GrandVision Half Year 2021

FINANCIAL REPORT

Table of contents

Interim report

Half year 2021 highlights

- In HY21, comparable revenue increased 33.6% versus HY20 and fell short by 5.9% versus HY19. Adjusted EBITA was €217 million in HY21 (HY20: -€24m and HY19: €237m)
- HY21 adj. EPS was €0.85 (HY20: -€0.70 and HY19: €0.29)
- GrandVision's net debt position as of 30 June 2021 was €556 million (HY20: €755m).

Key figures

				Changes versus prior year			
in millions of EUR (unless stated otherwise)	HY21	HY20	HY19	At reported rate	At constant exchange rate	Organic growth	Impact from acquisitions/ divestments
Revenue	1,891	1,453	1,995	30.2%	32.3%	34.6%	-2.3%
Comparable growth (%)	33.6%	-29.1%	3.8%				
Comparable growth base 2019 (%)	-5.9%						
Adjusted EBITA	217	- 24	237	1019.2%	1040.4%	1036.0%	4.4%
Adjusted EBITA margin (%)	11.5%	-1.6%	11.9%	1313bps			
Net result	231	- 212	74	209.1%			
Net result attributable to equity holders	215	- 212	66	201.3%			
Adjusted earnings per share, basic (in €)	0.85	- 0.70	0.29	221.0%			
Earnings per share, basic (in €)	0.85	- 0.84	0.26	201.3%			
System wide sales	2,074	1,591	2,178	30.4%			
Number of stores (#)	7,265	7,271	7,265	-0.1%			

Comparable growth base 2019 is defined as revenue growth from the stores, excluding the Hold Separate Organization, which were comparable in 2019 and are still being operated as per 30 June, 2021

Management comments
Stephan Borchert, GrandVision's CEO said: "In the first half of 2021, GrandVision has once again reconfirmed its inherent strength and resilience and its ability of mastering the ongoing challenges of the COVID-19 pandemic.

Despite a slower start in 1Q21, particularly due to major disruptions in France, GrandVision has significantly accelerated its performance in the second quarter of 2021 with June showing strong performance across all segments and delivering its highest monthly revenue and adjusted EBITA in history.

Our skilled employees in stores and service units all over the world, our focus on best-in-class customer value propositions and satisfaction as well as our strong operational efficiency have all equally contributed to these robust results.

Also, we have further progressed on our strategic plan of delivering a seamless connection between our customer-facing omnichannel front-end and back-end operations; we envision our first fully integrated country to go live beginning of 2022.

As in previous quarters, we have retained our focus around the Company's CSR initiatives. I am pleased to share that GrandVision is now ranked number 1 on the Sustainalytics ESG Retail industry cluster benchmark. We also launched our first global Diversity & Inclusion policy during the second quarter and hosted a worldwide summit reaching more than 24,000 employees.

On 1 July, EssilorLuxottica completed its acquisition of HAL's interest in GrandVision. We are excited to lead GrandVision into a new chapter and welcome EssilorLuxottica as our new majority shareholder. The combination of GrandVision and EssilorLuxottica will create a truly global eyecare and eyewear company which we are proud to be part of. Given the compelling strategic rationale of this transaction, we are excited about the future prospects of this combination."

Transaction between HAL and EssilorLuxottica closed
On 1 July 2021, GrandVision announced the closing of the transaction between EssilorLuxottica SA and HAL for the sale of HAL's 76.72% interest in GrandVision for a price equal to €28.42 per share.

EssilorLuxottica announced that it will launch a mandatory cash public offer (the "Mandatory Public Offer") for the remaining outstanding shares in GrandVision, in accordance with the applicable Dutch public offer rules. The price of the Mandatory Public Offer will be €28.42 per share. EssilorLuxottica confirmed that it will submit a request for review and approval of the offer memorandum for the Mandatory Public Offer with the Netherlands Authority for the Financial Markets (AFM) no later than 23 September 2021. Settlement of the Mandatory Public Offer is expected to take place within six months from the announcement date.

Financial recogntion of the remedies

The antitrust approval in the European Union for the transaction between HAL and EssilorLuxottica is conditioned on the divestment of GrandVision's 35 GrandOptical stores in Belgium, 142 Eye Wish stores in the Netherlands, 72 stores from the "GrandVision by" retail banner in Italy.

As of 23 March 2021, the so-called Hold Separate Organization (HSO) is managed by Hold Separate Managers. The HSO is excluded from consolidation as of 1 April 2021, as GrandVision no longer has control over these divestments, and the relevant assets and liabilities of divestments will be derecognized from the consolidated Balance Sheet. Instead, the fair value of these divestments was reported as "Investments in Associates" on the consolidated Balance Sheet until the moment these operations are classified as held for sale at the end of June 2021. In 2Q21, the total net result of the EU divestments is reported as part of the Company's EBITA as "Result of Associates" in GrandVision's Consolidated Income Statement. A provisional Fair Value uplift of €95 million has been recognized in the net result in the HY21 financial report with no impact on the operating result.

On 1 July 2021, following the commitment with the Chilean market regulator FNE (Fiscalía Nacional Económica) to divest the 97 stores of GrandVision's Chilean operations operating under the banner Rotter Y Kraus, GrandVision's Chilean operations were sold to HAL. On 29 June 2021, the criteria for held for sale classification were met and assets and liabilities are reported in lines 'Assets held for sale' and 'Liabilities held for sale', respectively.

Group financial review

in millions of EUR	HY21	HY20	HY19
Revenue	1,891	1,453	1,995
Cost of sales and direct related expenses	- 529	- 431	- 547
Gross profit	1,363	1,022	1,448
Selling and marketing costs	- 940	- 838	- 996
General and administrative costs	- 229	- 379	- 294
Share of result of associates	3	- 1	- 0
Operating result	196	- 196	158
Gain on remeasurement of the investment retained	95	-	-
Financial income	3	1	2
Financial costs	- 21	- 33	- 28
Net financial result	- 17	- 32	- 26
Result before tax	274	- 229	132
Income tax	- 43	17	- 59
Result for the period	**231**	**- 212**	**74**
Attributable to:			
Equity holders	215	- 212	66
Non-controlling interests	16	1	8
	231	- 212	74

GrandVision's first half 2021 results are impacted by the Hold Separate Organization (HSO) recognition as of 1 April 2021, as explained in the 'Financial Recognition of the Remedies' section of this report. The relevant metrics to understand the business performance are comparable growth, which by definition excludes the effect from the HSO in the Netherlands, Belgium and Italy, versus 2020 and 2019 and the reported adjusted EBITA.

Revenue

Revenue increased by 32.3% at constant exchange rates to €1,891 million in HY21 (HY20: €1,453 million) or +30.2% at reported rates. Comparable revenue increased +33.6% in HY21 versus HY20 and declined 5.9% versus HY19.

The beginning of 2021 was marked by the continued COVID-19 related restrictions in some of our largest markets such as France. Footfall promptly returned to our stores with the lifting of measures towards the end of May. Revenue in June was the highest in GrandVision's history, exceeding pre-pandemic levels with mid-double-digit comparable growth versus 2019.

Our retail banners' online revenue increased by 66% in HY21 versus HY20. The digital influenced store sales continued the positive trend increasing by 122% year-to-date.

Adjusted EBITA

In the first half of the year, GrandVision delivered a sequential improvement despite the COVID-19 restrictions that persisted for most of the period. The cost efficiency initiatives that we took last year contributed to the positive margin trend. Following the reopening of our French store network in mid-May, the operating leverage strongly improved in June. As a result, June recorded the highest adjusted EBITA in GrandVision's history.

In HY21, the adjusted EBITA increased from -€24 million in HY20 to €217 million in HY21 while remaining below 2019 levels (HY19: €237 million). The underlying performance reinforces the strength of our business and ability to return to pre-pandemic profit levels. In HY21, the adjusted EBITA was positively impacted by government grants, mainly in the G4 segment, accounting for €10 million (HY20: €50 million), and lower occupancy costs related to the COVID-19 pandemic including the effect from temporary store closures.

Operating result

The operating result increased from -€196 million in HY20 to €196 million in HY21, driven by improved EBITA as COVID-19 related restrictions started to ease. In addition, the lower non-recurring items and impairments compared with HY20 contributed to the improved operating result.

in millions of EUR	HY21	HY20	HY19
Adjusted EBITA	**217**	**- 24**	**237**
Non-recurring items	- 4	- 44	- 10
EBITA	**213**	**- 68**	**227**
Amortization and impairments	- 17	- 129	- 69
Operating result	**196**	**- 196**	**158**

Non-recurring items of -€4 million in HY21 (-€44 million in HY20) were mainly related to expenses connected with the acquisition of HAL's interest in GrandVision by EssilorLuxottica. This was mostly offset by the €10.3 million provision release related to the favorable award the Company obtained in the proceedings initiated by the French Competition Authority (Autorite de la Concurrence) in 2015.

Amortization and impairments were -€17 million in HY21, significantly lower than the previous year due to the impairments recorded in 2020 and 2019.

The HY20 included €75 million in goodwill impairments related to our businesses in the US, Italy, Colombia and Peru triggered by the severe impact of the COVID-19 pandemic on business performance in these markets. Additionally, a €35 million impairment was related mainly to the customer databases in the UK, the US and Italy. In HY19, the Company recognized a goodwill impairment of €51 million related to the US business.

The operating result increased from -€196 million in HY20 to €186 million in HY21, driven by improved EBITA as COVID-19 related restrictions started to ease. In addition, the lower non-recurring items and impairments compared with HY20 contributed to the improved operating result.

Financial result

The financial result increased to -€17 million in HY21 compared to -€32 million in HY20, mainly reflecting non-operational FX gain due to the lower volatility of currencies compared with the previous year and the conversion of the lease contracts in Turkey into local currency.

Income tax

Income tax decreased from a tax gain of €17 million in HY20 to a tax expense of -€43 million in HY21, due to the top-line recovery versus the COVID-impacted HY20 period.

The estimated weighted average annual effective income tax rate used for the six months ended 30 June 2021 is 15.7% versus -7.4% for the six months ended in 30 June, 2020. The change is due to the pandemic's negative impact on results of the Group in 2020 and gain related to remeasurement to the provisional fair value of the investment in 2021. Excluding this gain, the effective tax rate would have been 24.1%.

Net result for the period

Net result for the period increased to €221 million in HY21 (-€212 million in HY20). The improvement reflects the business recovery from the previous year's heavy impact caused by the COVID-19 pandemic mainly in April and May as well as related goodwill impairments also recorded in HY20.

Net result attributable to equity holders was €205 million in HY21 (-€212 million in HY20). The net result was impacted by the fair value uplift provision of €95 million related to the HSO result in the HY21 financial report with no impact on operating result.

(Adjusted) Earnings per share

Adjusted earnings per share, excluding non-recurring items, was €0.85 in HY21 (HY20: -€0.70 and HY19: €0.29). Earnings per share was €0.85 in HY21 (HY20: -€0.84 and HY19: €0.26).

The weighted average number of shares outstanding was 253,792,137 in HY21. On a fully diluted basis, adjusted EPS was also €0.85 in HY21 (HY20: -€0.70 and HY19: €0.29), and EPS was €0.84 in HY21 (HY20: -€0.84 and HY19: €0.26).

Segment review

G4

				Changes versus prior year			
in millions of EUR (unless stated otherwise)	HY21	HY20	HY19	At reported rate	At constant exchange rate	Organic growth	Impact from acquisitions/ divestments
Revenue	1,077	849	1,131	26.8%	26.7%	29.3%	-2.6%
Comparable growth (%)	27.9%	-26.8%	3.2%				
Comparable growth base 2019 (%)	-6.9%						
Adjusted EBITA	141	21	180	575.5%	575.1%	570.6%	4.5%
Adjusted EBITA margin (%)	13.1%	2.5%	15.9%	1062bps			
Number of stores (#)	3,455	3,430	3,408				

Revenue

Comparable revenue in the G4 segment increased by 27.9% versus HY20 and decreased by 6.9% versus HY19. This was mainly driven by the adverse impact of temporary store closures, primarily in France, and lower traffic in connection to the restrictions still in place in some G4 countries. At constant exchange rates revenue increased by 26.7% to €1,077 million in HY21 (HY20: €849 million and HY19: €1,131 million).

In **France**, our business was impacted by the temporary closure of more than 300 shopping mall-based stores between February and mid-May. Upon the lifting of government-mandated COVID-19 restrictions towards the end of the second quarter, the country's performance was accelerated to high single-digit comparable growth compared with 2019. The new CRM platform implemented earlier this year continued to serve our customers' needs, helping to redirect the footfall to open stores.

Our businesses in **Germany** and **Austria** gradually recovered through the first half of the year. The footfall was strongly impacted at the beginning of the year with a circa 40% reduction in traffic compared with 2019, which slowly started to recover towards pre-pandemic levels at the end of the second quarter.

Belgium and **the Netherlands** delivered a steady recovery in the first half of the year. In 2Q21, comparable growth was at the mid-single-digit level versus 2019. The strength of the business more than offset the tough comps versus 2019, a year supported by strong commercial campaigns.

In the **United Kingdom**, our Vision Express business delivered the strongest comparable growth versus 2019 in the G4 segment due its solid commercial execution during 2021. While the first six months of the year reported a mid-single-digit comparable growth, the second quarter exceeded the mid-double-digit revenue growth on a comparable basis versus 2019.

Despite the government starting to lift COVID-19 related restrictions towards the end of the second quarter in the G4 countries, footfall has stabilized below 2019 levels, though with continued improved high conversion ratios.

E-commerce sales, particularly our retail brand platforms and the digitally influenced store sales across all the countries in the segment, delivered strong growth in the first half of the year.

Adjusted EBITA

Adjusted EBITA increased to €141 million in HY21 from €21 million in HY20 (HY19: €180 million). Compared with 2019, the segment's profit was affected by the negative operating leverage resulting from the temporary store closures in France. However, this was partially offset by lower occupancy costs related to the COVID-19 pandemic including the effect from the temporary store closures.

Other Europe

				Changes versus prior year			
in millions of EUR (unless stated otherwise)	HY21	HY20	HY19	At reported rate	At constant exchange rate	Organic growth	Impact from acquisitions/ divestments
Revenue	606	456	611	32.9%	33.0%	35.7%	-2.7%
Comparable growth (%)	34.8%	-29.7%	2.8%				
Comparable growth base 2019 (%)	-6.0%						
Adjusted EBITA	67	- 7	71	995.9%	999.1%	997.8%	1.3%
Adjusted EBITA margin (%)	11.1%	-1.6%	11.6%	1273bps			
Number of stores (#)	2,109	2,119	2,054				

Revenue

Comparable revenue increased by 34.8% versus HY20. On a 2019 basis, comparable revenue declined by 6.0% versus HY19 with Italy as the main driver of the decline. The Other Europe segment's HY21 revenue growth at constant exchange rates was 33.0% to €606 million from €456 million in HY20 (HY19: €611 million).

Traffic patterns started to improve in the second quarter after the temporary store closures in shopping malls were lifted. Despite the increase in footfall after the restrictions eased, it remains below 2019 levels with gradually improving conversion rates.

Italy continued to be the hardest-hit country in the segment with a high double-digit comparable revenue decline in HY21 versus 2019. In the first six months of the year, footfall has been impacted with approximately 200 stores in shopping malls remaining closed during the weekends until the last week of May due to the COVID-19 government restrictions.

On the other hand, the **Nordics** remained strong and resilient. During June, Denmark's online sales reached record high levels while the subscription model continues with good momentum in contact lenses and optical. In HY21, the total subscription base including optical and contact lenses in Scandinavia grew double-digit versus HY20.

Switzerland's sustained good performance reflects the business integration completion of the acquired McOptic during the second quarter. The final steps of the integration included the refurbishment of all McOptic's 63 stores into our new store concept and integration into our POS and ERP systems. In 2Q21, the country's revenue reached mid-single-digit growth on a comparable basis versus 2019.

Adjusted EBITA

Adjusted EBITA increased to €67 million in HY21 from -€7 million in HY20 (HY19: €71 million), driven by continued cost discipline and efficiencies and the improved product/price mix. Northern Europe continues to improve its performance, mainly in Denmark and Sweden. The Southern Europe region has lagged behind with Italy heavily impacted by COVID-19 related government restrictions during the first six months of the year, although it has gradually recovered towards the back end of the second quarter.

Americas & Asia

in millions of EUR (unless stated otherwise)	HY21	HY20	HY19	Changes versus prior year: At reported rate	At constant exchange rate	Organic growth	Impact from acquisitions/ divestments
Revenue	209	148	253	41.4%	62.0%	61.9%	0.1%
Comparable growth (%)	61.6%	-37.3%	8.7%				
Comparable growth base 2019 (%)	-0.9%						
Adjusted EBITA	25	- 23	10	209.2%	230.9%	230.9%	0.1%
Adjusted EBITA margin (%)	11.8%	-15.3%	3.9%	2708bps			
Number of stores (#)	1,701	1,722	1,803				

Revenue

Comparable growth in the Americas & Asia segment was 61.6% versus HY20. On a 2019 basis, comparable growth decreased by 0.9% versus HY19. Turkey has demonstrated to be the most resilient business in the region with double-digit comparable growth versus 2019.

The HY21 revenue at constant exchange rates increased by 62.0% to €209 million from €148 million in HY20 (HY19: €253 million). Reported revenue was +41.4% versus HY20 due to the negative currency translation effect of 20.6% during the first six months of the year, or -€30 million mainly driven by the depreciation of the Turkish lira and other Latin American local currencies.

Despite **Latin America** continuing to face challenges with the surge in COVID-19 cases in countries such as Brazil and Colombia, the remainder of the business has gradually recovered with Mexico in particular delivering a low-single-digit comparable growth above pre-pandemic levels.

Online sales in **Turkey** more than doubled compared with 2020 accelerating the momentum in the second quarter to reach a high-single-digit share of the country's sales, in the same range as digitally influenced store sales. Latin America has continued its online journey by tripling its online sales and digitally influenced store sales with the highest relative growth in the optical category compared with the previous year. This has supported the region's performance despite the continued COVID-19 pandemic restrictions being in place.

Adjusted EBITA

Adjusted EBITA increased to €25 million in HY21 from -€23 million in HY20 (HY19: €10 million), driven by cost efficiencies. Underlying strong improvement from the business turnaround in the United States and solid performance in Latin American countries such as Mexico and Chile, positively contributed to the segment’s profit.

Liquidity and debt

in millions of EUR (unless stated otherwise)	HY21	HY20	HY19
Free cash flow	102	7	107
Capital expenditure	75	53	78
- Store capital expenditure	42	31	48
- Non-store capital expenditure	33	21	30
Acquisitions	3	3	115
Net debt	556	755	867
Net debt leverage (times)	0.81	2.2	1.5

In HY21, free cash flow (based on IFRS 16 and defined as cash flow from operating activities minus capital expenditure minus net repayment of lease liabilities and receivables) increased from €7 million in HY20 to €102 million, mainly driven by the business ramp up after the strong COVID-19 impact in the first six months in 2020.

Total capital expenditure increased from €53 million in HY20 to €75 million in HY21, representing 4.0% of revenue. Non-store capital expenditure increased from €21 million in HY20 to €33 million in HY21 due to the normalized phasing on investments in digital platforms and IT systems. Store capital expenditure increased to €42 million in HY21 (€31 million in HY20), including the ramp-up in planned store openings and refurbishments. GrandVision continues to expect a normal Capex level of approximately 4-6% of sales for the full year 2021.

At the end of June 2021, GrandVision's net debt position was €556 million, compared to €755 million at the end of June 2020. The net debt includes the dividend payout of approximately €89 million related to the fiscal year 2019, which was more than compensated by the improved results in the second quarter as COVID-19 restrictions started to be lifted. The net debt leverage ratio decreased from 1.35x at year-end 2020 to 0.81x at the end of June 2021.

In June 2020, GrandVision obtained an Additional Liquidity Facility (RLF) of €400 million. GrandVision decided not to extend the RLF, which consequently matured on 19 June 2021.

Statement by the Management Board

In accordance with the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht), section 5:25d, paragraph 2 sub c, we confirm that, to the best of our knowledge:

- the condensed interim consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 (Interim Financial Reporting) as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of GrandVision N.V. and its subsidiaries; and
- the interim report for the six months ended 30 June 2021 gives a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act.

Schiphol, 6 August 2021

The Management Board

Stephan Borchert, CEO

Willem Eelman, CFO

Financial Calendar 2021

28 October 2021 Third Quarter 2021 Trading Update

Condensed Interim Consolidated Financial Statements

Interim Consolidated Income Statement

in thousands of EUR	Notes	Six months ended 30 June 2021	Six months ended 30 June 2020
Revenue	4	1,891,105	1,452,547
Cost of sales and direct related costs		- 528,589	- 430,738
Gross profit		1,362,516	1,021,809
Selling and marketing costs		- 940,143	- 838,044
General and administrative costs		- 228,833	- 379,372
Share of result of Associates and Joint Ventures		2,770	- 814
Operating result		196,310	- 196,421
Gain on remeasurement of the investment retained	6	95,222	-
Financial income		3,224	966
Financial costs		- 20,632	- 33,122
Net financial result		- 17,408	- 32,156
Result before tax		274,124	- 228,577
Income tax	7	- 43,170	16,897
Result for the period		**230,954**	**- 211,680**
Attributable to:			
Equity holders		214,975	- 212,186
Non-controlling interests		15,979	506
		230,954	- 211,680
Earnings per share, basic (in EUR per share)		0.85	- 0.84
Earnings per share, diluted (in EUR per share)		0.84	- 0.83

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

Interim Consolidated Statement of Comprehensive Income

in thousands of EUR	Six months ended 30 June 2021	Six months ended 30 June 2020
Result for the period	230,954	- 211,680
Other comprehensive income:		
Items that will not be reclassified to Income Statement		
Remeasurement of post-employment benefit obligations	12,141	4,810
Income tax relating to this item	- 2,632	- 912
	9,509	3,898
Items that may be subsequently reclassified to Income Statement		
Currency translation differences	4,178	- 41,455
Share of Other Comprehensive Income of Associates and Joint Ventures	- 3	- 14
Cash flow hedges	7,525	2,736
Income tax	- 1,929	- 619
	9,771	- 39,352
Other comprehensive income/ (loss) for the period (net of tax)	19,280	- 35,454
Total comprehensive income/ (loss) for the period (net of tax):	**250,234**	**- 247,134**
Attributable to:		
Equity holders	231,875	- 245,176
Non-controlling interests	18,359	- 1,958
	250,234	- 247,134

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

Interim Consolidated Balance Sheet

in thousands of EUR	Notes	30 June 2021	31 December 2020
ASSETS			
Property, plant and equipment		455,345	483,760
Right-of-use assets	8	1,199,957	1,322,615
Goodwill		1,014,633	1,060,513
Other intangible assets		345,963	349,728
Deferred income tax assets		38,585	51,743
Investments in Associates and Joint Ventures		587	874
Non-current receivables		90,968	93,135
Non-current assets		3,146,038	3,362,368
Inventories		354,310	310,405
Trade and other receivables		259,730	254,269
Other current assets		49,495	38,217
Current income tax receivables		39,155	32,215
Derivatives		1,290	728
Cash and cash equivalents	9	127,890	155,313
Assets held for sale	6	223,861	-
Current assets		1,055,731	791,147
Total assets		**4,201,769**	**4,153,515**
EQUITY AND LIABILITIES			
Share capital	10	5,089	5,089
Share premium	10	75,001	75,537
Treasury shares	10	- 11,324	- 14,343
Other reserves		- 206,798	- 223,698
Retained earnings		1,343,060	1,216,191
Equity attributable to equity holders		1,205,028	1,058,776
Non-controlling interests		99,326	95,744
Total equity		1,304,354	1,154,520
Borrowings		277,132	326,206
Lease liabilities	8	835,037	957,625
Deferred income tax liabilities		21,808	28,336
Post-employment benefits		139,232	150,477
Provisions		14,966	22,659
Derivatives		5,808	8,174
Other non-current liabilities		7,127	11,750
Contract liabilities		8,528	8,340
Non-current liabilities		1,309,638	1,513,567
Borrowings		397,980	350,025
Lease liabilities	8	330,962	357,352
Current income tax liabilities		47,282	58,680
Provisions		32,737	28,791
Derivatives		4,650	10,388
Trade and other payables		621,893	580,166
Contract liabilities		121,812	100,026
Liabilities related to assets held for sale	6	30,461	-
Current liabilities		1,587,777	1,485,428
Total liabilities		2,897,415	2,998,995
Total equity and liabilities		**4,201,769**	**4,153,515**

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

Interim Consolidated Statement of Changes in Shareholders' Equity

		Attributable to the equity holders							
in thousands of EUR	Notes	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
At 1 January 2021		**5,089**	**75,537**	**- 14,343**	**- 223,698**	**1,216,191**	**1,058,776**	**95,744**	**1,154,520**
Result for the period		-	-	-	-	214,975	214,975	15,979	230,954
Cash flow hedge reserve		-	-	-	5,448	-	5,448	148	5,596
Remeasurement of post-employment benefit obligations		-	-	-	8,376	-	8,376	1,133	9,509
Cumulative currency translation reserve		-	-	-	3,076	-	3,076	1,099	4,175
Total comprehensive income		-	-	-	16,900	214,975	231,875	18,359	250,234
Share-based payments	10	-	- 536	3,019	-	1,350	3,833	-	3,833
Acquisition of non-controlling interest		-	-	-	-	- 644	- 644	- 172	- 816
Dividends	10	-	-	-	-	- 88,812	- 88,812	- 14,605	- 103,417
Total transactions with equity holders		-	- 536	3,019	-	- 88,106	- 85,623	- 14,777	- 100,400
At 30 June 2021		**5,089**	**75,001**	**- 11,324**	**- 206,798**	**1,343,060**	**1,205,028**	**99,326**	**1,304,354**
At 1 January 2020		**5,089**	**72,580**	**- 16,235**	**- 167,622**	**1,283,340**	**1,177,152**	**87,109**	**1,264,261**
Result for the period		-	-	-		- 212,186	- 212,186	506	- 211,680
Cash flow hedge reserve		-	-	-	1,906	-	1,906	211	2,117
Remeasurement of post-employment benefit obligations		-	-	-	3,316	-	3,316	582	3,898
Cumulative currency translation reserve		-	-	-	- 38,212	-	- 38,212	- 3,257	- 41,469
Total comprehensive income		-	-	-	- 32,990	- 212,186	- 245,176	- 1,958	- 247,134
Share-based payments		-	444	1,892	-	- 256	2,080	-	2,080
Dividends		-	-	-	-	-	-	- 6,031	- 6,031
Total transactions with equity holders		-	444	1,892	-	- 256	2,080	- 6,031	- 3,951
At 30 June 2020		**5,089**	**73,024**	**- 14,343**	**- 200,612**	**1,070,898**	**934,056**	**79,120**	**1,013,176**

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

Interim Consolidated Cash Flow Statement

in thousands of EUR	Notes	Six months ended 30 June 2021	Six months ended 30 June 2020
Cash flows from operating activities			
Cash generated from operations		418,924	214,961
Tax paid		- 60,728	- 17,575
Net cash from operating activities		**358,196**	**197,386**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired and settlement of contingent consideration		- 3,123	- 3,344
Purchase of property, plant and equipment		- 45,527	- 35,146
Purchase of intangible assets		- 29,770	- 17,606
Proceeds from sales of (in)tangible assets		3,361	1,806
Dividends received from/(contributions to) Investments in associates and joint ventures		6,246	- 599
Change in other non-current receivables and lease prepayments		- 2,851	- 1,492
Net cash used in investing activities		**- 71,664**	**- 56,381**
Cash flows from financing activities			
Proceeds from borrowings		79,091	600,524
Repayments of borrowings		- 94,606	- 404,525
Repayments of lease liabilities	8	- 187,984	- 145,093
Receipts from finance subleases	8	7,582	7,450
Interest swap payments		- 1,523	- 1,745
Dividends paid to shareholders	10	- 88,812	-
Dividends paid to non-controlling interest		- 10,909	- 2,294
Interest received		940	763
Interest paid		- 5,860	- 7,394
Acquisition of non-controlling interest		- 816	-
Net cash (used in)/received from financing activities		**- 302,897**	**47,686**
(Decrease)/increase in cash and cash equivalents		**- 16,365**	**188,691**
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		152,736	134,241
(Decrease)/increase in cash and cash equivalents		- 16,365	188,692
Effect of exchange rate changes and reclassifications		- 23,640	- 122
Cash and cash equivalents at end of the period	9	**112,731**	**322,811**

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

Notes to the Condensed Interim Consolidated Financial Statements

1. General Information

GrandVision N.V. ('the Company') is a public limited liability company and is incorporated and domiciled in Haarlemmermeer, the Netherlands. GrandVision N.V. is listed on the Euronext Amsterdam stock exchange. The Company's Chamber of Commerce registration number is 50338269. The address of its registered office is as follows: The Base, Evert van de Beekstraat 1-80, Tower C, 6th floor, 1118 CL Schiphol, the Netherlands.

As at 30 June 2021, 76.72% of the issued shares are owned by HAL Optical Investments B.V. and 22.98% by institutional and retail investors, with the remaining shares held by GrandVision's Management Board (0.03%) and in treasury (0.27%). HAL Optical Investments B.V. is indirectly controlled by HAL Holding N.V. All HAL Holding N.V. shares are held by HAL Trust. HAL Trust is listed on the Euronext Amsterdam stock exchange.

On 31 July 2019, it was announced that EssilorLuxottica had agreed to acquire the 76.72% interest in GrandVision held by HAL Optical Investments B.V. ("the Transaction"). All regulatory approvals for closing of the Transaction have been obtained. The Transaction has been unconditionally cleared in the United States, Colombia, Brazil, Mexico, and Russia and conditionally cleared in the EU, Chile and Turkey. In connection with conditional clearance of the Transaction by the competition authorities of the EU and Chile, EssilorLuxottica and the Company have committed to divest certain of the Company's operations (see note 6 for more details).

On 29 June 2021, EssilorLuxottica announced its decision to complete the acquisition of HAL's 76.72% interest in GrandVision on 1 July 2021 as per original terms and conditions (see Subsequent events for more details).

GrandVision N.V. and its subsidiaries (together, referred to as 'the Group') comprise a number of optical retail chains operated under different retail banners. As of 30 June 2021, the Group, including its associates and joint ventures, operated 7,265 (31 December 2020: 7,260) optical retail stores (including franchise stores). At 30 June 2021 the number of average full-time equivalents within the Group (excluding associates and joint ventures) was 32,609 (31 December 2020 33,542).

The information in these condensed interim consolidated financial statements is unaudited.

2. Basis of Preparation

2.1. Statement of Compliance

These condensed interim consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 *Interim financial reporting* as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union. The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union.

2.2. Basis of Measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for derivatives, share-based payment plans, contingent considerations, certain non-current assets and post-employment benefits.

Preparing these condensed interim consolidated financial statements in accordance with IFRS means that management is required to make assessments, estimates and assumptions that influence the application of regulations and the amounts reported for assets, equity, liabilities, commitments, income and expenses.

The estimates and assumptions serve as the basis for assessing the value of recognized assets and liabilities whose amounts cannot currently be determined from other sources. The Group makes estimations and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results.

The estimates made and the related assumptions are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the given circumstances. Estimates and underlying assumptions are subject to constant assessment. Changes in estimates and assumptions are recognized in the period in which the estimates are revised.

Assessments and estimates, made by management under IFRS that have a significant impact on the condensed interim consolidated financial statements, carry the risk of a possible material inaccuracy. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020, except for the significant estimates and judgements described in note 6 Divestments of subsidiaries. The principles of valuation and determination of results have been applied consistently by the Group companies during the periods presented in these condensed interim consolidated financial statements.

2.3. Foreign Currency

The condensed interim consolidated financial statements are presented in euros (€), this being GrandVision's presentation currency. Amounts are shown in thousands of euros unless otherwise stated.

2.4. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied when preparing the annual financial statements for the year ended 31 December 2020, except for new significant accounting policy described in note 6 Divestments of subsidiaries. The policies have been consistently applied to all the periods presented, except for the (early) adoption of new and amended standards as set out below.

2.5. Changes in Accounting Policy and Disclosures

2.5.1. New and Amended Standards and Interpretations Adopted by the Group

A number of new or amended standards and interpretations became applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting the following standards, where applicable:

- **Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021**(issued on 31 March 2021)
- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2** (issued on 27 August 2020).

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

Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021

The amendments to IFRS 16 - COVID-19-Related Rent Concessions beyond 30 June 2021 were issued in 2021 and are effective for accounting periods beginning on or after 1 April 2021. The endorsement of these amendments by the EU is not yet finalized at the date at which these financial statements were authorized for issue. These amendments are extension of the original amendments issued in May 2020, that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The relief is extended by one year to cover rent concessions, that reduce only lease payments due on or before 30 June 2022. The Group has elected to adopt these changes early and as issued by the IASB, due to the fact that the Group applied the practical expedient to all the rent concessions, which meet the criteria for the reporting periods starting 1 January 2020. These amendments did not have a significant impact on the condensed interim consolidated financial statements of the Group.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

The amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform- Phase 2 were issued on 27 August 2020 and are effective for accounting periods beginning on or after 1 January 2021.This is the second part of the two-phase project on *Interest Rate Benchmark Reform.* The amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues).The amendments provides practical relief from certain requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and hedge accounting**.** These amendments did not have a significant impact on the condensed interim consolidated financial statements of the Group.

2.5.2. New Standards, Amendments and Interpretations Issued but Not Effective for the Reported Period and Not Adopted Early

The following new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2022 and are not expected to have a significant impact on the Group's consolidated financial statements:

- **IFRS 17 Insurance Contracts** (issued on 18 May 2017), including **Amendments to IFRS 17, IFRS 4 and deferral of IFRS 9** (issued on 25 June 2020);
- **Amendments to IAS 1 Presentation of Financial Statements**: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020, respectively);
- **Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets**; **Annual Improvements 2018-2020** (issued 14 May 2020);
- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9** (issued on 25 June 2020);
- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2**: Disclosure of Accounting policies (issued on 12 February 2021);
- **Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors**: Definition of Accounting Estimates (issued on 12 February 2021).

3. Financial Risk Management

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital based on leverage ratio (defined as net debt/EBITDA - covenants). Net debt consists of the Group's borrowings, derivatives and cash and cash equivalents, excluding lease liabilities. EBITDA used for monitoring financial covenants is calculated as adjusted EBITDA less depreciation of right-of-use assets and net financial result on lease liabilities and receivables ("EBITDA - covenants").

Management believes the current capital structure, operational cash flows, and profitability of the Group will safeguard the Group's ability to continue as a going concern. GrandVision aims to maintain a maximum leverage ratio of 2.0 (net debt/EBITDA - covenants) excluding the impact of any borrowings associated with, and any EBITDA amounts attributable to, major acquisitions. At the outset of the COVID-19 pandemic, the Group temporarily shifted focus from monitoring capital based on the leverage ratio to securing the availability of financing to support the changing circumstances, including applying for government support in various countries (see note 5).

In 2020, GrandVision has reached an agreement to amend its existing 2019–2024 €1,200 million Revolving Credit Facility (RCF), obtaining a relief from the financial covenant tests in 2020. An overview of the 2021 covenants is as follows:

Date	Covenants
31 March 2021	EBITDA - covenants of Q1 2021 above zero
30 June 2021	EBITDA - covenants of HY 2021 above €100 million and leverage ratio of 3.25x calculated as Net Debt to 4x 3 months preceding end Q2 2021 EBITDA - covenants
30 September 2021	leverage ratio of 3.25x calculated as Net Debt to 2x 6 months preceding end Q3 2021 EBITDA - covenants
31 December 2021	leverage ratio of 3.25x calculated as Net Debt to 2x 6 months preceding end Q4 2021 EBITDA – covenants

For both Q1 and Q2 2021, the financial covenants were successfully complied with. From 2022 and onwards, the covenants will revert to those defined in the RCF agreement covenant testing schedule, with the calculation of the leverage ratio, based on preceding 12 months "EBITDA-covenants". On top of the above financial covenants, GrandVision is providing a Liquidity Forecast to the bank group on a monthly basis.

At the end of June 2021, GrandVision's net debt position was €556,389 (December 2020: €538,752), with a leverage ratio of 0.81 (December 2020: 1.3). At 30 June 2021, a total of €275 million was drawn under the RCF (23% of the €1,200 million commitment) with the remaining debt obtained through the Commercial Paper market of €337 million, and other short-term facilities.

GrandVision decided not to extend the additional Liquidity Facility (RLF) of €400 million, which consequently matured on 19 June 2021.

4. Segment Information

An operating segment is defined as a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker ('CODM') to make decisions about resources to be allocated to the segment, assess its performance and for which discrete financial information is available. The CEO and CFO (the Management Board) forms the CODM. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. These operating segments were defined based on geographic markets in line with their maturity, operating characteristics, scale and market presence. The operating segments' operating result is reviewed regularly by the Management Board – together, the CODM – which makes decisions as to the resources to be allocated to the segments and assesses their performance, based on discrete financial information available. All geographic segments are involved in the optical retail industry, and there are no other significant product lines or sources of revenue for the Group.

There has been no aggregation of operating segments into reportable segments.

The Group's reportable segments are defined as follows:

- **G4**, consisting of the Netherlands & Belgium, the United Kingdom & Ireland, France & Luxembourg and Germany & Austria
- **Other Europe**, consisting of Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Italy, Norway, Poland, Portugal, Slovakia, Spain, Sweden and Switzerland
- **Americas & Asia**, consisting of Argentina, Brazil, Chile, Colombia, India, Mexico, Peru, Russia, Turkey, the United States and Uruguay

The most important measures assessed by the CODM and used to make decisions about resources to be allocated are total net revenue and adjusted EBITA. Measures of assets and liabilities by segment are not reported to the CODM.

The following table presents total net revenue and adjusted EBITA for the operating segments for the six months ended 30 June 2021 and 2020, respectively. The adjusted EBITA is defined as EBITA excluding non-recurring items. Non-recurring items are defined as significant items that are not included in the performance of the segments based on their exceptional nature. For 2021 these items are mainly related to expenses related to the announced acquisition of GrandVision shares by EssilorLuxottica, which are largely offset by release of a provision of €10,300 related to the favorable award the Company obtained in the proceedings initiated by the French Competition Authority (Autorite de la Concurrence) in 2015 (see Subsequent events). For 2020 these items are mainly related to expenses related to the announced acquisition of GrandVision shares by EssilorLuxottica, impairments of fixed assets, and restructuring costs. A reconciliation from adjusted EBITA to earnings before taxes is presented within each table below. Other reconciling items represent corporate costs that are not allocated to a specific segment.

in thousands of EUR	G4	Other Europe	Americas & Asia	Other reconciling items	Total
Six months ended 30 June 2021					
Total net revenue*	1,076,512	605,509	209,084	-	1,891,105
Adjusted EBITA	140,677	67,144	24,674	- 15,068	**217,427**
Non-recurring items					- 4,310
Amortization and impairments (excl. software)					- 16,807
Operating income/loss					**196,310**
Non-operating items:					
Gain on remeasurement of the investment retained (note 6)					95,222
Net financial result					- 17,408
Earnings before tax					**274,124**
Six months ended 30 June 2020					
Total net revenue	848,919	455,739	147,889	-	1,452,547
Adjusted EBITA	20,826	- 7,495	- 22,594	- 14,391	**- 23,654**
Non-recurring items					- 44,097
Amortization and impairments (excl. software)					- 128,670
Operating income/loss					**- 196,421**
Non-operating items:					
Net financial result					- 32,156
Earnings before tax					**- 228,577**

*Total net revenue 2021 is not comparable with the total net revenue 2020 due to loss of control over EU divestments businesses (see note 6).

Set out below is the disaggregation of the Group's revenue from contracts with customers per reportable segment for the six months ended 30 June 2021 and 2020, respectively. Franchise revenues include sales to franchisees and franchise royalties and contributions.

in thousands of EUR	G4	Other Europe	Americas & Asia	Total
Six months ended 30 June 2021*				
Revenue from contracts with customers				
Own store sales	959,576	595,304	203,595	1,758,475
Franchisee revenues	115,172	6,957	1,681	123,810
Other merchandise revenues	-	13	3,291	3,304
	1,074,748	602,274	208,567	1,885,589
Revenue from other sources				
Other revenues	1,764	3,235	517	5,516
	1,076,512	605,509	209,084	**1,891,105**
Six months ended 30 June 2020				
Revenue from contracts with customers				
Own store sales	759,453	448,282	143,395	1,351,130
Franchisee revenues	87,834	5,178	1,051	94,063
Other merchandise revenues	37	60	2,787	2,884
	847,324	453,520	147,233	1,448,077
Revenue from other sources				
Other revenues	1,595	2,219	656	4,470
	848,919	455,739	147,889	**1,452,547**

* Revenue 2021 is not comparable with the revenue 2020 due to loss of control over EU divestments businesses (see note 6).

5. Cost of Sales, Directly Related Costs and Other Operating expenses

The following costs have been included in the operating result:

in thousands of EUR	Six months ended 30 June 2021	Six months ended 30 June 2020
Direct materials	436,946	354,340
Employee costs	659,813	578,496
Occupancy costs	65,343	48,389
Marketing & publicity costs	95,260	73,497
Depreciation and impairments	247,065	256,254
Amortization and impairments	16,807	128,671
Distribution costs	51,160	41,617
Other costs	125,172	166,890
	1,697,565	1,648,154

Lower costs included in the operating result in 2020 were due to temporary store closures and cost savings following the pandemic. Higher amortization and impairments in 2020 related mainly to the impairments of the customer databases and goodwill following lower performance of stores.

In the first 6 months of 2021 and 2020, the amount recognised as a reduction of employee costs for government grants can be specified by function as follows:

in thousands of EUR	Six months ended 30 June 2021	Six months ended 30 June 2020
Cost of sales and direct related costs	35	967
Selling and marketing costs	9,882	45,266
General and administrative costs	247	3,418
	10,164	49,651

The largest subsidies received by the Group relate to G4 countries to compensate for the employee costs incurred, and were provided, amongst others, under condition that employee staff contracts should not be terminated as a result of lower profitability due to the COVID-19 pandemic.

6. Divestments of subsidiaries

Accounting policy

Loss of control

Upon the loss of control, the Company derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the control is lost. Gain or loss on disposal of subsidiary and on remeasurement to the fair value of the investment retained, is recognized in the interim consolidated Income Statement. Subsequently it is accounted for as either an equity accounted investee (associate) or as a financial asset, depending on the level of influence retained. See Significant Accounting Estimates and Judgments about the level of influence retained over operations to be divested.

Investments in Associates

Associates are those entities in which GrandVision has significant influence, but no control, over the financial and operating policies. Investments in associates are accounted for using the equity method and are recognized initially at fair value. After initial recognition, the condensed interim consolidated financial statements include share of the results from the date on which the Group first has significant influence up to the date on which it last has significant influence. Proceeds received or receivable from associates are recognized as a reduction in the carrying amount of the investments in associates. Equity accounting ceases for an investment in associate when it is classified as held for sale.

Assets and liabilities held for sale

Non-current assets (or disposal groups) are classified as assets held for sale if their carrying amounts are to be recovered principally through a sales transaction rather than through continuing use, assets (or disposal groups) are available for immediate sale in its present condition and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less costs to sell. Depreciation and amortization of assets ceases when it is classified as held for sale. After ceasing of equity accounting of an investment in associate held for sale, proceeds received from these operations are recognized in the interim consolidated Income Statement.

Significant Accounting Estimates and Judgments
Loss of control

Significant judgment was required in the assessment of control over the certain operations in the Netherlands, Belgium and Italy after the conditional approval by the European Commission of the Transaction (see note 1). This assessment was based on the facts and conditions linked to this approval. It showed, that as from 1 April 2021, GrandVision no longer had ability to direct the relevant activities and to vary returns of a certain parts of the above-mentioned operations in Europe, which are required to be sold and managed by an independent external party after the European Commission antitrust approval ('EU divestment businesses'). At the same time, these operations continued to be highly dependent on GrandVision for the continued existence of their businesses in terms of shared with the Group replenishment and IT systems, back-office processes, which evidenced of the existence of significant influence of the Group over the EU divestment businesses.

Classification as held for sale

Following EssilorLuxottica's announcement on 29 June 2021 in relation to the decision to complete the Transaction and conditional approval of the Transaction by the European Commission, as from this date management assessed that the value of the EU divestment businesses will be recovered principally through a divestment transaction rather than through continued use and the likelihood of these assets to be divested within a year.

When classifying non-current assets as held for sale, management makes estimates of their fair value (sales price and expected costs of disposal). Depending on the nature of the non-current assets, the estimated fair value may be associated with uncertainty and possibly adjusted subsequently. Measurement of the fair value of non-current assets is categorized as level 3 in the fair value hierarchy as measurement is not based on observable market data.

At 30 June 2021, assets and liabilities classified as held for sale relate to retail operations in Chile (a part of Americas & Asia segment), and investments in associates related to the Group's 100% interest in EU divestment businesses (parts of G4 and Other Europe segments).

European divestments businesses

As part of the commitments in the antitrust approval process of the Transaction between HAL and EssilorLuxottica, the clearance in the European Union is conditioned on the divestment of GrandVision's 35 GrandOptical stores in Belgium, 142 Eye Wish stores (81 own and 61 franchise stores) in the Netherlands and 72 stores from the "GrandVision by" chain in Italy.

As from 1 April 2021, operations included in EU divestment businesses are excluded from consolidation, as GrandVision lost control over these operations, despite the fact that the shareholding in Netherlands, Belgium and Italy did not change. The relevant assets (including goodwill of €35 million) and liabilities of European divestments businesses were derecognized and investments in associates were recognized on the interim consolidated Balance Sheet. The value of the investments in associates related to the Group's interest in EU divestment businesses recognized in the condensed interim consolidated financial statements is provisional. Final valuation of investment in associates for the purposes of initial recognition will be completed in the second half of 2021.

The gain related to remeasurement to the provisional fair value of the investment in EU divestment businesses is included in the consolidated Income Statements in the line 'Gain on remeasurement of the investment retained' in total amount of €95,222.

On 29 June 2021, the criteria for held for sale classification are met and these investments in associates are reported in the line 'Assets held for sale' at the carrying amount of investments, which is considered not higher than their fair value.

Chilean divestments

As part of the commitments in the antitrust approval in Chile, GrandVision was required to sell its Chilean operations under the banner Rotter Y Kraus to the parent entity. On 29 June 2021, the criteria for held for sale classification are met and assets and liabilities are reported in lines 'Assets held for sale' and 'Liabilities held for sale', respectively, at the carrying amount, which is lower than their fair value (see Subsequent events for more details).

7. Income Tax

Income tax expense in the condensed interim consolidated financial statements is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated weighted average annual effective income tax rate used for the six months ended 30 June 2021 is 15.7% (for the six months ended 30 June 2020 it was -7.4%). The change is due from the negative impact of the pandemic on results of the Group in 2020 and gain related to remeasurement to the provisional fair value of the investment in 2021 (see note 6) . Excluding this gain, the effective tax rate would have been 24.1% .

8. Leases

The movements in the Right-of-use Assets are as follows:

in thousands of EUR	Buildings	Other	Total
At 1 January 2021			
Cost	1,985,803	14,537	2,000,340
Accumulated depreciation and impairment	- 671,543	- 6,182	- 677,725
Carrying amount	1,314,260	8,355	1,322,615
Movements			
Acquisitions	430	-	430
Additions	27,634	3,878	31,512
Reassessment/modification	64,719	- 22	64,697
Disposal	- 23	- 3	- 26
Deconsolidation and reclassification of divestments	- 51,614	- 58	- 51,672
Depreciation charge	- 168,864	- 2,850	- 171,714
Impairment	- 332	-	- 332
Exchange differences	4,447	-	4,447
At 30 June 2021	**1,190,657**	**9,300**	**1,199,957**
Cost	1,980,189	16,690	1,996,879
Accumulated depreciation and impairment	- 789,532	- 7,390	- 796,922
Carrying amount	1,190,657	9,300	1,199,957
At 1 January 2020			
Cost	1,778,412	12,117	1,790,529
Accumulated depreciation and impairment	- 343,649	- 3,926	- 347,575
Carrying amount	1,434,763	8,191	1,442,954
Movements			
Acquisitions	324	-	324
Additions	23,474	1,900	25,374
Reassessment/modification	96,410	607	97,017
Disposal	- 728	- 30	- 758
Depreciation charge	-175,883	-2,422	- 178,305
Impairment	-20,891	-	- 20,891
Exchange differences	-28,940	-213	- 29,153
At 30 June 2020	**1,328,529**	**8,033**	**1,336,562**
Cost	1,835,135	13,149	1,848,284
Accumulated depreciation and impairment	- 506,606	- 5,116	- 511,722
Carrying amount	1,328,529	8,033	1,336,562

The other right-of-use assets mainly relate to Vehicles.

In 2020, the impairment loss represents the write-down of the Right-of-use assets mainly in the Americas & Asia segments following restructuring and in relation to the lower performing stores. This was recognized in the consolidated Income Statement within general and administrative costs.

The movements in the lease liabilities are as follows:

in thousands of EUR	Six months ended 30 June 2021	Six months ended 30 June 2020
At 1 January		
Non-current	957,625	1,037,293
Current	357,352	373,278
	1,314,977	1,410,571
Movements		
Acquisitions	-	324
Additions	30,586	25,196
Reassessment/modification/derecognition	56,011	78,846
Deconsolidation and reclassification of divestments	- 61,159	-
Payments	- 187,984	- 145,093
Accrued interest	10,129	13,414
Exchange differences	3,439	- 26,506
At 30 June	**1,165,999**	**1,356,752**
Non-current	835,037	952,087
Current	330,962	404,665
	1,165,999	1,356,752

The movements in the finance lease receivables are as follows:

in thousands of EUR	Six months ended 30 June 2021	Six months ended 30 June 2020
At 1 January		
Non-current	47,572	48,090
Current	15,965	16,080
	63,537	64,170
Movements		
Additions	2,013	2,157
Reassessment/modification/derecognition	3,062	4,524
Deconsolidation and reclassification of divestments	- 6,154	-
Receipts	- 7,582	- 7,450
Accrued interest	104	203
Exchange differences	2	- 51
At 30 June	**54,982**	**63,553**
Non-current	41,097	47,556
Current	13,885	15,997
	54,982	63,553

Reassessment/modification/derecognition relate to remeasurement of existing contracts and derecognition of a part of lease liabilities/receivables as a result of temporary rent reductions agreed with landlords.

9. Cash and Cash Equivalents

Cash and cash equivalents can be specified as follows:

in thousands of EUR	30 June 2021	31 December 2020
Cash at bank and in hand	119,239	138,770
Short-term bank deposits and marketable securities	8,651	16,543
	127,890	155,313

For the purposes of the interim consolidated Cash Flow Statement, cash and cash equivalents comprise the following:

in thousands of EUR	30 June 2021	31 December 2020
Cash and bank balances	127,890	155,313
Bank overdrafts	- 15,159	- 2,577
	112,731	152,736

In the interim consolidated Balance Sheet, bank overdrafts are included in borrowings as part of current liabilities. Bank overdrafts include drawings on the uncommitted bilateral overdraft and money market facilities.

10. Equity attributable to equity holders

The movements in the number of shares outstanding and share capital can be specified as follows:

in thousands of EUR	Number of shares outstanding	Share capital (in thousands of EUR)	Share premium (in thousands of EUR)	Treasury shares (in thousands of EUR)	Total (in thousands of EUR)
At 1 January 2021	253,749,597	5,089	75,537	- 14,343	66,283
Share-based payments	150,974	-	- 536	3,019	2,483
At 30 June 2021	**253,900,571**	**5,089**	**75,001**	**- 11,324**	**68,766**
At 1 January 2020	253,654,978	5,089	72,580	- 16,235	61,434
Share-based payments	94,619	-	444	1,892	2,336
At 30 June 2020	**253,749,597**	**5,089**	**73,024**	**- 14,343**	**63,770**

In the first 6 months of 2021, the share-based payment plan movements within share capital of €2,483 relate to the periodic expenses and settlements of the share-based payment plans (2020: €2,336).

GrandVision provided 150,974 shares related to the share-based payment plans following vesting in the first 6 months of 2021 (in first 6 months of 2020: 94,619 shares). The number of shares held in treasury at 30 June 2021 were 543,269 (2020: 694,243 shares).

In May 2021, a total dividend for 2019 of EUR 0.35 per share was paid out for a total of €88,812.

11. Contingencies

There are no significant changes in contingent liabilities at the end of 30 June 2021, compared to 31 December 2020 as disclosed in the Group's annual financial statements as at 31 December 2020.

12. Related Parties

During the first 6 months of 2021, GrandVision acquired goods from Safilo (a group company of HAL Holding N.V.) for an amount of €33,393 (during first 6 months of 2020: €27,317).

Other positions with Related Parties are as follows:

in thousands of EUR	30 June 2021	31 December 2020
Trade receivables:		
Safilo	1,272	2,733
	1,272	2,733
Trade payables:		
Safilo	10,791	5,017
HAL Optical Investments B.V.	-	1,886
Other HAL subsidiaries	23	471
	10,814	7,374

Subsequent events

On 1 July 2021, transaction between EssilorLuxottica S.A. and HAL Optical Investments B.V. for the sale of HAL's 76.72% interest in GrandVision for a price equal to €28.42 per share has closed.

On 1 July 2021, following the commitment to divest GrandVision's Chilean operations operating under the banner Rotter Y Kraus, GrandVision's Chilean operations were sold to HAL in accordance with the terms of the block trade agreement entered into by HAL and EssilorLuxottica on 30 July 2019 for a consideration of €79,460 paid in cash. This carve-out closed a moment before the closing of the Transaction .

In accordance with the applicable Dutch public offer rules, EssilorLuxottica will launch a mandatory cash public offer (the "Mandatory Public Offer") for the remaining outstanding shares in GrandVision. The price of the Mandatory Public Offer will be determined in accordance with Dutch law and will be at a minimum of €28.42 per share. Settlement of the Mandatory Public Offer is expected to take place within 6 months.

In relation to investigation initiated by a dawn raid undertaken by the French Competition Authority (Autorite de la Concurrence or ADLC) of the GrandVision France offices in 2009, there was a decision issued on July 22, 2021. This follows the final hearing in this matter that took place on January 13, 2021. GrandVision received no fine from the French Competition Authority. This was an adjusting event after the reporting period, which resulted in the release of the relevant provision (see note 4).