



CONDENSED
CONSOLIDATED HALF YEARLY
STATEMENT
AT JUNE 30, 2021

I. – Financial statement at June 30, 2021
(In thousands of euros)

Assets	30/06/2021	30/06/2020	31/12/2020
<u>Non-current assets:</u>			
Consolidated goodwill	56 317	56 365	56 317
Intangible assets	9 471	9 363	9 238
Tangible assets:	70 290	64 198	67 122
Land	10 870	10 834	10 870
Buildings	45 318	34 757	42 227
Other tangible assets	6 270	6 562	6 376
Other tangible assets in progress	4 480	8 768	4 653
Right of use in rental contracts	3 352	3 277	2 996
Financial investments	364	312	313
Deferred tax assets	1 402	1 251	1 361
Total non-current assets	137 844	131 489	134 351
<u>Current assets:</u>			
Stock (goods)	116 831	124 118	119 541
Trade notes and accounts receivable	111 503	92 261	73 141
Corporate tax	308	1018	639
Deferred tax assets	455	378	420
Other receivables	14 372	12 482	10 808
Financial instruments	243		
Cash and cash equivalent	37 104	9 247	40 325
Total current assets	280 816	239 504	244 874
Total assets	418 660	370 993	379 225

Liabilities	30/06/2021	30/06/2020	31/12/2020
Shareholders' equity:			
Share capital and reserves	94 304	88 908	88 908
Consolidated reserves	130 933	117 024	116 326
Portion of net profit allocated to the group	28 240	16 471	36 180
Minority interests	173	180	169
Total shareholders' equity	253 650	222 583	241 583
Non-current liabilities:			
Loans and long-term financial debt	19 183	32 372	25 811
Rental obligations over one year	2 366	2 194	1 936
Deferred tax liabilities	3 564	3 815	3 694
Provisions for end-of-career commitment	4 595	4 106	4 491
Total non-current liabilities	29 708	42 487	35 932
Current liabilities:			
Current provisions	591	663	539
Rental obligation under one year	1 006	1 101	1 036
Short-term loans	344	554	394
Current portion of loans and financial long-term debt	13 185	14 595	13 188
Accounts payable	73 962	52 200	52 760
Equipment supply accounts payable	1 874	726	2 623
Tax payable	4 613	714	1 336
Tax and social charges debt	21 896	20 684	14 081
Other liabilities	17 831	14 686	15 753
Total current liabilities	135 302	105 923	101 710
Total liabilities and shareholders' equity	418 660	370 993	379 225

II. – Global consolidated profit statement (In thousands of euros)

Consolidated profit and loss account	1 st half 2021	1 st half 2020	FY 2020
Net turnover	262 749	187 869	395 500
Other income from activity	313	317	784
Purchases consumed	-169 147	-120 589	-252 151
Personnel charges	-27 777	-22 693	-46 686
External costs	-20 192	-14 922	-33 689
Taxes	-2 709	-2 924	-4 697
Depreciation and amortisation	-2 819	-2 583	-5 432
Depreciation and amortisation – IFRS 16 impacts	-632	-554	-1 071
Increase in provisions	-495	-377	-664
Other earnings, other operating expenditure	-189	-186	-483
Operating profit	39 102	23 358	51 411
Variation of fair value of financial instruments			
Cash earnings and equivalent	-10	-13	-139
Gross cost of debt	-87	-98	-199
Finance charges – IFRS 16 impacts	-15	-24	-54
Taxes	-10 746	-6 746	-14 835
Net profit	28 244	16 477	36 184
Net profit as a portion of the group	28 240	16 472	36 180
Net profit attributable to minority interests	4	5	4
Net profit as a portion of the group per share in euros *	3,07	1,79	3,93
Net profit per share after dilution in euros **	2,91	1,70	3,73

* Earnings per share are calculated on 9,197,849 shares, 9,200,849 shares from which we have deducted the 3,000 treasury shares held on June 30, 2021. They are calculated on 9,199,649 shares (see note 9), 9,200,849 shares minus the 1,200 treasury shares held on June 30, 2021 and December 31, 2020.

** Earnings per share after dilution are calculated on 9,697,849 shares, i.e., existing shares minus 3,000 treasury shares plus 500,000 shares corresponding to authorised non-issued capital of €2,000,000.

It is calculated on 9,699,649 shares on June 30, 2021 and on December 31, 2020, i.e., existing shares minus 1,200 treasury shares plus 500,000 shares corresponding to authorised non-issued capital of €2,000,000.

Statement of other elements of net overall consolidated profit	1 st half 2021	1 st half 2020	FY 2020
Net profit	28 244	16 477	36 184
Other elements of overall profit:			
Actuarial discrepancy on end-of-career commitment provision			-172
Operations on treasury shares	-158		
Fair value of financial instruments	725	-14	538
Total overall profit	28 811	16 463	35 474
Total overall profit – Portion of the group	28 807	16 458	35 470
Total overall profit attributable to minority interests	4	5	4

III. – Cash flow statement (In thousands of euros)

Cash flow statement	1st half 2021	1st half 2020	FY 2020
Consolidated net profit	28 244	16 477	36 184
Plus, or minus latent gains due to fair value variations			
Plus or minus net depreciation expense and provisions (non-current)	2 975	2 668	5 609
Plus or minus depreciation allowance - IFRS 16 impacts	632	554	1 071
Plus financial charges – IFRS 16 impacts	15	24	54
Capital gains or losses from disposals	29	1	-93
Cash flow from operations after net financial cost and taxes	31 895	19 724	42 825
Taxes	10 746	6 747	14 835
Cash flow from operations before net financial cost and taxes	42 641	26 471	57 660
Taxes paid	-11 025	-6 892	-14 994
Cash flow from operations before net financial cost and after taxes	31 616	19 579	42 666
Change in operating working capital	- 3 943	-24 020	-3 426
- Of which, variation in trade receivables	-38 362	-26 139	-7 019
- Of which, stock variations	2 710	521	5 098
- Of which, accounts payable variations	21 202	-1 692	-1 132
- Of which, other receivables variations	-3 233	305	2 339
- Of which, other debt variations	13 740	2 985	-2 712
Net cash flow from operating activities	27 673	-4 441	39 240
Net cash flow from operations of change in scope	-	-4 967	-4 967
Disbursements of property, plant and equipment and intangible assets	-6 018	-4 644	-10 610
Receipts from sale of assets	75	14	119
Owing to suppliers of fixed assets (variation)	-749	-784	1 113
Net cash flow from investments	- 6 692	-10 381	-14 345
Free cash flow	20 981	-14 822	24 895
Dividends paid to shareholders of the parent company	-16 743	-16 395	-16 397
Loan subscriptions		7 000	7 000
Increase in capital		2 851	2 851
Operations on treasury shares	-158		
IFRS 16 financing flows	-602	-574	-1 147
Loan repayments	-6 649	-1 672	-9 576
Net cash flow from financing activities	-24 152	-8 790	-17 269
Net cash flow	-3 171	-23 612	7 626
Opening cash	39 931	32 305	32 305
Closing cash	36 760	8 693	39 931

‘Opening cash’ and ‘Closing cash’ reflect the difference between a positive cash position and short-term loans. On June 30,2021 the positive cash position was €37,104,000 and short-term bank loans €344,000.

Equity variation statements	Capital	Reserves linked to capital	Shares held internally	Retained earnings	Profits recorded directly as shareholders' equity	Totalgroup share	Minority shareholders	Total shareholders' equity
Situation on 31/12/2019	36 439	46 458	-62	136 882	-231	219 486	177	219 663
Dividends paid *				-16 395		-16 395		-16 395
Allocation of profits to reserves		3 160		-3 160		0		0
Capital increase	364	2 487				2 851		2 851
Fair value of financial instruments					-538	-538		-538
Foreign exchange differential					2	2		2
Actuarial gains					-172	-172		-172
Other variations							-12	-12
Net profit				36 180		36 180	4	36 184
Situation on 31/12/2020	36 803	52 105	-62	153 507	-939	241 414	169	241 583
Dividends paid**				-16 743		-16 743		-16 743
Allocation of profits to reserves		5 398		-5 398		0		0
Fair value of financial instruments					725	725		725
Foreign exchange differential					-1	-1		-1
Other variations			-158			-158		-158
Half Year net profit				28 240		28 240	4	28 244
Situation on 30/06/2021	36 803	57 503	-220	159 606	-215	253 477	173	253 650

* 2019 dividend: €1.80 on 9,108,552 shares; treasury shares owned on the day of detachment of dividend rights (i.e. 1,200 shares) did not result in dividends being paid.

** 2020 dividend: €1.82, on 9,199,649 shares, treasury shares owned on the day of detachment of dividend rights (i.e. 1,200 shares) did not result in dividends being paid.

(In thousands of euros)

The condensed consolidated half yearly statements on June 30, 2021 were closed by the Board on July 29, 2021.

1) Main events of the period :

Our devolved organisation allowed us to adapt very quickly to the ongoing crisis and absorb organic growth of 36%.

The sudden recovery of the world economy has caused unprecedented increases in the price of containers and raw materials, and this seems likely to continue in the 2nd half of the year.

Our subsidiaries have passed on these increases, which has led some customers to make precautionary purchases.

The energy renovation of buildings has been considerably boosted by *MaPrimeRenov* and energy saving certificates. Recent statements by the French government hint at good prospects for the next 5 years. This largely explains the very strong growth of the oldest of our subsidiaries, which becomes the biggest contributor to operating profit.

Our consumer activities continued to benefit from sustained household demand for DIY products, despite a sharp decline in the last two months of the semester.

2) Accounting reference set:

In application of European regulation 1606/2002 of July 19, 2002, the consolidated financial statements of Thermador Groupe are prepared according to international financial information standards (IAS/IFRS compliant with IFRS and IASB) as adopted by the European Union on June 30, 2021, especially in accordance with IAS 34: Interim Financial Reporting. According to IAS 34 standard, only selected explanatory notes are included in these condensed financial statements. With the exception of the points mentioned below, the accounting principles used are identical to those adopted for the financial statements of December 31, 2020.

In the financial statements presented hereafter, all standards and compulsory application interpretations on January 1, 2021 have been applied. No accounting standard is applied by anticipation.

IFRS 15

The IFRS 15 standard, first applied on January 1, 2018 only concerns the reclassification of advertising expenditure.

- Recognition of turnover

Our turnover figures mainly comprise sales of finished products. Sales are stated net of trade discounts and customer rebates, as well as net of costs relating to trade support and listing or linked to occasional promotional actions invoiced by our distributor customers.

Turnover recognition applies as of the moment of delivery. Our group is not subject to other performance obligations linked to ancillary services (installation and/or maintenance of merchandise, etc.).

Concerning warranties, our group only complies with legal warranties. The impacts of these warranties in respect of IFRS 15 are insignificant and therefore not reprocessed.

- Advertising spending

Advertising spends having given rise to reclassification according to IFRS 15 reflect discounts or payments for separate services to our distributor customers, the amount of which is calculated as a percentage of turnover. These advertising spends were accounted for as external charges. This reclassification has no impact on the result. In the absence of an impact on equity at the start of the financial period, Thermador Groupe applied the so-called 'simplified' retrospective transition method on January 1st, 2018, and therefore, doesn't reprocess the previous data reported.

The table below details financial aggregates as they would have been if IAS 11 and IAS 18 had been applied for that financial year:

In thousands of euros	30/06/2021	30/06/2020	31/12/2020
Turnover according to IAS 11 and IAS 18	266 687	190 778	400 241
Impact of IFRS 15	-3 938	-2 909	-4 741
Turnover according to IFRS 15	262 749	187 869	395 500
External charges before IFRS 15	-24 130	-17 831	-38 430
Impact of IFRS 15	3 938	2 909	4 741
External charges after IFRS 15	-20 192	-14 922	-33 689

IFRS 9

IFRS standard 9 requires application of the depreciation model based on expected losses on all financial assets, including commercial debt, as of January 1, 2018. On the basis of these past five years, irrecoverable losses have represented an average of 0.06% of consolidated turnover. This non-significant impact did not justify an equity-type provision at the beginning of the financial period on June 30, 2019 or for the end-of-year results of December 31, 2020, and of June 30, 2021.

IFRS 16

The 'rental contracts' IFRS 16 standards came into force for financial years beginning as of January 1, 2019. We opted for the simplified retrospective method.

Application of the IFRS 16 standard concerns the presentation and accounting of rental contracts. Rental contracts such as those defined by the 'rental contracts' IFRS 16 standards are booked on the balance sheet which results in the recognition:

- of an asset which corresponds to the right of use of the asset rented throughout the period of the contract
- of a debt for the lease liabilities.

Assessment of the right-of-use assets

On the starting date of a rental contract, the right of use is assessed at its cost (i.e. the total of rents discounted against the period of the contract) and includes the initial amount of the debt. For rental contracts with a starting date prior to January 1, 2019 the starting date applied was January 1, 2019.

The right-of-use is amortised over the period of use of the subjacent assets (lease term for the rent component).

Assessment of lease liabilities

On the starting date of a rental contract, the lease liability is booked for an amount equal to the discounted value of rents over the period of the contract. The amounts taken into account for rents in the assessment of debt are as follows:

- Fixed rent (including fixed rents in substance, i.e. even if they contain variability in the presentation, they are, in substance, unavoidable),
- Payments to be made by the tenant on account of an option to buy.

Assessment of liabilities linked to the rental contract:

- It is increased to include interest charges determined by implementation of a discount rate to the debt, at the beginning of the period,
- It is reduced by the amount of the payments already made.

Also, the liabilities can be re-valued in the following situations:

- Revision of the rental period,
- Modification linked to an assessment of the reasonable certainty (or otherwise) of exercising an option,
- Revision of the rates or index upon which rents are based when the adjustment of rents takes place.

Typology of capitalised rental contracts

- **'Real estate' rental contracts**

The group has identified rental contracts according to the standard for the buildings rented by its subsidiaries Mecafer, FGinox, Rousseau, Distrilabo, Thermacome and Thely. Those rental contracts mainly run for 3-6-9 years without a renewal option on the lease term, except for that of Thermacome, which is 3 years. The duration used to calculate the lease liabilities is 9 years (excepted for Thermacome, which is 3 years) in compliance with ANC recommendations.

The discount rate used to calculate the rental debt for each asset is determined according to the marginal indebtedness rate on the starting date of the contract. We have used one single rate for all the buildings, the properties being usually purchased by SCI Thely which is 100% held by Thermador Groupe. This rate corresponds to the interest rate that the tenant would, at the beginning of the rental period, obtain to borrow the funds necessary to purchase the asset over a period with a similar guarantee and in a similar economic environment. The rate is obtained by adding the '10-year lead borrowing rate' and the spread that is specific to Thermador Groupe (the rate gap between Thermador Groupe's marginal lending rate and the '10-year lead borrowing rate').

- **‘Other assets’ rental contracts**

The main lease contracts identified are for vehicles and photocopiers. The capitalisation period for rents corresponds to the compulsory engagement period of the contract, with the majority of contracts not including renewal options. The discount rate used to calculate the rental debt is determined for each asset according to the marginal indebtedness rate at the date the contract comes into force (cf. paragraph ‘real estate’ to understand how the marginal indebtedness rate is determined). This discount rate is different from the discount rate used for ‘real estate’ rental contracts.

Typology of non-capitalised rental contracts

The group uses two exceptions allowed by the IFRS 16 standard which means that they do not need to be booked on the balance sheet: short-period contracts and contracts concerning low-value assets:

- Short-term rental contracts for twelve months or less
- Rental contracts concerning low-value assets: these contracts concern rents for which the new replacement value of the asset is \$5,000 US or less.

Summary of the financial statement impacts

30/06/2021	IFRS 16 impacts
<u>Financial statement</u>	
Non-current assets before IFRS 16	134 491
Right-of-use assets	3 353
Non-current assets after IFRS 16	137 844
Non-current liabilities before IFRS 16	27 342
Lease liabilities over 1 year	2 366
Non-current liabilities after IFRS 16	29 708
Current liabilities before IFRS 16	134 296
Lease liabilities under 1 year	1 006
Current liabilities after IFRS 16	135 302
<u>Global consolidated profit statement</u>	
External costs before IFRS 16	-20 794
Cancellation of the rental costs	602
External costs after IFRS 16	-20 192
Depreciation and amortisation before IFRS 16	-2 819
Depreciation and amortisation - IFRS 16 impact	-632
Depreciation and amortisation after IFRS 16	-3 451
Gross cost of debt before IFRS 16	-87
Finance cost - IFRS 16 impact	-15
Gross cost of debt après IFRS 16	-102
Taxes before IFRS 16	-10 757
Deferred taxes - IFRS 16 impact	11
Taxes after IFRS 16	-10 746
Total impact on profit	-34

IFRIC 23

The IFRIC 23 ‘uncertainty relating to fiscal processing’ interpretation became compulsory as of January 1st, 2019. On 30 June 2021, its application has no impact on our account or the half yearly statements, as well as on its appearance.

3) Consolidated subsidiaries

Consolidated subsidiaries are all companies in which Thermador Groupe directly or indirectly held at least 20% of the voting rights on June 30, 2021:

Name	Place	Ownership interest (%)	Consolidation method
Sferaco	France	100,0000%	Fully consolidated subsidiaries
Thermador	France	100,0000%	Fully consolidated subsidiaries
Jetly	France	100,0000%	Fully consolidated subsidiaries
Dipra	France	97,9950%	Fully consolidated subsidiaries
PB Tub	France	100,0000%	Fully consolidated subsidiaries
Isocel	France	100,0000%	Fully consolidated subsidiaries
Sectoriel	France	100,0000%	Fully consolidated subsidiaries
Syveco (formerly Thermador International)*	France	100,0000%	Fully consolidated subsidiaries
Axelair	France	99,9970%	Fully consolidated subsidiaries
Mecafer	France	100,0000%	Fully consolidated subsidiaries
Domac	France	100,0000%	Fully consolidated subsidiaries
Aello	France	100,0000%	Fully consolidated subsidiaries
Thely***	France	100,0000%	Fully consolidated subsidiaries
Opaline	France	100,0000%	Fully consolidated subsidiaries
Tagest	France	100,0000%	Fully consolidated subsidiaries
Deco holding (Sodeco Valves)**	Belgium	100,0000%	Fully consolidated subsidiaries
FGinox	France	100,0000%	Fully consolidated subsidiaries
ETS Edouard Rousseau (formerly Sanidom)	France	100,0000%	Fully consolidated subsidiaries
Rousseau SA	Spain	100,0000%	Fully consolidated subsidiaries
Distrilabo	France	100,0000%	Fully consolidated subsidiaries
Thermacome	France	100,0000%	Fully consolidated subsidiaries

The consolidation scope concerns all companies of the group. This was modified in 2021 with the acquisition of 100% of Aello’s capital.

(*) Thermador International changed its name and is now called Syveco.

(**) Deco holding (Sodeco Valves) is the sub-perimeter made of Sodeco Distribution (Belgium), Sodalis Investment (Belgium), Sodeco Valves BV (Netherlands), Sodeco Valves AG (Switzerland), Sodeco Armaturen GMBH (Germany) and Sodeco Sedin (France).

(***) SCI Thely is 100%-owned by Thermador Groupe and Tagest.

4) Material accounting rules and methods

The base method used to assess elements entered into the accounts is the historical cost method except for financial instruments (short-terms and derivatives) which are assessed at their actual value.

Note 1 - Goodwill

Goodwill arising from the acquisition of S.C.I Thely shares by Thermador Groupe in 1987 and 1990 was allocated to Land and Buildings: this adjustment was not applied to minority interests. This goodwill is amortised through the income statement in accordance with the accounting principles applying to the related fixed assets. Thus, the spread attributed to land was not amortised and the spread allocated to constructions was amortised according to the forecast residual service life of the constructions.

Thely	Land	Buildings	Total
Gross purchase discrepancy value	39	468	507
Start-of-period depreciations		-468	-468
End-of-period depreciations		-468	-468
Net purchase discrepancy value	39		39

With Thermador Groupe's purchase of **Sodeco Valves** shares on August 31, 2017, a purchase discrepancy of €300,000 was allocated to the Buildings item. Via the profit and loss statement, this purchase discrepancy was depreciated in compliance with rules applying to the asset concerned. Thus, the purchase discrepancy for constructions was written down over 20 years.

Sodeco Valves	Buildings
Gross purchase discrepancy value	300
Start-of-period depreciations	-50
End-of-period depreciations	-58
Net purchase discrepancy value	242

At the time of purchase of **Sanidom** shares (today: Etablissements Edouard Rousseau) by Thermador Groupe on December 31, 2018, a purchase discrepancy of €3,536,000 was allocated to the Land & Buildings item.

Ets E. Rousseau	Land	Buildings	Total
Gross purchase discrepancy value	952	2 584	3 536
Start-of-period depreciations		-238	-238
End-of-period depreciations		-297	-297
Net purchase discrepancy value	952	2 287	3 239

The purchase discrepancy allocated to buildings will be amortised using write-down periods according to items.

Items	Depreciation period (number of years)
Primary works	40
Wall frames and roof frames	25
Electricity	20
Heating and plumbing	15
Paintwork and partitions	10
Roof	20

A purchase discrepancy of €3,700,000 was attributed to the brand for a total of €1,200,000 and customer relations for €2,500,000. The latter is written down over a period of 10 years starting on January 1, 2019. Therefore, a depreciation charge was booked for €125,000 on June 30, 2021.

Ets E. Rousseau	Brand	Customer relations	Total
Gross purchase discrepancy value	1 200	2 500	3 700
Start-of-period depreciations		-500	-500
End-of-period depreciations		-625	-625
Net purchase discrepancy value	1 200	1 875	3 075

At the time of Thermador Groupe's purchase of Distrilabo's shares on December 31, 2019, goodwill of €1,900,000 was attributed to the brand for a total of €550,000 and customer relations for €1,350,000. The customer relations item will be written down over a period of 10 years starting on January 1, 2020. Therefore, a depreciation charge was booked for €68,000 on June 30, 2021.

Distrilabo	Brand	Customer relations	Total
Gross purchase discrepancy value	550	1 350	1 900
Start-of-period depreciations		-135	-135
End-of-period depreciations		-203	-203
Net purchase discrepancy value	550	1 147	1 697

At the time of Thermador Groupe's purchase of Thermacome's shares on April 30, 2020, goodwill of €2,600,000 was attributed to the brand for a total of €1,600,000 and customer relations for €1,000,000. The customer relations item will be written down over a period of 10 years starting on June 30, 2021. As such, a €50,000 depreciation was booked on June 30, 2021.

Thermacome	Brand	Customer relations	Total
Gross purchase discrepancy value	1 600	1 000	2 600
Start-of-period depreciations		-67	-67
End-of-period depreciations		-117	-117
Net purchase discrepancy value	1 600	-883	-2483

Note 2 – Non-allocated goodwill

The balance sheet includes a 'Goodwill' item for €56,317,000:

In thousands of euros	Book value, pre-harmonisation purchase	Adjustments	Book value purchased	Acquisition cost	Goodwill
PBtub, Isocel, Dipra, Thermador, Jetly Sferaco				6 136	6 136
Mecafer	8 940	-298	8 642	24 300	15 658
Nuair	741		741	2 700	1 959
Sodeco Valves	5 922	170	6 092	10 000	3 908
FGinox	6 930	21	6 951	22 881	15 930
Groupe Valfit	2 653	-13	2 640	7 600	4 960
Vortice France				850	850
Sanidom / Rousseau	15 184	5 388	20 572	22 000	1 428
Sale of the Sodeco Sedin business				-31	-31
Distrilabo	1 293	1 419	2 712	5 200	2 488
Thermacome	2 402	1 947	4 349	7 000	2 651
Thermacome business				380	380
TOTAL 30/06/2021	44 065	8 634	52 699	109 016	56 317

When new subsidiaries were included in the scope, in application of the revised version of IFRS 3, goodwill was recorded. This accounts for synergies we would expect from the inclusion of new activities of the new businesses acquired, as well as economies of scale generated by sharing resources. It is attributed to groups of cash generating units (CGU), represented by each company acquired.

The acquisition price of the companies corresponds to the fair value on the date of acquisition of the elements of earnings given to the seller in exchange for the control of the acquired assets, excluding any element which remunerates any transaction separate from the takeover.

Detail of amounts and adjustments:

2015 - Mecafer / Nuair:

In thousands of euros	Mecafer	Nuair France	Total
Book value, pre-harmonisation purchase	8 940	741	9 681
Adjustments	-298		-298
Book value purchased	8 642	741	9 383
Acquisition cost	24 300	2 700	27 000
Goodwill	15 658	1 959	17 617

This goodwill is wholly allocated to the goodwill item.

2017 - Sodeco Valves:

Reprocessing pertained to:

- Allocation of the part of the goodwill to the fair value of Sodeco Valves' building on August 31, 2017 for a total of €300,000, minus a deferred tax liability of €102,000.
- Deferred tax on the pension provision, i.e., €3,000.
- The business value of €31,000 of Sodeco Sedin, the French subsidiary of Sodeco Valves.

2017 - FGinox:

Reprocessing pertained to:

- Deferred taxation on the pension provision, i.e. €21,000.

2017 - Groupe Valfit:

Reprocessing pertained to:

- Harmonisation of the method used for pension provision, i.e. an additional charge of €29,000 and deferred taxation on the pension provision, i.e. €16,000.

2017 - Vortice France:

Via its subsidiary Axelair, Thermador Groupe acquired Vortice France on December 31, 2017 for €850,000. The portion attributable to African customers, valued at €30,000 was transferred to Syveco on December 31, 2018.

2018 - Sodeco Valves:

On October 30, 2018, Sodeco Sedin sold 80% of its business for €550,000. The net accounting value of this asset was €25,000 on October 30, 2018. The €525,000 gain was booked as 'other operating incomes' in Sodeco Valves' CGU. The purchase price of €10,000,000 for Sodeco Valves was not reduced as a result because no portion of this price was attributable to Sodeco Sedin's business capital. We should remind you that Sodeco Sedin was in competition with distributor customers of our subsidiaries Sferaco and Sectoriel, and continued operation of this business could have been unfavourable to those two subsidiaries. Furthermore, Sodeco Sedin recorded operating losses for 2017, 2016 and 2015.

2018 - Etablissements Edouard Rousseau (formerly called Sanidom):

The €1,428,000 goodwill was wholly allocated 'goodwill' item.

Reprocessing pertained to:

- Allocation of a part of the fair value acquisition of the Ets E. Rousseau land on December 31, 2018 of €952,000 minus a deferred taxation liability of €238,000.
- Allocation of a part of the fair value acquisition of the Rousseau building on December 31, 2018 for a total of €2,584,000 minus a deferred tax liability of €659,000.
- Allocation of a part of the fair value acquisition of the 'Edouard Rousseau' brand on December 31, 2018 for a total of

- €1,200,000 minus a deferred taxation liability of €300,000.
- Allocation of a part of the fair value acquisition of the customer base on December 31, 2018 for a total of €2,500,000 minus a deferred taxation liability of €651,000.

2019 - Distrilabo:

The €2,488,000 goodwill was wholly allocated 'goodwill' item.

Reprocessing pertained to:

- Allocation of a part of the acquisition of the 'Distrilabo' brand on December 31, 2019 of €550,000 minus a deferred taxation liability of €137,500.
- Allocation of a part of the acquisition of the customer base on December 31, 2019 for a total of €1,350,000 minus a deferred tax liability of €343,500.

2020 – Thermacome

The €2,651,000 goodwill was wholly allocated 'goodwill' item.

Reprocessing pertained to:

- Allocation of a part of the acquisition of the 'Thermacome' brand on December 31, 2020 of €1,600,000 minus a deferred taxation liability of €400,000.
- Allocation of a part of the acquisition of the customer base on December 31, 2020 for a total of €1,000,000 minus a deferred tax liability of €253,500.

Impairment tests on goodwill:

Impairment tests (IAS 36) are performed once a year at least for units generating cash having acquired goodwill in compliance with IAS 8 as per the presentation of sector-based information. These cash generating units were defined according to business sector criteria. Given the group's organisation and the distribution of the different business fields, the cash generating units chosen by the group comprise of the legal entities Jetly, Sferaco, Thermador, Dipra, Isocel, PBtub, Sectoriel, Syveco, Axelair, Mecafer/ Domac, Aello, Sodeco Valves, FGinox, Edouard Rousseau, Distrilabo, and Thermacome, and a separate grouping comprising Thely, Opaline, Tagest and Thermador Groupe (cf. note 19). Following the COVID-19 crisis we have performed impairment tests the 30th June 2021 on the cash generating units that might have showed value decrease.

The results of impairment tests on this 'goodwill', based in particular on future forecast net cash flows over a period of five years out of the IFRS 16 effect and a subsequent growth rate of 1%, discounted at 7.9%, explain the absence of provisions. The discount rate was calculated according to the 30-year treasury bond rate TEC (Constant Maturity Treasuries), French market risk, and sector risk, i.e. 1.11% a specific risk premium; A reasonable variation of the discount rate of +/- 0.5% was applied in our depreciation tests.

The key assumptions, which are sales, profitability, working capital requirements and the level of cash flow, have been revised to take into account the level of business clawed back at June 30, 2021 following the Covid-19 crisis and the budget forecasts prepared by the operating divisions of our subsidiaries.

A reasonable variation of the key assumptions including this discount rate variation does not show any particular sensitivity in any of the CGUs assessed.

Note 3 – Tangible and intangible assets

Tangible and intangible assets are valued at their purchase price (cost price plus associated costs) with the exception of land and buildings to which valuation discrepancies have been attributed.

Intangible assets, primarily concerning acquisitions since 2018 of brands (€3,350,000), customer relations (€4,850,000) and software.

Depreciation amortisation is calculated in linear fashion on the basis of the expected service life:

Brands	Not written down
Customer relations	10 years
Software	3, 4, 5 years
Primary works	40 years
Wall frames and roof frames	25 years
Roof	20 years
Electricity	20 years
Heating and plumbing	15 years
Partitions and paintwork	10 years
Building improvements and fixtures	3, 4, 5, 7 et 10 years
Installations and fixtures	2, 3, 4, 5 et 10 years
Office and computer equipment	2, 3, 4, 5, 6 et 10 years
Furniture	2, 3, 5, 8 et 10 years

Note 4 – Deferred taxes

Deferred taxes were calculated on all items of the balance sheet and profit and loss account. There aren't any non-activated deferred taxes

In thousands of euros

Pre-tax net (accounting profit)	38 990
Tax rate on ordinary activities	26,50%
Theoretical tax burden	10 325
Social contribution	203
Non-deductible costs and charges on subsidiaries 'dividends (2)	221
Variation in deferred tax rate (3)	27
Non-deductible charges and impact of non-French rate	-30
Taxes	10 746
Actual tax rate	27,56%

Corporate tax rate on June 30. 2021:

Profits from ordinary activities (1)	26,50%
Social contribution	0,52%
Non-deductible costs and charges on subsidiaries 'dividends (2)	0,56%
Variation in deferred tax rate (3)	0,07%
Non-deductible charges and impact of non-French rate	(0,09%)
Rate of corporation tax on profit from ordinary business	27,56%

- (1) The finance law introduced a sliding scale element in the tax rate applicable as of January 1, 2018. A 26,5% tax rate has been used on French profits, the tax rate in Belgium is 25%, the one in Spain is 25%.
- (2) The finance law fixed the percentage of non-deductible fees and charges on subsidiaries' dividends at 5%. This represents a corporation tax charge on dividends of €835,000 which will be paid to Thermador Groupe in 2022.
- (3) The tax rate of 25% for 2022, 2023 and for 2024 were observed for June 30, 2021 to take into account the programmed changes to the tax rate according to the size of the company in the 2018 finance law (article 84). The impact of the variation in deferred tax rates is a €27,000 charge. This quantum concerns legal participation, losses carried forward, pension provisions and non-deductible provisions on stock.

Assets and liabilities of deferred taxes haven't been actualised and are compensated if they belong to a same entity and they have identical repayment deadlines. On June 30,2021, assets and liabilities of deferred taxes have been allocated between current and non-current deferred taxes:

Non-current deferred tax assets	30/06/2021	30/06/2020	31/12/2020
Provision for end-of-career commitment	845	748	835
Axelair and Sodeco deficit	602	498	527
Excess value on buildings and land	-57		
Goodwill	33		
Gain on building	-67		
Depreciation on building	35		
IFRS 16 impact	11	5	-1
Total	1 402	1 251	1 361

Current deferred tax assets	30/06/2021	30/06/2020	31/12/2020
Axelair deficit			6
Temporary differences	455	378	414
Total	455	378	420

Non-current deferred tax liabilities	30/06/2021	30/06/2020	31/12/2020
Goodwill *	1 429	1 429	1396
Excess value on buildings and land	790	880	863
Provision for end-of-career commitment	- 303	-283	-291
Sodeco valves deficit carried over		-69	-63
IFRS 16	- 1		
Gain on building		75	71
Temporary differences	- 44		
Brand and customer relations	1 693	1 818	1753
Depreciation on building		-35	-35
Total	3 564	3 815	3 694

* Goodwill recorded in the assets of Thermador Groupe are in deferred taxes.

Current deferred tax liabilities	30/06/2021	30/06/2020	31/12/2020
Tax on subsidiaries dividends	209	142	337
Fair value of financial instruments	64	-9	-197
Goodwill of land and construction	34	36	35
Excess value on buildings	8	8	8
Brand and customer relations	125	132	129
Temporary differences	-29	-102	(89)
Total	411	207	223

Note 5 - Operations in foreign currencies, financial instruments and derivatives

Operations in foreign currencies are registered for their value at the date of the operation.

Debt and credit in foreign currency appear on the balance sheet for their value in the course of the financial year or of the financial commitments made. The difference resulting from the reassessment of debt and credit in foreign currency at the most recent rate is included in the P&L account.

Amount of accounts payable on June 30, 2021 in the main foreign currency (US dollar): €13,622,000.

Amount of payables in foreign currencies corresponding to advance payments made to suppliers at June 30, 2021 in the main currency (US dollar): €1,299,000.

Thermador Groupe uses no financial derivatives for speculative purposes.

The derivatives used serve only to cover exchange rate fluctuations corresponding to purchase of merchandise in foreign currencies. Thermador Groupe decided to introduce centralised management of cash in dollars as of January 1, 2018 to cover the requirements of all the group subsidiaries.

In this respect, Thermador Groupe subscribed to USD forward currency purchases for 22,750,000 USD with instalments in the second half of 2021.

The IAS 39.9 criteria are respected, allowing the group to book this hedging according to hedging accounting methods. An effectiveness test was carried out on June 30, 2021.

The fair value of such financial instruments is recorded for €243,000 in equity. There is no compensation between financial assets and liabilities.

Financial assets and liabilities appearing on the balance sheet: ventilation per category of instruments:

Assets at 30/06/2021	Balance sheet value	Fair value	Fair value per result	Receivables	Hedging instruments
Customers of commercial activities	111 503	111 503		111 503	
Other debtors	15 135	15 135		15 135	
Financial tool	243	243			243
Cash	37 104	37 104	37 104		
Total assets	163 985	163 985	37 104	126 638	243

Liabilities at 30/06/2021	Balance sheet value	Fair value	Fair value per result	Payables	Hedging instruments
Long term financial loans and Debt	19 183	19 183		19 183	
Lease obligation > one year	2 366	2 366		2 366	
Noncurrent liabilities	8 159	8 159		8 159	
short term financial loans and debt	13 529	13 529		13 529	
Lease obligation < one year	1 006	1 006		1 006	
Suppliers	73 962	73 962		73 962	
Supplier fixed assets	1 874	1 874		1 874	
Other creditors	44 931	44 931		44 931	
Total liabilities	165 010	165 010		165 010	

Note 6 - Bank loans and debts

30/06/2021 In thousands of euros	Current	Non-current	Total	Under one year	Over one year and under five years late	Over five years
Bank loans	13 529	19 183	32 712	13 529	19 150	33
Lease liabilities (IFRS 16)	1 006	2 366	3 372	1 006	1 886	480
Cash and equivalent	37 104		37 104	37 104		
Net cash	22 569	(21 549)	1 020	22 569	(21 036)	(513)

Cash and cash equivalents for €37,104,000 include bank accounts for €35,284,000 and term deposits for €1,820,000 with a maturity of one month or less.

5) Notes about the balance sheet

Note 7 – Fixed Assets

Fixed assets	Gross value at the opening of the period	Decrease right-of-use	Increases	Decreases	Gross value at the end of the period
Goodwill on consolidation	56 317				56 317
Other intangible assets	14 184		727	185	14 726
Total intangible assets	70 501		727	185	71 043
Land	10 870				10 870
Buildings on own property	74 736		4 467	0	79 203
Machinery and equipment	11 772		300	72	12 000
General equipment, fixtures and fitments	6 411		425	118	6 718
Transport material	281		30	72	239
Office and IT equipment, furniture	5 060		190	31	5 219
Other tangible assets in progress	4 654		-174	0	4 480
Right-of-use assets	4 880	-159	1 007	28	5 700
Total tangible assets	118 664	-159	6 245	321	124 429
Other financial assets	312		53	1	364
Total financial assets	312		53	1	364
Grand total	189 477	-159	7 025	507	195 836

In 2019, we started work on renovating the building used by Dipra, with two objectives: to improve working conditions for warehouse staff and to optimise building occupation. The first phase of the work was completed on July 1, 2020 with the delivery of a new building (office and warehouse) for Dipra. The second phase continues with the construction of a new building (offices and warehouse) for Aello, which was successfully delivered in April 2021. This second phase will end in December 2021 with the delivery of a new building (offices and warehouse) for Axelair.

In 2021, we started construction of the logistics warehouse for our FGinox subsidiary. Delivery is planned for the second half of 2022.

Total real estate includes 303,052 m² of land and 123,074 m² of buildings (warehouses and offices).

Real estate value was reassessed in December 2016 for buildings in Saint-Quentin-Fallavier, in April 2017 for our subsidiary Domac's building, in August 2018 for our subsidiary Sodeco Valves' building, and in December 2018 for our subsidiary Edouard Rousseau's building at around €60.8m (valuations made by Expertise Galtier, Chemin Moulin Carron-69 Ecully and CBRE in Brussels), which includes built and unbuilt land.

Note 8 – Depreciation and amortisation

Amortisation	Amortisation 31/12/2020	Decrease right-of-use	Increases	Decreases	Amortisation 30/06/2021
Goodwill on consolidation					-
Other intangible assets	4 944		485	173	5 256
Total intangible assets	4 944	-	485	173	5 256
Land					-
Buildings on own property	32 508		1377		33 885
Machinery and equipment	8 867		424	69	9 222
General equipment, fixtures and fitments	4 091		278	69	4 300
Transport materials	226		21	30	217
Office and IT equipment, furniture	3 965		232	30	4 167
Right-of-use assets	1 884	-159	632	10	2 347
Total tangible assets	51 541	-159	2 964	208	54 138
Grand total	56 485	-159	3 449	381	59 394

Note 9 – Equity

At the beginning of the period, the capital was made up of 9,200,849 shares of €4 nominal value each, i.e. €36,803,396.

On June 30, 2021 the capital stays unaffected and is still of €36,803,396 divided in 9,200,849 shares of €4 each. There is no stock-options.

Thermador Groupe purchased 1,200 of its treasury shares during 2018 for a value of €62,000.

In April 2021, Thermador Group purchased 1,800 of its treasury shares for a value of €158,000. Following approval of the fourteenth resolution at the Annual General Meeting on April 6, 2021, these free shares will be allocated free of charge to certain employees of Axelair and Aello, or certain categories amongst them from among eligible employees and corporate officers of those companies. The board meeting of July 29, 2021 will decide the implementation of this distribution of free shares.

Those shares were valued at the time of closure at €85.5. Their price at June 30, 2021 was higher than the purchase price (latent gain of €44,000).

Note 10 – Commitments or operations with associated parties:

Associated parties concern all Board members of Thermador Groupe who are usually directors of the group's main subsidiaries.

There is no commitment or operation with the associated parties apart from elements of earnings and pension commitments. The Group does not use any assets which belong directly or indirectly to directors or members of their families.

Total gross earnings and benefits of all types, both direct and indirect, for each Corporate Representative of the Group (including consolidated and controlled companies according to Article 357-1 of the law on commercial companies) paid for the financial year to members of the Board on account of their functions total €449,700,000 distributed as follows:

Earnings fixed and variable (due and paid)									
Operational Board members Chairman & CEO and Deputy CEO	Fixed part			Variable part			Total earnings		
	1st half 2021	1st half 2020	2020	1st half 2021	1st half 2020	2020	1st half 2021	1st half 2020	2020
Lionel Monroe, Board member, audit committee member and Deputy CEO (3)									
- earnings as Syveco CEO	66,5	75,4	150,8			61	66,5	75,4	211,8
- earnings as Deputy CEO of Thermador Groupe	9,5						9,5		
Lionel Grès, Board member (1)	72,8	73,7	143,8			22	72,8	73,7	165,8
Patricia Mavigner, secretary of the Board of Directors, Deputy CEO since May 1, 2016 and sustainable development committee member	73,5	73	145,6			91	73,5	73	236,6
Guillaume Robin, Chairman and CEO	100,9	100	200,5			111	100,9	100	311,5
Yves Ruget, Board Member (2) and sustainable development committee member	69,6	69	137,8			86	69,6	69	223,8
subtotal	392,8	391,1	778,5	0	0	371	392,8	391,1	1149,5
External Board members	Allocated earnings (due and paid)								
Janis Rentrop, earning committee independent member	8,7	9,5	20,1				8,7	9,5	20,1
Independent Board members	Allocated earnings (due and paid)								
Karine Gaudin, audit committee chairman and independent member	8,7	11,7	22,7				8,7	11,7	22,7
Caroline Meignen, earning committee independent member	8,7	9,5	20,1				8,7	9,5	20,1
Laurence Paganini, audit committee chairman and independent member, sustainable development committee independent member	10,7	9,5	20,1				10,7	9,5	20,1
Olivier V. de la Clergerie, audit committee independent member and sustainable development committee member	10,7	9,5	20,1				10,7	9,5	20,1
Mathilde Yagoubi, sustainable development committee chairman and independent member	9,4	9,5	15,9				9,4	9,5	15,9
subtotal	56,9	59,2	119	0	0	0	56,9	59,2	119
TOTAL	449,7	450,3	897,5	0	0	371	449,7	450,3	1268,5

Earnings of operational board members:

- (1) Lionel Grès, CEO of Axelair was appointed board member during AGM of April 6, 2020.
- (2) Yves Ruget, CEO of Thermador was appointed board member during AGM of April 6, 2020.
- (3) Lionel Monroe, CEO of Syveco was appointed board member during AGM of April 6, 2021 and Deputy CEO of Thermador Group during the board meeting of April 7, 2021.

Corporate representatives receive no fringe benefit or stock options based on performance.
 There are no golden parachutes or golden handshakes for corporate officers.
 Corporate officers have no special retirement plan.
 They do not receive any compensation linked to non-competition clauses or termination compensation.

Commitments to executives:

The retirement commitment concerns the payment of a retirement bonus authorised by the Board Meeting of December 19, 2003. This bonus is calculated in the same way as that paid to a manager according to the conventions of article 5 of amendment I of the industry-wide agreement for the wholesale business.
 On June 30, 2021, the total of the commitment corresponding to this bonus for board members and corporate representatives was €409,200.

Note 11 – Significant events occurring after the closing statements:

No significant change to the Group’s financial or commercial structure has occurred since the end of the financial half year.

Note 12 – Risk assessment

Our principal risks are mentioned in our 2020 universal registration document in chapter 4 – Risk factors

The nature of the main risks was not modified for the first half of 2021. We however would like to give some more information about note 21 chapter 6 of our 2020 universal registration document.

Credit risk: we have no major customers default for first 2020 half year. We remain particularly vigilant for debt collection in the post-COVID period.

Customer receivables on June 30, 2021:

Accounts receivables (excluding bad debts) at 30/06/2021 (in thousands of euros)	Total amount	Total for due dates after 30/06/2020	Under 30 days late	Over 30 days and under 60 days late	Over 60 days and under 90 days late	Over 90 days late
Customer receivables on June 30, 2021	111 085	91 261	12 882	3 954	1 802	1 185
% customer receivables		82%	12%	4%	2%	1%
Customer receivables on December 31, 2020	72 779	62 859	6 506	1 688	927	799
% customer receivables		86%	9%	2%	1%	1%

Cash-flow risks:

The company is in a process of reviewing its cash-flow risk by taking into account the current sanitary crisis of COVID-19. It is in a position to meet its future financial obligations. The situation on June 30, 2021 is positive (cash flow statements on page 5 of our half-yearly memo). The group can access unused short-term cash facilities. None of the outstanding bank loans contain covenants or guarantees. We are not exposed to any risk of early repayment or interest rate adjustment.

Note 13 - Legal risks:

Over the past twelve months there has been no governmental, judicial, arbitration or administrative procedure (including any procedure of which we may have knowledge, any that may be subject to suspension or any that represents a potential threat) which could have or would recently have had significant effects on the Group's financial situation or profitability.

On April 3, 2017, Thermador Groupe and its subsidiaries Aello and Jetly were taken before the commercial tribunal of Rennes by the companies Diffusion Equipements Loisirs – D.E.L. and Multifija on the grounds of unfair competition and parasitism on the market for swimming pool equipment and accessories. We deplore this legal action and fully reject the accusations. On June 26, 2018, our lawyer pleaded before the Court of Appeal against the decision of the Commercial Tribunal of Rennes handed down on March 20, 2018, rejecting our plea on erroneous jurisdiction to the Arbitral Tribunal. The deliberation of the Court of Appeal dated October 2, 2018 rejected our application. The Supreme Court found in favour of our appeal, thus overturning the decision of the Court of Appeal in December 2019. In February 2020, we presented our findings of lack of competence before the Court of Appeal. On October 20, 2020 the Court of Appeal concluded that jurisdiction in this case applied to the arbitral tribunal. On January 11, 2021, the companies D.E.L. and Multifija brought an appeal in cassation, asking the Court to quash and overturn the decision of the Commercial Court of Rennes that the Court of Appeal did not have jurisdiction.

Following the October 2019 hearing before the Commercial Court of Rennes in an unfair competition suit, the latter struck the case off for lack of diligence on the part of the plaintiffs, D.E.L. and Multifija. To date, the case has not reappeared on the court's agenda. The case was reinstated at the initiative of the D.E.L. and Multifija on May 21, 2021. At the hearing on June 22, 2021, a stay of proceedings was requested pending the ruling of the Court of Cassation.

We remain confident as to the results of these procedures. No provision was entered on June 30, 2020 because to date we have no obligation to do so, and it cannot be estimated in any reliable way.

Note 14- Balance sheet provisions (in thousands of euros)

Provisions	Value at the opening of the period	Increases	Decreases	Value at the end of the period
<u>Non-current provision</u>				
Provisions for end-of-career commitments	4 491	146	42	4 595
Total non-current provision	4 491	146	42	4 595
<u>Current provision</u>				
Other current provision	539	112	60	591
Total current provision	539	112	60	591
Grand Total	5 030	258	102	5 186

	Value at the opening of the period	Increases	Decreases	Value at the end of the period
Stock provisions	4 225	878	451	4 652
Customers provisions	1 072	35	97	1 010
Total impairment provisions	5 297	913	548	5 662

Note 15- Receivables (in thousands of euros)

Receivables	30/06/2021	30/06/2020	31/12/2020
Trade receivables	111 085	91 821	72 779
Bad debts	418	440	362
Corporate tax	308	1 018	639
Deferred corporate tax assets	455	378	420
Other receivables			
VAT receivables	5 730	6 198	4 783
Other receivables	6 894	4 726	5 158
Prepaid expenses	1 748	1 558	867
Total other receivables	14 372	12 482	10 808
Total receivables	126 638	106 139	85 008

Note 16 - Debts (in thousands of euros)

Debts	30/06/2021	30/06/2020	31/12/2020
Current provisions	591	663	539
Rental obligations of less than one year	1 006	1 101	1 036
Short-term loans	344	554	394
Current component of loans and debts	13 185	14 595	13 188
Trade payables	73 962	52 200	52 760
Corporate tax	4 613	714	1 336
Fixed assets suppliers accounts payables	1 874	726	2 623
Tax and social liabilities:			
Salaries and social security liabilities	13 403	10 810	10 988
Deferred corporate tax liabilities	411	216	223
VAT	7 046	8 130	2 114
Other tax liabilities	1 036	1 528	756
Total fiscal and social liabilities	21 896	20 684	14 081
Other debtors	17 831	14 686	15 753
Total debts	135 302	105 923	101 710

Note 17- Charges payable and accruals (in thousands of euros)

Charges payable	30/06/2021	31/12/2020
Trade notes and accounts payable	23 859	18 111
Tax and social liabilities	5 632	7 117
Liabilities on customer contracts	12 174	5 727
Other liabilities	1 680	23
Total	43 345	30 978

Accruals	30/06/2021	31/12/2020
Trade receivables	192	104
Other receivables	1 139	1 736
Total	1 331	1 840

6) Notes on the profit and loss account

Note 18 - Explanation concerning turnover for the first half of 2021

The turnover is made up primarily of sales of merchandise which are accounted for upon delivery.

Distribution of turnover by geographical area: France €222,612,000 and foreign sales: €40,137,000 including Syveco €15,515,000, Sodeco Valves €10,115,000 and Rousseau SA (Spain) €4,936,000.

	30/06/2021	2021 constant scope	30/06/2020
Turnover (according to IFRS 15)	262 749	255 206	187 869

To constant scope 2021 turnover is €262,749,000 compared to constant scope 2020 turnover of €187,869,000. 2021 turnover includes that of the company Thermacome (€4,250,000), acquired on April 30, 2020.

Note 18 – Explanation concerning operating income and net profit on the first half of 2021

	30/06/2021	2021 constant scope	30/06/2020
Current operating income	39 102	38 522	23 358
Net profit as a portion of the group	28 240	27 823	16 472

To constant scope operating income for 2021 was €38,522,000 compared to 2020 operating income to a constant scope of €23,258,000. Again, to constant scope, the net profit as a portion of the group for 2021 was €27,823,000 compared to a net profit for 2020 to constant scope of €16,472,000. Operating profit and net profit as a portion of the group at June 30, 2021 includes Thermacome's results, company acquired on April 30, 2020.

7) Information per business area

Note 19 - (in thousands of euros)

Profit and loss account:		June 2021			June 2020		
		Turnover	Profit before tax	% profitability	Turnover	Profit before tax	% profitability
Mecafer / Domac (1)	Equipment tools in DIY	18 858	1 682	8.9%	14 824	1 116	7.5%
Dipra / Rousseau (5)	Pumps, plumbing and taps	37 831	1 963	5.2%	28 308	1 362	4.8%
Isocel	Component for OEM	4 164	664	16.0%	2 975	388	13.0%
Aello	Swimming pool equipment	13 192	1 829	13.9%	7 800	868	11.1%
Jetly	Pumps	32 593	7 623	23.4%	24 226	5 169	21.3%
Thermador	Central heating and sanitary accessories	37 629	8 683	23.1%	22 817	4 464	19.6%
PBtub	Heating - cooling surfaces and piping systems	15 632	1 791	11.5%	11 285	725	6.4%
Thermacome (7)	Ventilation equipment and accessories	11 793	750	6.4%	3 097	219	7.1%
Axelair	Valves, meters and connectors	3 396	-31		3 512	50	1.4%
Sferaco (4)	Motorised valves and air compressors	36 516	7 942	21.7%	26 334	5 160	19.6%
Sectoriel	Measure and control	13 649	2 420	17.7%	10 571	1 628	15.4%
Distrilabo (6)	International	3 117	211	6.8%	2 224	-97	
Syveco	Stainless steel connectors, flanges, valves and accessories	15 515	2 413	15.6%	13 087	1 778	13.6%
FG Inox (3)	Industrial valves	8 587	923	10.7%	6 824	636	9.3%
Sodeco Valves (2)	Other structures	10 115	597	5.9%	9 791	487	5.0%
Other structures	Eliminations	162	27 253		194	23 436	
Eliminations			-27 611			-24 031	
Total		262 749	39 102	14.9%	187 869	23 358	12.4%

(1) With acquisition of Domac since March 1, 2017.

(2) With acquisition of Sodeco Valves since September 1, 2017.

(3) With acquisition of FGinox since October 1, 2017.

(4) With acquisition of Groupe Valfit since December 31, 2017.

(5) With acquisition of Rousseau / Sanidom since December 31, 2018.

(6) With acquisition of Distrilabo since December 31, 2019.

(7) With acquisition of Thermacome since April 30, 2020.

Cash generating units are defined according to activity sector criteria. Given the group's organisation and the way the distribution of their different professions, cash generating units appointed by the group are made up of the legal entities: Jetly, Sferaco including Groupe Valfit since December 31, 2017, Thermador, Dipra and Edouard Rousseau (since December 31, 2018), Isocel, PBtub, Sectoriel including Nuair France since July 1, 2015, Syveco, Axelair, Mecafer (July 1, 2015) including Domac (since March 1, 2017), Aello, Sodeco Valves, FGinox, Distrilabo (since December 31, 2019), Thermacome (since April 30, 2020) and a separate unit comprising Thely, Opaline, Tagest and Thermador Groupe.

8) Employees

Note 20 – Staff distribution

By category	30/06/2021	30/06/2020	31/12/2020
Management	219	217	213
Supervisory staff	57	64	64
Employees	408	388	391
Total	684	669	668

By age	30/06/2021	30/06/2020	31/12/2020
From 18 to 29	87	89	88
From 30 to 39	149	170	158
From 40 to 49	244	214	224
Over 50	204	196	198
Total	684	669	668

VI. – 2021 Half yearly management Report

1) Business

The oldest of our subsidiaries, Thermador, saw a sharp rise in turnover of over €15 million in the first half of 2021 compared to the first half of 2019. Its range of accessories for heat pumps, solid fuel boilers and hydraulic solar panels fits perfectly with the groundswell of interest in improving energy efficiency in buildings, very substantially boosted by the government-funded MaPrimeRénov scheme and energy saving certificates funded by energy suppliers. Recent statements by the French government hint at good prospects for the next 5 years.

This explains 25% of the organic growth, which is intrinsically good news. Other subsidiaries such as Dipra-Rousseau, Aello, Sferaco, Jetly and Mecafer-Domac are also performing exceptionally well in their respective markets (DIY, swimming pools, construction, HVAC, industry, domestic pumps). The commitment of our teams, the agility of our organisations and the quality of our stocks have probably enabled us to gain some market share during this very chaotic and surprisingly dynamic period.

Unprecedented cost increases, caused by a perfect storm of higher raw material prices and shipping container costs and shortages, have forced us to increase our own prices significantly. This has undoubtedly led to most of our customers making precautionary purchases, which we estimate to be a maximum of one month's sales.

2) Results and financial situation

As a result of overheating in the economy, the cost ratio fell by 1.7% and the operating margin neared an all-time high. We consider this increase too sudden to be sustainable.

Stock levels have fallen in six months from 173 to 142 days of purchases consumed, far too low for many of our subsidiaries.

At June 30, 2021, our net cash position was €37.4m and our bank debt €32.7m (excluding IFRS 16), indicating a further strengthening of our financial structure.

3) Main related-party

The main transactions are detailed in note 10 of the notes to the half-year financial statements.

4) Main risks and uncertainties

Main risks are those related to economic activity. Their type has not been modified during the first half year. These risks are mentioned in our 2020 universal registration document.

5) Prospects

On the basis of the second half of 2019 and that of 2020, which were both very strong, and taking into account the precautionary purchases of most of our customers, we expect growth to slow sharply in the second half of 2021. Confident in our ability to meet our long-term objectives, we continue to recruit and invest in real estate, IT and logistics. More operationally, our purchasing teams are working hard to rebuild our stocks under the best possible conditions.

6) Sustainable development (environment, social and governance)

Our governance and our social approach are now thoroughly assessed by non-financial analysts. However, our stakeholders are asking us to set more challenging targets in our environmental policy. Accordingly, we are working on measuring our carbon footprint (Scope 3) more accurately in order to put in place an appropriate reduction plan for the next 10 years. A first estimate will be issued before the end of 2021.

To give themselves every chance of being able to fulfil their mission, all Thermador Groupe's corporate executive officers have taken the initiative of getting vaccinated against SARS-CoV-2.

VII. Certification of the author

To my knowledge I certify that the condensed consolidated half yearly statements have been drawn up in compliance with prevailing accounting standards and reliably reflect the assets, financial situation and profits of the company and all the companies in the consolidated accounts, and the half yearly management report presents a reliable account of the business trends of the first six months of the year as well as a description of the main risks and uncertainties which those companies face for the six remaining months of the year.

Saint Quentin Fallavier, July 29, 2021
Guillaume Robin
Chairman &CEO.

VIII. – Statutory Auditors’ Review on the Half-yearly Financial Information

To the Shareholders,

In compliance with the assignment entrusted to us by your general assembly and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Thermador Groupe, for the period from January 1st, 2021 to June 30th, 2021;
- the verification of the information presented in the half-yearly management report.

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation and limited examination of the condensed consolidated half-yearly accounts. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have multiple consequences for companies, particularly on their business and financing, as well as increased uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote work, have also had an impact on the internal organisation of companies and on the way in which our work is done.

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

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

II – Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Saint Etienne and Lyon, July 30, 2021

The Statutory Auditors:

French original signed by

Cabinet Royet
Serge Guillot

Mazars
Frédéric Maurel