	**233,616**	**265,144**
Financial instruments at FV through profit or loss	**-**	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents	**-**	**105,265**	**105,265**	**-**	**134,329**	**134,329**
Total financial assets	**43,139**	**309,365**	**352,504**	**38,280**	**372,628**	**410,908**
Financial debt	487,729	67,809	555,538	532,255	67,589	599,843
Derivatives - Liabilities	0	75	75	0	33	33
Other operating financial liabilities	2,377	232,819	235,196	3,366	269,398	272,763
Total financial liabilities	**490,106**	**300,702**	**790,809**	**535,620**	**337,019**	**872,640**

a. Financial assets

i. Loans and receivables at amortized cost

(In thousands of euros)	December 31, 2020			June 30, 2021		
	Non-current	Current	Total	Non-current	Current	Total
Deposits and guarantees	2,793	227	3,020	2,760	166	2,926
Loans	2,349	66	2,415	2,341	69	2,410
Concession operating receivables	1,473	680	2,153	1,158	4,448	5,606
Financial loans and receivables	**6,614**	**974**	**7,588**	**6,260**	**4,682**	**10,942**
Trade and other receivables	**35,736**	**171,023**	**206,759**	**31,405**	**205,044**	**236,449**
Government	-	20,938	20,938	-	20,376	20,376
Tax receivables	84	2,778	2,862	-	1,814	1,814
Prepayments	-	1,284	1,284	-	1,228	1,228
Social insurance receivables	-	388	388	-	604	604
Amounts receivable on disposal of fixed assets	-	5	5	-	900	900
Other receivables	110	6,423	6,533	123	3,300	3,423
Current account receivables	-	288	288	-	349	349
Other operating assets	**194**	**32,103**	**32,297**	**123**	**28,572**	**28,695**
Operating loans and receivables	**35,930**	**203,126**	**239,056**	**31,528**	**233,616**	**265,144**
Loans and receivables at amortized cost	**42,544**	**204,100**	**246,645**	**37,787**	**238,298**	**276,086**

On December 31, 2020, the Group sold, without recourse, receivables of €24.2 million, with accompanying insurance. The Group had not sold any receivables at June 30, 2021 (see Note 3.2.4.15 a).

Impairment of loans and receivables at amortized cost breaks down as follows:

(In thousands of euros)	December 31, 2020			June 30, 2021		
	Gross	Impairment	Net	Gross	Impairment	Net
Financial loans and receivables	7,841	(253)	7,588	11,192	(250)	10,942
Trade and other receivables	212,018	(5,259)	206,759	242,933	(6,484)	236,449
Other operating assets	32,323	(25)	32,297	28,695	(0)	28,695
Loans and receivables at amortized cost	**252,182**	**(5,537)**	**246,645**	**282,820**	**(6,734)**	**276,086**

ii. Cash and cash equivalents

(In thousands of euros)	Dec. 31, 2020	June 30, 2021
Cash	98,194	122,259
Cash and cash equivalents	7,071	12,071
Cash and cash equivalents	**105,265**	**134,329**

Cash equivalents correspond to SICAV (open-ended mutual funds).

b. Financial liabilities

i. Financial debt

Changes in debt over the fiscal year break down as follows:

(In thousands of euros)	Dec. 31, 2020	Change	New	Repay-ments	Changes in consolid-ation scope	Currency translation differences	Other	June 30, 2021
Bank loans	271,114	0	15,002	(25,062)	3,078	(27)	3,656	267,761
Bonds	229,304	0	49,553	-	-	-	77	278,934
Leases	44,960	(0)	6,700	(9,084)	4,196	662	340	47,775
Other financial debt (incl. accrued interest)	3,078	255	-	(10)	9	1	(39)	3,295
Short-term bank borrowings	7,081	(2,217)	-	-	666	(7)	(3,445)	2,078
Gross debt	**555,538**	**(1,962)**	**71,256**	**(34,157)**	**7,949**	**629**	**590**	**599,843**
Cash and cash equivalents	105,265	24,481	-	-	4,342	676	(434)	134,329
Net debt	**450,273**	**(26,442)**	**71,256**	**(34,157)**	**3,607**	**(47)**	**1,024**	**465,514**

Borrowings increased due to the issue of a new bond (see Note 3.2.2.2 b).

Changes in scope are related to the acquisition of Spill Tech Group Holdings (Pty) Ltd (see Note 3.2.2.1 a).

At June 30, 2021, the Group's financial debt broke down as follows:

(In thousands of euros)	June 30, 2021	< 1 year	1-5 years	> 5 years	Fixed rate	Variable rate
Bank loans	267,761	46,507	195,827	25,427	135,627	132,134
Bonds	278,934	-	199,120	79,814	278,934	-
Leases	47,775	15,742	28,389	3,644	30,424	17,351
Other financial debt (incl. accrued interest)	3,295	3,261	12	22	133	3,160
Short-term bank borrowings	2,078	2,078	-	-	1,183	894
Total	**599,843**	**67,589**	**423,348**	**108,906**	**446,302**	**153,538**

Exposure to liquidity risk, with details of bank ratios and interest rate risk, is described in Notes 3.2.4.14.c) and 3.2.4.14.d) respectively.

Financial debt is 94% contracted in euros (see Note 3.2.4.14).

ii. Operating liabilities

(In thousands of euros)	December 31, 2020			June 30, 2021		
	Non-current	Current	Total	Non-current	Current	Total
Trade payables	-	115,150	115,150	-	122,466	122,466
Debts on acquisition of fixed assets	2,334	22,957	25,291	3,113	20,557	23,670
Prepayments received	-	6,876	6,876	-	5,445	5,445
Social insurance payables	-	28,663	28,663	-	31,796	31,796
State (excluding corporation tax)	-	39,436	39,436	-	58,744	58,744
Income tax	-	1,440	1,440	(0)	3,968	3,968
Current account credit balances	-	1,153	1,153	-	1,150	1,150
Expenses payable	-	1,912	1,912	-	828	828
Other debts	4	440	444	-	8,609	8,609
Other equity	39	-	39	33	-	33
Liabilities for renewal of assets under concession arrangements	-	7,053	7,053	220	6,897	7,117
Prepaid income	-	7,738	7,738	-	8,936	8,936
Operating liabilities	**2,377**	**232,819**	**235,196**	**3,366**	**269,398**	**272,763**

The line item "Debts on acquisition of fixed assets" includes €4.6 million, of which €4.2 million represents earnout payments on the acquisition of the Chilean firm Ciclo (€2.4 million of which is classified as non-current debts) and €0.4 million in adjustments to the acquisition cost of Spill Tech Group (see Note 3.2.2.1 a).

The earnout on the Italian group Mecomer was settled during the period in the amount of €5.5 million (see Note 3.2.4.15 c).

The balance of €19.1 million corresponds to debts on acquisitions of intangible assets and property, plant and equipment.

The increase in the "State (excluding corporation tax)" line was due to the regulatory change in the date of the first interim payment for the TGAP tax on polluting activities (see Note 3.2.4.9).

"Other debts" increased due to the dividends due to be paid to Séché Environnement's shareholders at the beginning of July 2021 for an amount of €7.5 million (see Note 3.2.4.7. f).

(In thousands of euros)	December 31, 2020			June 30, 2021		
	Non-current	Current	Total	Non-current	Current	Total
Derivatives - Assets	-	-	-	-	-	-
Derivatives - Liabilities	0	75	75	0	33	33

3.2.4.5 Current and non-current provisions

Current and non-current provisions break down as follows:

(In thousands of euros)	Dec. 31, 2020	Allocations	Write-backs used	Write-backs not used	Changes in consolidation scope	Other comprehensive income	Currency translation differences	Other	June 30, 2021
Employee benefits	16,497	967	-	(266)	-	-	1	0	17,200
Other non-current provisions (1)	22,185	1,546	(83)	(163)	97	-	253	741	24,575
NON-CURRENT PROVISIONS	**38,682**	**2,513**	**(83)**	**(429)**	**97**	**-**	**254**	**741**	**41,775**
Provisions for litigation (2)	614	-	-	-	-	-	-	-	614
Provisions for other costs (3)	1,142	200	(0)	(887)	10	-	7	(10)	462
CURRENT PROVISIONS	**1,756**	**200**	**(0)**	**(887)**	**10**	**-**	**7**	**(10)**	**1,076**
TOTAL	40,439	2,713	(83)	(1,316)	107	-	261	**731**	**42,852**

(1) *The "Other non-current provisions" line breaks down as follows:*

- *Provisions for thirty-year monitoring: €19.6 million at June 30, 2021 vs. €18.5 million at December 31, 2020, essentially representing an allocation of €0.5 million and the impact of discounting for €0.2 million (see Note 3.2.4.12 b),*
- *Provisions for other risks: €3.3 million at June 30, 2021 vs. €2.7 million at December 31, 2020, including an allocation of €0.2 million, and -€0.2 million representing the negative share of investments in associates (see Note 3.2.4.3.b),*
- *Provisions for employee disputes: €1.7 million at June 30, 2021 vs. €1 million at December 31, 2020, an increase of €0.7 million mainly corresponding to the provision for asbestos risk at Trédi.*

(2) *Corresponds to a tax risk in France.*

(3) *Mainly includes various environmental and business risks. The French company DRIMM was exonerated a commercial dispute resulting in a write-back of provisions of €0.8 million.*

3.2.4.6 Off-balance sheet commitments

(In thousands of euros)	December 31, 2020	June 30, 2021
Commitments given in the ordinary course of business	137,736	140,795
Commitments given in connection with Group debt	46,479	52,976
Commitments given	**184,215**	**193,772**
Commitments received	-	-
Off-balance sheet commitments	**184,215**	**193,772**

a. Off-balance sheet commitments arising from normal operations

(In thousands of euros)	December 31, 2020	June 30, 2021
Financial guarantees [(1)]	80,401	81,215
Guarantees and bonds (given)	57,335	55,580
Lease commitments on contracts not restated for IFRS 16	16,534	17,346
Other commitments arising from normal operations	6,983	4,000
Commitments given in the ordinary course of business	**161,253**	**158,141**

(1) Sureties pledged to a financial institution on the setting up of financial guarantees granted by it under the Ministerial Order of February 1, 1996

b. Off-balance sheet commitments given or received in connection with Group debt

(In thousands of euros)	December 31, 2020	June 30, 2021
Sureties and letters of intent - Other liabilities	33,308	41,814
Property, plant and equipment and intangible assets pledged as guarantees and collateral	13,170	11,163
Commitments given in connection with Group debt	**46,479**	**52,976**

As part of its asset financing operations, the Company signed commitments not to sell the shares it holds in Sénergies and Séché Éco-Industries.

All the off-balance sheet commitments shown above cover liabilities carried in the balance sheet.

In connection with its public service delegation contracts, Séché Environnement issues a performance guarantee to the contracting authorities.

3.2.4.7 Shareholders' equity

a. Breakdown of share capital

The share capital of Séché Environnement is composed of 7,857,732 shares with a par value of €0.20 each, fully paid up as at June 30, 2021, unchanged from December 31, 2020.

The number of shares with a double voting right at June 30, 2021 was 3,567,884, versus 3,567,553 at December 31, 2020.

b. Additional paid-in capital

Additional paid-in capital is made up exclusively of additional paid-in capital from the different capital increases, net of charges.

c. Foreign exchange rate adjustments

Foreign exchange rate adjustments varied by €1.6 million, of which -€0.9 million resulting from the conversion of equity of subsidiaries outside the eurozone, and €2.5 million reflecting the impact of changes in net investments (see Note 3.1.3).

The main exchange rates used (euro/currency) for the translation of balance sheet items (closing rate) and income statement items (average rate) are the following:

For 1 euro	PEN	CLP	ARS	MXN	ZAR
2020.12					
Average rate	4.00	900.11	80.96	24.46	18.67
Closing rate	4.42	868.89	102.85	24.42	18.02
2021.06					
Average rate	4.49	867.92	109.97	24.32	17.53
Closing rate	4.58	867.73	113.47	23.58	17.01

d. Treasury stock

At June 30, 2021, Séché Environnement held 57,285 of its own shares, representing 0.73% of the Company's share capital. At December 31, 2020, it held 57,856 of its own shares, representing 0.74% of the Company's share capital.

e. Earnings per share

Net earnings per share shown at the bottom of the income statement is the ratio of net income attributed to the parent company's shareholders to the weighted average number of shares comprising the parent company's share capital which are in circulation over the period, i.e. €1.72.

The Group has no dilutive instruments, so diluted EPS is equal to net EPS.

f. Dividends

In the first half of 2021, the Annual General Meeting of Séché Environnement approved the payment of €7,464,845.40 in dividends for the 2020 financial year, representing €0.95 per share, for all types of share. Payment was made in July 2021.

3.2.4.8 Income from ordinary activities

a. Breakdown of revenue by type

(In thousands of euros)	June 30, 2020	June 30, 2021
Waste treatment activities	157,302	191,200
Recovery activities	44,492	51,509
Other services	111,452	139,768
Revenue	**313,246**	**382,477**
Other business income	79	421
Income from ordinary activities	**313,326**	**382,898**

b. Breakdown of revenue by type of waste

(In thousands of euros)	June 30, 2020	June 30, 2021
Hazardous waste treatment	195,480	228,638
Non-hazardous waste treatment	104,240	126,008
Total contributed revenue	**299,720**	**354,646**
IFRIC 12 revenue	189	4,892
TGAP revenue	13,337	22,939
Total	**313,246**	**382,477**

The company Mo'UVE holds the public service concession granted by the Sirtomad waste treatment joint venture in Montauban for a period of 20 years (2021-2040). The financial fee received by the company for construction work performed since January 2021 was recognized as work in progress, in accordance with the IFRIC 12 interpretation, for €4.9 million.

c. Breakdown of income from ordinary activities by geographical region

(In thousands of euros)	June 30, 2020	June 30, 2021
France	237,073	290,328
Europe (outside France)	36,827	39,483
South America	8,462	6,038
South Africa	27,875	44,758
Rest of world	3,089	2,291
Total	**313,326**	**382,898**

d. Contract assets and liabilities

Under IFRS 15, the amounts of contract assets and liabilities included in "Other current assets" and "Other current liabilities" in the consolidated financial position must be detailed:

(In thousands of euros)	December 31, 2020	June 30, 2021
Contract assets	25,143	32,988
Contract liabilities	7,738	8,936

3.2.4.9 EBITDA

a. External expenses

(In thousands of euros)	June 30, 2020	June 30, 2021
Subcontracting	(59,298)	(80,431)
Lease expenses	(9,785)	(9,270)
Maintenance and repairs	(15,857)	(16,355)
Insurance	(4,693)	(5,840)
Other external expenses	(19,439)	(20,356)
External expenses	**(109,071)**	**(132,251)**

The increase in "Subcontracting" at June 30, 2021 was linked to the increase in activity in the first half of 2021 compared to the first half of 2020.

b. Taxes and duties

(In thousands of euros)	June 30, 2020	June 30, 2021
Tax, duties and related payments	(4,605)	(4,286)
TGAP (tax on polluting activities)	(14,941)	(24,687)
Property ownership tax	(3,264)	(3,140)
Other	(651)	(612)
Taxes and duties	**(23,461)**	**(32,726)**

The increase in the "TGAP" line was due to an increase in volumes treated in relation to the first half of 2020, and an increase in TGAP rates.

c. Payroll costs

(In thousands of euros)	June 30, 2020	June 30, 2021
Wages and salaries (including social security expenses)	(81,747)	(88,771)
Profit-sharing and incentive schemes	(1,519)	(1,924)
Contributions towards end-of career payments	-	13
Employee expenses	**(83,266)**	**(90,682)**

3.2.4.10 Current operating income

a. Operating income and expenses

(In thousands of euros)	June 30, 2020	June 30, 2021
Losses on bad debts	(58)	(33)
Other	(626)	(491)
Operating expenses	**(685)**	**(524)**
Other	607	145
Operating income	**607**	**145**
Other operating items	(77)	(379)

Losses on bad debts at June 30, 2021 were not material.

The "Other" line of operating expenses at June 30, 2021 corresponds mainly to expenses covered by provisions at December 31, 2020, for which the provisions were written back (see Note 3.2.4.5). At June 30, 2020, this corresponded to the risk of a tax adjustment for the TGAP tax following an incident at the subsidiary Senerval, for -€0.4 million.

The line "Other" at June 30, 2020 was related to the write-back of an unused provision of €0.6 million recorded for asbestos-related disputes, in which the Group was exonerated.

b. Net allocations to depreciation & amortization, provisions and impairment

(In thousands of euros)	June 30, 2020	June 30, 2021
Amortization of intangible fixed assets	(5,030)	(5,091)
Depreciation of property, plant and equipment	(29,945)	(34,947)
Amortization of deferred expenses	(6)	(4)
Net allocations to depreciation & amortization	**(34,981)**	**(40,042)**
Net impairment of fixed assets	-	29
Net impairment of inventories, trade receivables and other assets	376	(1,497)
Net change in current and non-current provisions	1,531	(1,313)
Net allocations to provisions and impairment	**1,907**	**(2,781)**
Depreciation & amortization, impairment, and provisions	(33,074)	(42,823)

The line "Net impairment of inventories, trade receivables and other assets" corresponds mainly to the impairment of trade receivables. Impairment mainly concerns assets located in Spain and France.

The "Net change in current and non-current provisions" is explained in Note 3.2.4.5.

3.2.4.11 Operating income

(In thousands of euros)	June 30, 2020	June 30, 2021
Intangible fixed assets	-	5
Property, plant and equipment	30	(43)
Consolidated securities	11	(3)
Non-consolidated securities	-	-
Income on disposal of fixed assets	**41**	**(41)**
Fixed assets	-	(1,648)
Other assets	0	-
Impairment	**0**	**(1,648)**
Business combination effects	**-**	**(356)**
Other	**(1,192)**	**(18)**
Other non-current items	**(1,151)**	**(2,063)**

The "Impairment" line corresponds to the impairment of:

- goodwill on the company Kanay, for €0.9 million (see Note 3.2.1.3); and
- property, plant and equipment at Moz Environmental, following damage to the site in the first half of 2021, for an amount of €0.8 million (see Note 3.2.4.2).

At June 30, 2021, the effects of business combinations correspond mainly to amounts incurred for the acquisition of Spill Tech Group (see Note 3.2.2.1 a).

As at June 30, 2020, the "Other" line reflected costs related to the South African Broad-Based Black Economic Empowerment initiative, in the amount of -€0.6 million.

3.2.4.12 Net financial income

a. Breakdown of the cost of net financial debt

(In thousands of euros)	June 30, 2020	June 30, 2021
Interest income from cash and cash equivalents	151	149
Income from cash and cash equivalents	151	149
Interest expenses on borrowings (1)	(8,492)	(8,186)
Income from derivatives	(352)	(96)
Cost of gross financial debt	(8,844)	(8,281)
Cost of net financial debt	(8,692)	(8,132)

(1) o/w €5 million for Séché Environnement vs. €5.3 million at June 30, 2020.

b. Breakdown of other financial income and expenses

(In thousands of euros)	June 30, 2020	June 30, 2021
Net income on the sale of long-term investments (1)	(996)	(75)
Accretion of 30-year provisions (2)	(657)	(150)
Impairment of equity instruments (1)	886	(91)
Other impairment losses and provisions	(0)	0
Foreign exchange gain (loss) (3)	(871)	(557)
Other (4)	(84)	(359)
Other financial income and expenses	**(1,721)**	**(1,232)**

(1) At June 30, 2020, this reflects the negligible net impact of the disposal of other long-term investments in Emertec 3 in France.
(2) See Note 3.2.4.5.
(3) See Note 3.2.4.16.e
(4) These are fees for the use and non-use of liquidity lines in France.

3.2.4.13 Taxes

(In thousands of euros)	June 30, 2020	June 30, 2021
Income tax payable	(3,354)	(5,724)
Deferred tax	1,031	(1,444)
Total	**(2,323)**	**(7,168)**

The net tax expense for the financial year is broken down between:

- A tax expense of €5.6 million for the French subsidiaries (€0.3 million in June 2020), mainly related to Séché Environnement SA's consolidated tax group comprising 19 subsidiaries;
- A tax expense of €1.6 million for the foreign subsidiaries (€2 million in June 2020).

In the first half of 2021, the tax loss carryforwards applied at December 31, 2020 were not adjusted (see Note 3.2.1.3).

3.2.4.14 Financial risk management

a. Exposure to credit risk

Credit risk is the risk of financial loss incurred by the Group in the event a client or counterparty to a given asset fails to meet its contractual obligations.

This risk comes mainly from trade receivables.

The Group manages credit risk associated with trade receivables via an active payment collection policy implemented at each of its French subsidiaries.

This policy is implemented using a centralized software program which issues formal reminders and provides real-time information on the various counterparties. An analysis of payment deadlines is also carried out on a monthly basis, and any incidents are subject to corrective initiatives.

Furthermore, the Group has taken out credit insurance to cover the credit risks of its principal subsidiaries.

The book value of financial assets represents the Group's maximum exposure to credit risk (see Note 3.2.4.4).

Income, expenses, profits and impairment recognized in respect of these financial assets in the financial statements at June 30, 2021 almost exclusively comprised losses on trade receivables (see Note 3.2.4.10).

b. Exposure to counterparty risk

Counterparty risk corresponds to the loss that the Group could incur if one or more counterparties failed to fulfill their contractual obligations. It concerns loans and receivables at amortized cost (financial or operating loans and receivables) and short-term investments of excess cash.

The aging balance of receivables at amortized cost by maturity breaks down as follows:

(In thousands of euros)	June 30, 2021				
	Net value	o/w not due	0-6 months	o/w due 6 mths-1 yr	> 1 year
Non-current trade and other receivables	31,405	31,405	-	-	-
Current trade and other receivables	205,044	158,530	35,512	6,847	4,154
Trade and other receivables	**236,449**	**189,935**	**35,512**	**6,847**	**4,154**

The aging balance of receivables at amortized cost by maturity at the close of the previous year breaks down as follows:

(In thousands of euros)	December 31, 2020				
	Net value	o/w not due	0-6 months	o/w due 6 mth-1 yr	> 1 year
Non-current trade and other receivables	35,736	35,736	-	-	-
Current trade and other receivables	171,023	132,749	28,001	5,487	4,786
Trade and other receivables	**206,759**	**168,485**	**28,001**	**5,487**	**4,786**

The Group has also taken out a credit insurance policy to cover its consolidated revenue.

The Group considers that it is not exposed to any significant counterparty risk. The receivables due in more than 12 months listed above were analyzed and no impairment loss was recognized.

c. Exposure to liquidity risk

Liquidity risk is the risk that the Group may have difficulty honoring its debts when they become due.

The Group manages its financing centrally. Cash management reporting is in place with the aim of providing an up-to-date overview of the Group's short-, medium- and long-term financing requirements. Nearly all the Group's financing is managed centrally, as is the balancing of its sources of financing (capital markets, banks).

At June 30, 2021, the remaining contractual maturities of the Group's financial liabilities broke down as follows:

	June 30, 2021				
(In thousands of euros)	Book value	Contractual cash flows	< 1 yr	1-5 years	> 5 yrs
Bank loans	546,696	600,429	58,998	431,113	110,318
Lease finance liabilities	47,804	47,804	15,771	28,389	3,644
Other financial debt	3,266	3,266	3,266	-	-
Short-term bank borrowings	2,078	2,078	2,078	-	-
Trade and other payables	264,874	264,874	261,761	3,113	-
Liabilities for renewal of assets under concession arrangements	6,897	6,897	6,677	220	-
Non-derivative financial liabilities	**871,615**	**925,348**	**348,552**	**462,835**	**113,962**
Derivatives	33	33	33	-	-
Derivative financial liabilities	**33**	**33**	**33**	**-**	**-**

For the sake of comparison, the remaining contractual maturities relating to the Group's financial liabilities broke down as follows on December 31, 2020:

	December 31, 2020				
(In thousands of euros)	Book value	Contractual cash flows	< 1 yr	1-5 years	> 5 yrs
Bank loans	500,418	553,185	55,048	375,258	122,880
Lease finance liabilities	45,043	45,043	15,162	26,491	3,391
Other financial debt	2,995	2,995	2,995	-	-
Short-term bank borrowings	7,081	7,081	7,081	-	-
Trade and other payables	228,143	228,143	225,809	2,334	-
Liabilities for renewal of assets under concession arrangements	7,053	7,053	7,053	-	-
Non-derivative financial liabilities	**790,734**	**843,501**	**313,148**	**404,082**	**126,271**
Derivatives	75	75	75	-	-
Derivative financial liabilities	**75**	**75**	**75**	**-**	**-**

Financial ratios:

Further to the debt refinancing completed in July 2018 and May 2019, the Group benefits from a single and more flexible leverage ratio with a limit of 3.95x EBITDA. This limit can be further increased to 4.25x EBITDA should any acquisitions take place.

The financial ratio is calculated, excluding the impacts of the application of IFRS 16 Leases since January 1, 2019, based on:

- Net financial debt with the exception of non-recourse financing;
- And EBITDA (earnings before interest, tax, depreciation and amortization).

At June 30, 2021, the Group's leverage ratio stood at 2.68x EBITDA vs. 3.13x at December 31, 2020.

This refinancing contract contains early repayment clauses in the event of non-compliance with the limit for the financial ratio; the limit was respected at June 30, 2021.

d. Exposure to interest rate risk

Séché Environnement's corporate debt, excluding hedging, is mostly subject to a fixed rate of interest.

The Group may use derivatives to hedge against any rise in interest rates and optimize the cost of its debt. The instruments used can include swaps, caps, floors and collars. Their use is managed directly by the Group Finance Department.

Information on the sensitivity analysis is not disclosed in the condensed financial statements as at June 30, 2021, as hedging derivatives are now non-material.

e. Exposure to exchange rate risk

The Group is exposed to foreign exchange risk due to the translation of the income statements and balance sheets of foreign subsidiaries outside the eurozone, mainly in South Africa, Peru and Chile (see Note 3.2.4.7 c).

Foreign exchange risk on transactions is limited as 86% of Séché Environnement's revenue is generated in the eurozone. Contracts outside the euro area are generally executed in local currencies for the activities of subsidiaries operating in their own countries.

(In thousands of euros)	**June 30, 2020**	**June 30, 2021**
Europe	(979)	233
Americas	(397)	(194)
Africa	545	(604)
Rest of world	(40)	8
Total	**(871)**	**(557)**

To date, this risk is not subject to separate hedging at the Group level.

3.2.4.15 Additional notes to the consolidated statement of cash flows

a. Change in working capital requirement

(In thousands of euros)	**Dec. 31, 2020**	**June 30, 2021**
Change in working capital requirement	**11,310**	**4,753**
Net change relating to operations	**12,475**	**3,499**
Change in inventories	(581)	(935)
Change in operating receivables	19,982	(21,885)
o/w change in trade receivables [1]	*10,360*	*(20,460)*
o/w change in other operating receivables	*9,621*	*(1,425)*
Change in operating liabilities	(6,926)	26,319
o/w change in trade payables	*(4,688)*	*3,776*
o/w change in other operating liabilities [1]	*(2,240)*	*22,542*
Net change excl. operations	**(1,165)**	**1,254**
Change in non-operating receivables	(137)	2,965
o/w change in other debtors	*(165)*	*3,061*
Change in non-operating liabilities	(1,029)	(1,712)
o/w change in other debts	*(632)*	*(436)*

(1) The decrease in trade receivables was due to the non-use of factoring at June 30, 2021, contrary to December 31, 2020 (see Note 3.2.4.14 a). Moreover, tax legislation delayed the first interim payment of the TGAP tax to the second half of 2021, resulting in a significant improvement in the Group's cash position at June 30, 2021.

b. Other income and expenses

At June 30, 2021, other income and expenses totaling €1.2 million corresponded to the impact of:

- acquisition costs for target companies reclassified as cash flows relating to investments for the acquisition of Spill Tech Group Holdings (Pty) Ltd, for €0.2 million, and as cash flows relating to financing activities for target companies not acquired for €0.2 million,
- costs amortized using the effective interest rate method and expenses in accordance with IFRIC 12, for €0.6 million,
- the discounting of liabilities, for €0.2 million.

c. Takeovers of subsidiaries net of cash and cash equivalents

The impact of €28.4 million recorded at June 30, 2021 mainly corresponds to:

- payment of the fair value of the consideration transferred net of cash and cash equivalents acquired from the South African company Spill Tech Group Holdings (Pty) Ltd, for an amount of €22.7 million (see Note 3.2.2.1 a),
- and the final earnout payment for the Italian group Mecomer, in the amount of €5.5 million (see Note 3.2.4.4 b ii).

3.2.4.16 Disputes and contingent liabilities

The Group's companies are occasionally parties to disputes in connection with their activities. The related risks were assessed by Séché Environnement and the subsidiaries concerned based on their knowledge of the issues and were subject, if warranted, to appropriate provisions. The Group believes that the provisions recognized on the balance sheet for these known or ongoing disputes on the closing date are of an amount that would not impact the consolidated financial position in a material manner in the event of an unfavorable outcome.

- *Ongoing tax audits for which a proposed adjustment has been received:*

None.

- *Ongoing tax audits for which no proposed adjustment has been received:*

Séché Environnement (France) for the years 2018 to 2020, relating to all tax returns. This audit began on June 23, 2021 and is still ongoing.

Séché Eco-Industries (France) for the years 2018 to 2019, relating to tax returns for corporation tax. This audit began in the first half of 2021 was concluded with no adjustment on July 29, 2021.

Senerval (France) for the years 2018 to 2020, relating to all tax returns. This accounting audit will begin on July 6, 2021.

There are no other government, legal or arbitration procedures, including any procedures of which the Company is aware, which are pending or threatened, that are likely to have or, during the last six months, have had significant impacts on the financial situation or the profitability of the Company and/or the Group.

3.2.4.17 Transactions with related parties

The related parties with which the Group maintains relations are the Group's non-consolidated subsidiaries, associates and Séché Group.

The Group has no significant relationship with these related parties.

As this is an interim closure, information on corporate officers and related companies is not presented in this note.

3.2.4.18 Key events since the closing of accounts

a. Acquisition of an additional stake in the Spanish company Solarca SL, without taking control

On July 6, 2021, Séché Environnement exercised its purchase options to acquire an additional 5% stake in Solarca SL for €1.3 million. The Group's ownership interest will increase from 86% to 91% from July 1, 2021.

b. CICLO project in Chile: unfavorable initial decision

On July 21, 2021, the Chilean Supreme Court issued an unfavorable decision for the operating permit, resulting in a delay in the implementation of the project by the subsidiary CICLO. The company is undertaking additional environmental impact studies in order to achieve a favorable outcome.

c. Acquisition of Sarp-Osis IDF, subject to approval by the Competition Authority

In August 2021, Séché Environnement entered into an agreement with Veolia group to acquire eight centers specialized in sanitation in Ile-de-France that belonged to Sarp-Osis IDF, a subsidiary of Veolia.

This transaction is expected to be finalized at the beginning of 2022 subject to approval by the Competition Authority.

d. Other post-balance sheet events

At the time of preparing the condensed financial statements, the Group was not aware of any other significant event occurring after the closing date likely to have a significant impact on its assets, financial position or operating income.

4 STATUTORY AUDITORS' REPORT ON THE INTERIM FINANCIAL INFORMATION FOR 2021

Séché Environnement SA
Registered office: Les Hêtres - CS 20020 - 53811 Changé Cedex 09
Share capital: €1,571,546

To the Shareholders,

In accordance with the terms of our appointment at the Annual General Meeting and pursuant to article L.451-1-2 III of the French Monetary and Financial Code, we have performed:

- a limited review of the condensed interim consolidated financial statements of Séché Environnement SA pertaining to the period from January 1 to June 30, 2021, such as they are appended to this report;
- the verification of information contained in the interim activity report

The global crisis linked to the Covid-19 pandemic created special conditions for the preparation and limited review of the condensed interim consolidated financial statements. The crisis and the exceptional measures taken under the public health state of emergency had multiple consequences for companies, in particular on their activity and funding, while generating additional uncertainty regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and the way in which our audits are implemented.

These condensed interim consolidated financial statements were prepared under the responsibility of your Board of Directors. It is our responsibility to express our opinion on these financial statements based on our limited review.

I - Opinion on the financial statements

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

A limited review essentially consists in meeting with the members of the company's executive management who are responsible for accounting and financial matters and applying analytical procedures. A limited review is substantially less extensive than a full audit carried out in accordance with the professional standards applicable in France. Consequently, the assurance that the financial statements as a whole are free of material misstatement obtained via a limited review is a moderate one and not as strong as that obtained through an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements were not prepared, in all material respects, in accordance with IAS 34, the standard of IFRS as adopted by the European Union applicable to interim financial information.

II - Specific verification

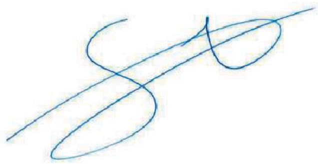
We have also verified the information presented in the interim activity report in respect of the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to the fair presentation and the consistency of this information with the condensed interim consolidated financial statements.

Nantes, September 10, 2021
KPMG SA

Gwenaël Chedaleux
Partner

Rennes, September 10, 2021
Mazars



Ludovic Sevestre
Partner

5

CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

5.1

CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

"I hereby certify that, to the best of my knowledge, the consolidated financial statements for the past six months were prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position, and results of the Company and all of the companies included in the consolidation scope, and that the attached interim activity report provides a true and fair view of the significant events occurring during the first six months of the financial year, their impact on the accounts, the main transactions with related parties, and a description of the main risks and uncertainties for the remaining six months of the financial year."

Chief Executive Officer

Maxime Séché

Changé, September 10, 2021

Séché Environnement
A Société Anonyme (French limited company) with share capital of €1,571,546 - registered in the Laval Trade and Companies register under number B 306 915 535
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