



## CONDENSED CONSOLIDATED HALF YEARLY STATEMENT AT JUNE 30, 2022

### **THERMADOR GROUPE**

Private limited company with capital of €36,803,396  
Head office: SAINT-QUENTIN-FALLAVIER  
(France / Isère).  
80 rue du Ruisseau.  
339 159 402 companies register of Vienne



**I. – Financial statement June 30, 2022**  
(in thousands of euros)

Assets	30/06/2022	30/06/2021	31/12/2021
<b><u>Non-current assets:</u></b>			
Goodwill	56 317	56 317	56 317
Intangible assets	8 767	9 471	9 129
<b>Tangible assets:</b>	<b>78 995</b>	<b>70 290</b>	<b>75 003</b>
Land	10 870	10 870	10 869
Buildings	45 710	45 318	46 310
Other tangible assets	8 936	6 270	6 185
Tangible assets in progress	7 572	4 480	7 128
Right of use in rental contracts	5 907	3 352	4 511
Financial investments	410	364	356
Deferred tax assets	1 324	1 402	1 281
<b>Total non-current assets</b>	<b>145 813</b>	<b>137 844</b>	<b>142 086</b>
<b><u>Current assets:</u></b>			
Stock (goods)	184 314	116 831	171 218
Trade notes and accounts receivable	118 108	111 503	81 502
Current tax assets	565	308	87
Deferred tax assets	564	455	469
Other receivables	15 531	14 372	13 766
Financial instruments	590	243	
Cash and cash equivalent	3 546	37 104	27 379
<b>Total current assets</b>	<b>323 218</b>	<b>280 816</b>	<b>294 421</b>
<b>Total assets</b>	<b>469 031</b>	<b>418 660</b>	<b>436 507</b>

<b>Liabilities</b>	<b>30/06/2022</b>	<b>30/06/2021</b>	<b>31/12/2021</b>
<b>Equity :</b>			
Share capital and reserves	101 403	94 304	94 305
Consolidated reserves	159 234	130 933	131 262
Portion of net profit allocated to the group	30 825	28 240	52 899
Minority interests	161	173	170
<b>Total shareholders' equity</b>	<b>291 623</b>	<b>253 650</b>	<b>278 636</b>
<b>Non-current liabilities:</b>			
Loans and long-term financial debt	9 814	19 183	12 659
Rental obligations over one year	4 615	2 366	3 452
Deferred tax liabilities	3 439	3 564	3 514
Provisions for end-of-career commitment	4 134	4 595	3 930
<b>Total non-current liabilities</b>	<b>22 002</b>	<b>29 708</b>	<b>23 555</b>
<b>Current liabilities:</b>			
Current provisions	602	591	602
Rental obligations under one year	1 272	1 006	1 065
Short-term loans	18 749	344	2 390
Current portion of loans and financial long-term debt	9 388	13 185	13 180
Accounts payable	78 718	73 962	74 781
Equipment supply accounts payable	2 296	1 874	2 651
Current tax liabilities	2 116	4 613	5 806
Tax and social charges debt	24 882	21 896	16 410
Other liabilities	17 383	17 831	17 431
<b>Total current liabilities</b>	<b>155 406</b>	<b>135 302</b>	<b>134 316</b>
<b>Total liabilities and shareholders' equity</b>	<b>469 031</b>	<b>418 660</b>	<b>436 507</b>

## II. – Global consolidated profit statement June 30, 2022 (in thousands of euros)

Consolidated profit and loss account	1 <sup>st</sup> half 2022	1 <sup>st</sup> half 2021	FY 2021
Net turnover	287 553	262 749	486500
Other income from activity	402	313	752
Purchases consumed	-187 669	-169 147	-311 237
Personnel charges	-29 721	-27 777	-52 657
External costs	-22 174	-20 192	-38 224
Taxes	-2 768	-2 709	-4 002
Depreciation and amortisation	-2 991	-2 819	-5 796
Depreciation and amortisation – IFRS 16 impacts	-755	-632	-1 303
Increase in provisions	-363	-495	-214
Other earnings, other operating expenditure	-203	-189	-618
<b>Operating profit</b>	<b>41 311</b>	<b>39 102</b>	<b>73 201</b>
Change in the fair value of financial instruments			
Cash earnings and equivalent	39	-10	2
Gross cost of debt	-153	-87	-189
Financial charges – IFRS 16 impacts	-38	-15	-32
Taxes	-10 343	-10 746	-20 082
<b>Net profit</b>	<b>30 816</b>	<b>28 244</b>	<b>52 900</b>
Net profit as a portion of the group	30 825	28 240	52 899
Net profit attributable to minority interests	-9	4	1
Net profit as a portion of the group per share in euros *	3,35	3,07	5,75
Net profit per share after dilution in euros **	3,18	2,91	5,45

\* 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, 2022, June 30, 2021 and December 31, 2021.

\*\* 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.

Statement of other elements of net overall consolidated profit	1 <sup>st</sup> half 2022	1 <sup>st</sup> half 2021	FY 2021
Net profit	30 816	28 244	52 900
<b>Other elements of overall profit:</b>			
Actuarial discrepancy on end-of-career commitment provision			222
Operations on treasury shares		-158	- 158
Fair value of financial instruments	495	725	493
Total overall profit	31 311	28 811	53 457
<b>Total overall profit – Portion of the group</b>	<b>31 320</b>	<b>28 807</b>	<b>53 456</b>
<b>Total overall profit allocated to minority interests</b>	<b>-9</b>	<b>4</b>	<b>1</b>

### III. – Cash flow statement June 30, 2022 (in thousands of euros)

Cash flow statement	30/06/2022	30/06/2021	31/12/2021
<b>Consolidated net profit</b>	<b>30 816</b>	<b>28 244</b>	<b>52 900</b>
Plus, or minus latent gains due to fair value variations			
Purchase of own shares - IFRS 2 impact	68		58
Plus or minus net depreciation expense and provisions	3 195	2 975	5 965
Plus or minus depreciation allowance - IFRS 16 impacts	755	632	1 303
Plus financial charges – IFRS 16 impacts	38	15	32
Capital gains or losses from disposals	-38	29	14
<b>Cash flow from operations after net financial cost and taxes</b>	<b>34 834</b>	<b>31 895</b>	<b>60 272</b>
Taxes	10 343	10 746	20 082
Cash flow from operations before net financial cost and taxes	45 177	42 641	80 354
Taxes paid	-10 764	-11 025	-20 262
<b>Cash flow from operations before net financial cost and after taxes</b>	<b>34 413</b>	<b>31 616</b>	<b>60 092</b>
Change in operating working capital	-43 149	- 3 943	- 31 589
- Of which, trade receivables variation	-36 606	- 38 362	- 8 361
- Of which, stock variations	-13 096	2 710	- 51 677
- Of which, accounts payable variations	3 937	21 202	22 021
- Of which, other receivables variations	-2 243	- 3 233	- 2 406
- Of which, other debt variations	4 859	13 740	8 834
<b>Net cash flow from operating activities</b>	<b>-8 736</b>	<b>27 673</b>	<b>28 503</b>
Net cash flow from operations of change in scope			
Disbursements related to acquisitions of tangible and intangible fixed assets	-5 289	-6 018	-12 221
Proceeds from disposal and redemption of non-derivative financial assets			6
Proceeds from disposal of property, plant and equipment	44	75	91
Owing to assets suppliers (variation)	-355	-749	28
<b>Net cash flow from investments</b>	<b>-5 600</b>	<b>- 6 692</b>	<b>- 12 096</b>
<b>Free cash flow</b>	<b>-14 336</b>	<b>20 981</b>	<b>16 407</b>
Dividends paid to shareholders of the parent company	-18 396	-16 743	-16 743
Loans subscriptions			
Increase in capital			
Flows on operations on treasury shares	0	-158	- 158
IFRS 16 financing flows	-812	-602	- 1 291
Loan repayments	-6 648	-6 649	-13 157
Net cash flow from financing activities	-25 856	-24 152	- 31 349
<b>Net cash flow variation</b>	<b>- 40 192</b>	<b>- 3 171</b>	<b>- 14 942</b>
<b>Opening cash</b>	<b>24 989</b>	<b>39 931</b>	<b>39 931</b>
<b>Closing cash</b>	<b>- 15 203</b>	<b>36 760</b>	<b>24 989</b>

‘Opening cash’ and ‘Closing cash’ reflect the difference between a positive cash position and short-term loans. On June 30, 2022 the positive cash position was €3,546,000 and short-term bank loans €18,749,000.



**IV. –Statement of changes in equity June 30, 2022** (in thousands of euros)

Equity variation statements	Capital	Reserves linked to capital	Shares held internally	Retained earnings	Profits recorded directly as shareholders' equity	Total group share	Minority shareholders	Total shareholders' equity
<b>Situation on 31/12/2020</b>	<b>36 803</b>	<b>52 105</b>	<b>-62</b>	<b>153 507</b>	<b>-939</b>	<b>241 414</b>	<b>169</b>	<b>241 583</b>
Dividends paid *				-16 743		-16 743		-16 743
Allocation of profits to reserves		5 397		-5 397		0		0
Fair value on financial instruments					493	493		493
Employee contributions to defined benefit plans - changing in accounting method according to IAS 19				277		277		277
Purchase of own shares IFRS 2 - impacts				59		59		59
Translation gains					3	3		3
Actuarial gains					222	222		222
Treasury share transactions			-158			-158		-158
Profit of the period				52 899		52 899	1	52 900
<b>Situation on 31/12/2021</b>	<b>36 803</b>	<b>57 502</b>	<b>-220</b>	<b>184 602</b>	<b>-221</b>	<b>278 466</b>	<b>170</b>	<b>278 636</b>
Dividends paid**				-18 396		-18 396		-18 396
Allocation of profits to reserves		7 098		-7 098		-		0
Fair value on financial instruments					495	495		495
IFRS 2 impacts					4	4		4
Other variations				68		68		68
Half Year net profit				30 825		30 825	-9	30 816
<b>Situation on 30/06/2022</b>	<b>36 803</b>	<b>64 600</b>	<b>-220</b>	<b>190 001</b>	<b>278</b>	<b>29 462</b>	<b>161</b>	<b>291 623</b>

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

\*\* 2021 dividend: €2, on 9,197,849 shares, treasury shares owned on the day of detachment of dividend rights (i.e. 3000 shares) did not result in dividends being paid.

## V.- Notes to the condensed financial consolidated statements for the half year (in thousands of euros)

The condensed consolidated half yearly statements on June 30, 2022 were closed by the Board on July 28, 2022.

### 1) Main events of the period :

#### Crisis in Ukraine

Like you, we are profoundly shocked by the extent of the crimes committed by the Russian army and do not wish to contribute in any way to its war effort. As a result, we have decided to stop honouring orders for equipment that is clearly intended for export to Russia. This loss of about €1m turnover is relatively insignificant for the Group.

What could be significant however, are the cumulative indirect consequences of this war.

#### The energy renovation

The upgrade of the energy-efficiency of buildings keep on being strongly stimulated by the government's Ma Prime Renov' scheme and by Energy Savings Certificates in 2022. Confirmation of the government's support for the Ma Prime Renov scheme to the tune of €2bn gives us good prospects for the construction sector, especially renovation. At the same time energy suppliers will continue to finance the energy renovation via energy saving certificates, all of which represents a financial windfall that will undoubtedly be difficult to use in full, due to a lack of human resources among installers and perhaps even of equipment.

One-third of our growth has been driven by equipment sold by our subsidiary Thermador for the energy renovation of buildings.

#### Inflation and economic downturn in the DIY sector.

The Inflation has reached 5.8% in France and 9.6% in Europe by the end of June 2022. At the same time, the euro dollar exchange rate fell very significantly. These phenomena have had several impacts on our business.

The purchase prices of our products have risen more sharply than average. They are sensitive to the prices of copper, steel, nickel, aluminium and energy and to the euro dollar parity for about one-third of them. Our ability to pass on these increases to our customers is even more critical given the magnitude of the increases. Since the beginning of the year, the inflation passed on by our subsidiaries to customers has averaged an exceptional 11.4%.

The combined effect of the strong increases recorded on our products over the last 18 months and the reconstitution of our stock compared to the end of June 2021 has led to a very strong increase in its value: up €67.5m in 12 months! This was mainly financed by our own funds and up to €17 million from short-term cash lines granted by our financial partners.

The selling prices to users of our products have followed this trend with a very significant impact on the volume of activity in our consumer market. This mainly explains the decline in revenue of Mecafer-Domac and Dipra-Rousseau, which remains 23.8% higher than in 2019.

Particular attention is paid to maintaining the purchasing power of all our employees with a regular review of salaries.

#### Acquisition of AFY's Goodwill

Further to the exclusive negotiation period announced on April 19, 2022, Thermador Groupe subsidiary Sferaco, along with Mr Alain Jagnoux, have completed the acquisition of the business and stock of AFY, a company based in Saint-Quentin-Fallavier, in a cash deal worth €1.5m. The acquisition was finalised on July 1, 2022. AFY's 8 employees have joined the Sferaco team.

AFY sells a targeted range of cast iron and steel fittings, steel flanges and valves to specialised wholesalers, which perfectly complement and bolster Sferaco's construction and industrial product ranges. In 2021, the company generated turnover of €4m and an EBITDA of €0.4m. Its net cash position at December 31, 2021 was €0.7m.

## **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, 2022, 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, 2021

In the financial statements presented hereafter, all standards and compulsory application interpretations on January 1<sup>st</sup>, 2022 have been applied. No accounting standard is applied by anticipation.

### **The new standards applicable since 2021:**

#### **IAS 19**

In its April 2021 decision, the IFRS Interpretations Committee (IFRIC) clarified to which service period an entity should allocate certain employee benefits under defined benefit plans (IAS 19 - Employee Benefits). The impact of this decision is not very significant for the Group and has been booked as equity (see Note 5) for €277k net of deferred tax.

#### **Accounting of software configuration or customization costs in SaaS mode**

In its March 2021 decision, the IFRS Interpretations Committee (IFRIC) clarified the accounting treatment of the costs of configuration or customization of application software used in SaaS (Software as a Service) mode. Given the complexity of the analyses to be carried out and the inventory still in progress, this decision has not been applied in the June 30, 2022 consolidated financial statements. Within the Group, the portion of our software in SaaS mode is very low.



### 3) Consolidated subsidiaries

Consolidated subsidiaries are all companies in which Thermador Groupe directly or indirectly holds at least 20% of the voting rights on June 30, 2022:

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	98,0000%	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	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

(\* 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).

#### 4) Notes about the balance sheet

##### Note 1 – Allocated 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
<b>GOODWILL IN NET VALUE</b>	<b>39</b>	<b>0</b>	<b>39</b>

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	Land	Buildings	Total
Gross purchase discrepancy value		300	300
Start-of-period depreciations		-65	-65
End-of-period depreciations		-73	-73
<b>GOODWILL IN NET VALUE</b>	<b>0</b>	<b>228</b>	<b>228</b>

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		-357	-357
End-of-period depreciations		-416	-416
<b>GOODWILL IN NET VALUE</b>	<b>952</b>	<b>2 168</b>	<b>3 120</b>

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, 2022.

Ets E. Rousseau	Brand	Customer relations	Total
Gross purchase discrepancy value	1 200	2 500	3 700
Start-of-period depreciations		-750	-750
End-of-period depreciations		-875	-875
<b>GOODWILL IN NET VALUE</b>	<b>1 200</b>	<b>1 625</b>	<b>2 825</b>

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, 2022.

<b>Distrilabo</b>	<b>Brand</b>	<b>Customer relations</b>	<b>Total</b>
Gross purchase discrepancy value	550	1 350	1 900
Start-of-period depreciations		-270	-270
End-of-period depreciations		-338	-338
<b>GOODWILL IN NET VALUE</b>	<b>550</b>	<b>1 012</b>	<b>1 562</b>

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, 2022.

<b>Thermacome</b>	<b>Brand</b>	<b>Customer relations</b>	<b>Total</b>
Gross purchase discrepancy value	1 600	1 000	2 600
Start-of-period depreciations		-167	-167
End-of-period depreciations		-217	-217
<b>GOODWILL IN NET VALUE</b>	<b>1 600</b>	<b>-783</b>	<b>-2 383</b>

## Note 2 – Non-allocated goodwill

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

In thousands of euros	Book value, pre-harmonization 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
<b>TOTAL 30/06/2022</b>	<b>44 065</b>	<b>8 634</b>	<b>52 699</b>	<b>109 016</b>	<b>56 317</b>

No movement has been recorded during the period.

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:

Reprocessing pertained to:

- fair value of Mecafer’s financial instruments as of June 30, 2015, i.e. charge of €544,000.
- deferred tax on financial instruments i.e. €181k and on provision for retirement benefits i.e. €60,000.
- impact of IFRIC 21, i.e. €5,000.

The whole of this difference will be allocated to goodwill.

#### 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:

- Harmonization 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 unfavorable 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 20).

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 7.8%, 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. 1.75% a specific risk premium; A reasonable variation of the discount rate of +/- 0.5% was applied in our depreciation tests.

### Note 3 – 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

<b>Net pre-tax profit</b>	<b>41 159</b>
<b>Tax rate on ordinary activities</b>	<b>25,00%</b>
Theoretical tax burden	10 290
Social contribution	224
Non-deductible costs and charges on subsidiaries 'dividends (2)	205
Variation in deferred tax rate (3)	-329
Non-deductible charges and impact of non-French rate	-47
<b>Taxes</b>	<b>10 343</b>
<b>Actual tax rate</b>	<b>25,13%</b>

Corporate tax rate on June 30 2022:

<b>Profits from ordinary activities (1)</b>	<b>25,00%</b>
Social contribution	0,54%
Non-deductible costs and charges on subsidiaries 'dividends (2)	0,50%
Variation in deferred tax rate (3)	-0,80%
Non-deductible charges and impact of non-French rate	-0,11%
<b>Rate of corporation tax on profit from ordinary business</b>	<b>25,13%</b>

- (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 €818,000 which will be paid to Thermador Groupe in 2023.
- (3) In applying Article 217 quinquies, II of CGI, companies making part of a group, of which at least one increased its capital in the context of the stock purchase plan can deduct the difference between the real value of the stock and its subscription price. In 2020 the group set up a stock purchase plan with an increase of capital destined to employees. The subscription price corresponded to the average of market share prices at first twenty trading sessions of Thermador Groups' stock, on which a 40% discount was applied. In 2022 Different companies of the group filed a claim to the tax administration in order to ask a tax deduction on the fiscal result of 2020 and the refund of the corresponding tax amount. On June 30, 2022 the tax rebate accepted and booked represents K€329.



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 30,2022, assets and liabilities of deferred taxes have been allocated between current and non-current deferred taxes:

<b>Non-current deferred tax assets</b>	<b>30/06/2022</b>	<b>30/06/2021</b>	<b>31/12/2021</b>
Provision for end-of-career commitment	737	845	692
Axelair and Sodeco deficit	621	602	627
Land and building value	-53	-57	-55
Goodwill	33	33	33
Capital gain on building	-59	-67	33
Depreciation on building	35	35	35
IFRS 16 impact	10	11	12
<b>Total</b>	<b>1 324</b>	<b>1 402</b>	<b>1 281</b>

<b>Current deferred tax assets</b>	<b>30/06/2022</b>	<b>30/06/2021</b>	<b>31/12/2021</b>
Dipra Deficit	155		
Temporary differences	409	455	469
<b>Total</b>	<b>564</b>	<b>455</b>	<b>469</b>

<b>Impôt différé passif non courant</b>	<b>30/06/2022</b>	<b>30/06/2021</b>	<b>31/12/2021</b>
Goodwill *	1 429	1 429	1 429
Goodwill of land and construction	759	790	774
Provision for end-of-career commitment	-295	-303	-289
IFRS 16 impact	-3	-1	
Temporary differences	-22	-44	-32
Brand and customer relations	1 571	1 693	1 632
<b>Total</b>	<b>3 439</b>	<b>3 564</b>	<b>3 514</b>

\* cf note 2

<b>Current deferred tax liabilities</b>	<b>30/06/2022</b>	<b>30/06/2021</b>	<b>31/12/2021</b>
Tax on subsidiaries dividends	205	209	420
Fair value of financial instruments	147	64	-18
Goodwill and land construction	33	34	33
Gain on building	8	8	8
Brand and customer relations	121	125	121
Temporary differences	-21	-29	-28
<b>Total</b>	<b>493</b>	<b>411</b>	<b>536</b>

**Note 4 – Tangible and intangible assets (in thousands of euros)**

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.

<b>Fixed assets</b>	<b>Gross Value at the opening of the period</b>	<b>Increases</b>	<b>Decreases</b>	<b>Gross value at the end of the period</b>
Goodwill on consolidation	56 317			56 317
Other intangible assets	14 720	188	37	14 871
<b>Total intangible assets</b>	<b>71 037</b>	<b>188</b>	<b>37</b>	<b>71 188</b>
Land	10 869			10 869
Buildings on own property	81 647	850		82 497
Machinery and equipment	12 161	642	227	12 576
General equipment, fixtures and fitments	7 158	2 784	128	9 814
Transport material	239	5		244
Other equipment and furniture	5 203	322	88	5 437
Other tangible assets in progress	7 128	444		7 572
Right-of-use in rental contracts	6 349	2 145	316	8 178
<b>Total tangible assets</b>	<b>130 754</b>	<b>7 192</b>	<b>759</b>	<b>137 187</b>
Other long-term investments	356	54	0	410
<b>Total investments</b>	<b>356</b>	<b>54</b>	<b>0</b>	<b>410</b>
<b>Grand total</b>	<b>202 147</b>	<b>7 434</b>	<b>796</b>	<b>208 785</b>

In 2019, we started work on renovating the building used by Dipra, with two objectives: to improve working conditions for warehouse staff and to optimize 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 continued with the construction of a new building (offices and two warehouses) for Aello and Axelair was successfully delivered in April 2021. The warehouse of Axelair was delivered in September 2021 and offices were delivered in march 2022.

In January 2021, a construction started on an existing building in Saint-Quentin-Fallavier, a warehouse to receive logistics of our subsidiary FGinox. Works consisted in demolishing old existing building to build a new one on the same floor space. The relocation of FGinox's warehouse began in July 2022.

Real Estate area includes 303,052 sq.m of land and 121,146 sq.m 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 2021 for our subsidiary EdouardRousseau's building at around €66.5m (valuations made by Expertise Galtier, Chemin Moulin Carron-69 Ecully and CBRE in Brussels), which includes built and unbuilt land.

## 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. In 2021, SCI Thely started to rent two new warehouses to fit need of logistic space of the subsidiaries Those rental contracts mainly run for 3-6-9 years without a renewal option on the lease term. 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 capitalization 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.

IFRS 16 Amendments – Rental Contracts : the rent relief related to COVID 19 crisis after June 30 2021 have no impact on condensed consolidated financial statements of the group, as no relief has been recorded on our rents regarding rental contracts.

### Summary of the financial statement impacts

30/06/2022	Impacts IFRS 16
<b><u>Balance sheet</u></b>	
Non-current assets before IFRS 16	139 906
Right-of-use relating to rental controls	5 907
<b>Non-current assets after IFRS 16</b>	<b>145 813</b>
Non-current liabilities before IFRS 16	17 387
Lease liabilities over 1 year	4 615
<b>Non-current liabilities after IFRS 16</b>	<b>22 002</b>
Current liabilities before IFRS 16	154 134
Rental obligations of less than one year	1 272
<b>Current liabilities after IFRS 16</b>	<b>155 406</b>
<b><u>Profit and loss statement</u></b>	
External charges before IFRS 16	-22 955
Cancellation of rents	781
<b>External charges after IFRS 16</b>	<b>-22 174</b>
Depreciation allowances before IFRS 16	-2 992
Depreciation allowances - IFRS 16 impact	-754
<b>Depreciation allowances after IFRS 16</b>	<b>- 3 746</b>
Gross cost of debt before IFRS 16	-153
Financial charges - IFRS 16 impact	-38
<b>Gross financial indebtedness cost after IFRS 16</b>	<b>-191</b>
Tax cost before IFRS 16	-10 345
Deferred taxes - IFRS 16 impacts	2
<b>Tax cost IFRS 16</b>	<b>-10 343</b>
<b>Total impact on profit</b>	<b>- 9</b>

**Note 5 – Depreciation and amortisation**

Amortisation	Amortisation 31/12/2021	Increases	Decreases	Amortisation 30/06/2022
Goodwill on consolidation				
Other intangible assets	5 591	550	37	6 104
<b>Total intangible assets</b>	<b>5 591</b>	<b>550</b>	<b>37</b>	<b>6 104</b>
Land				-
Buildings on own property	35 337	1 450	-	36 787
Machinery and equipment	9 585	444	218	9 811
General equipment, fixtures and fitments	4 588	303	127	4 764
Transport materials	223	3	-	226
Office equipment and furniture	4 180	241	87	4 334
Right-of-use in rental contracts	1 838	754	321	2 271
<b>Total tangible assets</b>	<b>55 751</b>	<b>3 195</b>	<b>753</b>	<b>58 193</b>
<b>Grand total</b>	<b>61 342</b>	<b>3 745</b>	<b>790</b>	<b>64 297</b>

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 6 – Inventory** (in thousand euros)

Inventories were assessed according to the weighted average cost method. The gross value of merchandise and supplies includes the purchase price and incidental costs. A provision for depreciation is made when the inventory value is lower than the accounting value defined above. The inventory value is established reference by reference according to rotation, based on quantities in inventory and sales completed, probability of inventory movement and, where applicable, the rates used by metal dealers. The depreciation rates chosen are adapted to each situation.

	Value at the opening of the period	Increases	Decreases	Value at the end of the period
Inventory write down	4 415	619	548	4 486

**Note 7- Receivables** (in thousands of euros)

Receivables	30/06/2022	30/06/2021	31/12/2021
Trade receivables	117 696	111 085	81 132
Bad debts	412	418	370
Corporate tax	565	308	87
Deferred corporate tax assets	564	455	469
<b>Other receivables</b>			
VAT receivables	6 325	5 730	7 157
Other receivables	7 213	6 894	5 698
Prepaid expenses	1 993	1 748	911
<b>Total other receivables</b>	<b>15 531</b>	<b>14 372</b>	<b>13 766</b>
<b>Total receivables</b>	<b>134 768</b>	<b>126 638</b>	<b>95 824</b>

Trade receivables are recorded at their face value. A provision for bad debt is recorded when their balance sheet value is less than the book value. The inventory value is calculated on the basis of the probability of debt recovery, i.e. essentially in case of receivership (10%) and court-supervised liquidation (0%).

	Value at the opening of the period	Increases	Decreases	Value at the end of the period
Trade Receivables write down	1 021	105	50	1 076

**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 0.05% of consolidated turnover. This non-significant impact did not justify an equity-type provision at the beginning of the financial period on June 30, 2018 or for the end-of-year results of December 31, 2018. For the next period, and at the end of June 30, 2022 the impact stayed non-significant.

**Credit risk:** we have no major customers default for first 2022 half year. We remain particularly vigilant for debt collection in the post-COVID period.



Customer receivables on June 30, 2022:

Accounts receivables (excluding bad debts) (in thousands of euros)	Total amount	Total for due dates after 30/06/2022	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, 2022	118 108	100 732	12 578	3 235	597	966
<b>% customer receivables</b>		<b>85%</b>	<b>11%</b>	<b>3%</b>	<b>1%</b>	<b>1%</b>
Accounts receivables (excluding bad debts) (in thousands of euros)	Total amount	Total for due dates after 30/06/2022	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	81 132	68 353	7 841	1 686	821	2 430
<b>% customer receivables</b>		<b>84%</b>	<b>10%</b>	<b>2%</b>	<b>1%</b>	<b>3%</b>

#### Note 8 – 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, 2022 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 1800 of its own treasury shares for a total value of K€158.

#### Note 9 - Bank loans and debts

06/30/2022 in thousands of euros	Courant	Non-current	Total	Under one year	Over one year and under five years late	Over five years
Bank loans	9 388	9 814	19 202	9 388	9 814	0
Bank overdraft	18 749		18 749	18 749		
Rental debt (IFRS 16)	1 272	4 615	5 887	1 272	2 685	1930
Cash and equivalent	3 546		3 546	3 546		
<b>Net cash</b>	<b>-25 863</b>	<b>-14 429</b>	<b>-40 292</b>	<b>-25 863</b>	<b>-12 499</b>	<b>-1 930</b>

Cash and cash equivalents for €3,546,000 include bank accounts for €1,724,000 and term deposits for €1,822,000 with a maturity of one month or less.

**Note 10-** Provisions included in liabilities (in thousands of euros)

Provisions	Value at the opening of the period	Increases	Decreases	Value at the end of the period
<b><u>Non-current provision</u></b>	3 930	212	8	4 134
Provisions for end-of-career commitments				
<b>Total non-current provision</b>	<b>3 930</b>	<b>212</b>	<b>8</b>	<b>4 134</b>
<b><u>Current provision</u></b>	-			-
Other current provision	602	31	31	602
<b>Total current provision</b>	<b>602</b>	<b>31</b>	<b>31</b>	<b>602</b>
<b>Grand Total</b>	<b>4 532</b>	<b>243</b>	<b>39</b>	<b>4 736</b>

**Note 11 -** Debts (in thousands of euros)

Debts	30/06/2022	30/06/2021	31/12/2021
Current provisions	602	591	602
Rental obligations of less than one year	1 272	1 006	1 065
Short-term loans	18 749	344	2 390
The current component of loans and debts	9 388	13 185	13 180
Account payables	78 718	73 962	74 781
Tax payables	2 116	4 613	5 806
Fixed Assets Suppliers	2 296	1 874	2 651
<b>Tax and social liabilities:</b>			
Social Liabilities	14 223	13 403	13 060
Deferred corporate tax on liabilities	493	411	536
VAT payables	9 165	7 046	1 915
Other tax liabilities	1 001	1 036	899
<b>Total fiscal and social debt</b>	<b>24 882</b>	<b>21 896</b>	<b>16 410</b>
Other debtors	17 383	17 831	17 431
<b>Total debt</b>	<b>155 406</b>	<b>135 302</b>	<b>134 316</b>

**Note 12 -** 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, 2022 in the main foreign currency (US dollar): \$10,476,000.

Amount of payables in foreign currencies corresponding to advance payments made to suppliers at June 30, 2022 in the main currency (US dollar): \$1,256,000.

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 21,400,000 USD with instalments in the second half of 2022.

The IFRS 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, 2022.

The fair value of such financial instruments is recorded for €590,000 in equity.

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

There is no difference between the fair value and the book value of financial assets and liabilities. Financial debts and loans rates are very close to the market ones.

Assets at 06/30/2022	Balance sheet value	Fair value	Fair value per result	Receivables	Hedging instruments
Trade receivables	118 108	118 108		118 108	
Other debtors	16 660	16 660		16 660	
Financial tool	590	590			590
Cash	3 546	3 546			
<b>Total assets</b>	<b>138 904</b>	<b>138 904</b>		<b>134 768</b>	<b>590</b>

Liabilities at 06/30/2022	Balance sheet value	Fair value	Fair value per result	Payables	Hedging instruments
Loans and long-term financial debt	9 814	9 814		9 814	
Rental obligations of more than one year	4 615	4 615		4 615	
Noncurrent liabilities	7 573	7 573		7 573	
Short term loans and financial debt	28 137	28 137		28 137	
Rental obligations of less than one year	1 272	1 272		1 272	
Suppliers	78 718	78 718		78 718	
Supplier fixed assets	2 296	2 296		2 296	
Other creditors	44 983	44 983		44 983	
<b>Total liabilities</b>	<b>177 408</b>	<b>177 408</b>		<b>177 408</b>	<b>0</b>

**Note 13-** Charges payable and accruals (in thousands of euros)

Charges Payable	30/06/2022	31/12/2021
Trade notes and accounts payables	24 297	29 859
Tax and social liabilities	12 220	8 659
Liabilities on customer contracts	11 414	6 275
Other liabilities	1 691	87
<b>Total</b>	<b>49 622</b>	<b>44 880</b>

Accruals	30/06/2022	31/12/2021
Trade receivables	125	101
Other receivables	144	1 983
<b>Total</b>	<b>269</b>	<b>2 084</b>

**Note 14** – 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 €507,700 distributed as follows:

Earnings fixed and variable (due and paid)									
Operational Board members Chairman & CEO	Fixed Part			Variable Part			Total Earning		
	1st half 2022	1st half 2021	2021	1st half 2022	1st half 2021	2021	1st half 2022	1st half 2021	2021
Philippe Bories (1), Board Member	86,5	84,0	168,0			37,0	86,5	84,0	205,0
Jérôme Chabaudie, Board Member (2)	78,3	76,1	152,1			56,6	78,3	76,1	208,7
Lionel Monroe, Audit committee member and Deputy CEO (3)									
- earnings as CEO of Syveco	58,7	66,5	119,8			73,0	58,7	66,5	192,8
- earnings as Deputy CEO of Thermador Groupe	19,6	9,5	32,3				19,6	9,5	32,3
Patricia Mavigner, secretary of the Board of Directors and Deputy CEO since May 1, 2016 permanent guest of Sustainable Development Committee	75,7	73,5	146,9			114,3	75,7	73,5	261,2
Guillaume Robin, CEO	103,9	100,9	201,8			139,9	103,9	100,9	341,7
<b>Subtotal</b>	<b>422,7</b>	<b>410,5</b>	<b>820,9</b>	<b>0,0</b>	<b>0,0</b>	<b>420,8</b>	<b>422,7</b>	<b>410,5</b>	<b>1 241,7</b>
<b>External Board members</b>	<b>Allocated earnings (due and paid)</b>								
Janis Rentrop, independent member of the Earning and nominations Committee	13,3	8,7	19,3				13,3	8,7	19,3
<b>Independent Board members</b>	<b>Allocated earnings (due and paid)</b>								
Karine Gaudin, Chairwoman and independent member of the Audit committee	14,1	8,7	19,3				14,1	8,7	19,3
Caroline Meignen, independent member of the Earnings and nominations Committee	13,3	8,7	20,9				13,3	8,7	20,9
Laurence Paganini, Chairwoman and independent member of the Earnings committee, independent member of the Sustainable Development Committee	15,5	10,7	25,7				15,5	10,7	25,7
Olivier V. de la Clergerie, Independent member of the Audit Committee	15,5	10,7	25,7				15,5	10,7	25,7
Mathilde Yagoubi, Chairwoman and independent member of the Sustainable Development Committee	13,3	9,4	20,1				13,3	9,4	20,1
<b>Subtotal</b>	<b>85,0</b>	<b>56,9</b>	<b>131,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>85,0</b>	<b>56,9</b>	<b>131,0</b>
<b>TOTAL</b>	<b>507,7</b>	<b>467,4</b>	<b>951,9</b>	<b>0,0</b>	<b>0,0</b>	<b>420,8</b>	<b>507,7</b>	<b>467,4</b>	<b>1 372,7</b>

#### Earnings of operational board members:

- (1) Philippe Bories, CEO of Mecafer was appointed board member during AGM of April 4, 2022.
- (2) Jérôme Chabaudie, CEO of Aello was appointed board member during AGM of April 4, 2022.

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.

In his role as CEO of Aello, Jérôme Chabaudie qualified for a free share plan in 2021. The AGM of April 6, 2021 authorised the Board of Directors to buy back a maximum of 3,000 shares of the Company with a view to allocating them free of charge to certain members of staff and corporate officers of Axelair and Aello. The Board meeting of July 29, 2021 determined the beneficiaries as well as the period of allocation and retention of said shares.

Under this plan, Jérôme Chabaudie benefitted from an allocation right of 519 shares. This allocation is subject to a two-year presence condition as from July 29, 2021. The IFRS 2 expense corresponding to the value of the shares allocated has been calculated taking into account this criterion after deduction of the value of the dividends not received. Jérôme Chabaudie's allocation was valued at €47,600, i.e. a share value of €91.80.

#### **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, 2022, the total of the commitment corresponding to this bonus for board members and corporate representatives was K€.388.

#### **Note 15 – Significant events occurring after the closing statements:**

Further to the exclusive negotiation period announced on April 19, 2022, Thermador Groupe subsidiary Sferaco, along with Mr Alain Jagnoux, have completed the acquisition of the business and stock of AFY, a company based in Saint-Quentin-Fallavier, in a cash deal worth €1.5m. The acquisition was finalised on July 1, 2022. AFY's 8 employees have joined the Sferaco team. AFY sells a targeted range of cast iron and steel fittings, steel flanges and valves to specialised wholesalers, which perfectly complement and bolster Sferaco's construction and industrial product ranges. In 2021, the company generated turnover of €4m and an EBITDA of €0.4m. Its net cash position at December 31, 2021 was €0.7m.

#### **Note 16 – Risk assessment**

Our principal risks are mentioned in our 2021 universal registration document in chapter 4 – Risk factors

The nature of the main risks was not modified for the first half of 2022. We however would like to give some more information about note 18 chapter 6 of our 2021 universal registration document.

#### **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, 2022 is negative (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.

#### **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, 2022 because to date we have no obligation to do so, and it cannot be estimated in any reliable way.

**Risks related to the war in Ukraine :**

We remind that our business in Ukraine is not significant. The impact is very low representing about only M€1 of our Turnover.

## 5) Notes on the profit and loss account

**Note 17** - Explanation concerning turnover for the first half of 2022

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

Distribution of turnover by geographical area: France €240,069,000 and foreign sales: €47,484,000 including Syveco €17,259,000, Sodeco Valves €12,729,000 and Rousseau SA (Spain) €6,445,000.

	30/06/2022	30/06/2021
Turnover (according to IFRS 15)	287 553	262 749

### 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.

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	June 2022	June 2021	FY 2021
Turnover according to IAS 11 and IAS 18	291 562	266 687	493 461
Impact IFRS 15	- 4 009	- 3 938	- 6 961
<b>Turnover according to IFRS 15</b>	<b>287 553</b>	<b>262 749</b>	<b>486 500</b>
External charges before IFRS 15	-26 183	- 24 130	- 45 185
Impact IFRS 15	4 009	3 938	6 961
<b>External charges after IFRS 15</b>	<b>- 22 174</b>	<b>- 20 192</b>	<b>- 38 224</b>

**Note 18** – Explanation concerning operating income and net profit on the first half of 2022

	30/06/2022	30/06/2021	Variation 2022/2021
Operating profit from ordinary business	41 311	39 102	5,6%
Portion of net profit allocated to the group	30 825	28 240	9,2%

## Note 19 – Employee benefits and share allocations

In 2021, a free share allocation plan reserved for certain categories of employee was implemented. These allocations are subject to a two-year presence condition. The IFRS 2 expense has been calculated taking into account this criterion, the non-transferability of the shares, and after deducting the present value of the dividends not received. It has been spread over the rights acquisition period of up to two years. The allocation rights corresponding to 3,000 shares were granted to employees and corporate officers of our subsidiaries Aello and Axelair by decision of the Board of Directors on July 29, 2021. The share price applied was €94.40 minus the value of dividends not received. The number of shares was reduced to take employee turnover into account. The expense booked for the first half of 2022 is €68k on a pro rata basis.

### Staff distribution

By category	30/06/2022	30/06/2021	30/06/2020
Management	238	219	217
Supervisory staff	53	57	64
Employees	444	408	388
<b>Total</b>	<b>735</b>	<b>684</b>	<b>669</b>

By age	30/06/2022	30/06/2021	31/12/2021
From 18 to 29	94	87	89
From 30 to 39	165	149	170
From 40 to 49	238	244	214
Over 50	238	204	196
<b>Total</b>	<b>735</b>	<b>684</b>	<b>669</b>

## 6) Information per business area

Note 20 - (in thousands of euros)

Profit and loss account:		June 2022			June 2021		
		Sales According to IFRS 15	Profit before tax	% of profitability	Sales According to IFRS 15	Profit before tax	% of profitability
<b>Mecafer / Domac (1)</b>	Heavy Tooling for DIY stores	17 258	737	4,3%	18 858	1 682	8,9%
<b>Dipra / Rousseau (5)</b>	Pumps, technical plumbing accessories and taps	36 515	-152	-0,4%	37 831	1 963	5,2%
<b>Isocel</b>	Supply of components for OEM	5 729	984	17,2%	4 164	664	16,0%
<b>Aello</b>	Equipment for swimming pools	13 746	1 800	13,1%	13 192	1 829	13,9%
<b>Jetly</b>	Pumps	32 798	8 195	25,0%	32 593	7 623	23,4%
<b>Thermador</b>	Central heating and domestic water accessories	49 023	11 943	24,4%	37 629	8 683	23,1%
<b>Pbtub</b>	Heating - cooling surfaces and piping systems	16 323	1 917	11,7%	15 632	1 791	11,5%
<b>Thermacome (7)</b>		13 033	1 040	8,0%	11 793	750	6,4%
<b>Axelair</b>	Ventilation equipment and accessories	4 018	50	1,2%	3 396	-31	
<b>Sferaco (4)</b>	Valves, meters and connectors	40 288	8 323	20,7%	36 516	7 942	21,7%
<b>Sectoriel</b>	Motorised valves and air compressors	15 475	3 076	19,9%	13 649	2 420	17,7%
<b>Distrilabo (6)</b>	Measure and control	3 233	485	15,0%	3 117	211	6,8%
<b>Syveco</b>	International	17 272	3 076	17,8%	15 515	2 413	15,6%
<b>FG Inox (3)</b>	Stainless steel connectors, flanges, valves and accessories	9 955	982	9,9%	8 587	923	10,7%
<b>Sodeco Valves (2)</b>	Industrial Valves	12 722	770	6,1%	10 115	597	5,9%
<b>Autres structures</b>		165	31 663		162	27 253	
<b>Eliminations</b>			- 33 578			- 27 613	
<b>Total</b>		<b>287 553</b>	<b>41 311</b>	<b>14,4%</b>	<b>262 749</b>	<b>39 102</b>	<b>14,9%</b>

- (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 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, Distilabo (since December 31, 2019), Thermacome (since April 30, 2020) and a separate unit comprising Thely, Opaline and Thermador Groupe.

## VI. – 2022 Half yearly management Report

### 1) Business

Since the beginning of the year, the inflation passed on by our subsidiaries to customers has averaged an exceptional 11.4%, putting our reported 9.4% growth into perspective. However, congratulations to our employees on this team performance for three main reasons:

- The working environment for more than two years has been chaotic and challenging.
- In the first half of 2021, like-for-like growth was 35.8%, with anticipated orders from our customers estimated at €4m, who at the time were looking to cushion the effect of price increases.
- Over a rolling 12-month period, we passed the symbolic milestone of €500m turnover.

For the past eight quarters, approximately one third of this growth has been driven by equipment sold by our subsidiary Thermador for the energy renovation of buildings. Accessories for heat pump installations and solar water heaters continue to make a significant contribution.

On July 4, following the purchase of AFY, we were delighted to bring its 8 employees into the fold, all immediately joining our subsidiary Sferaco. We would like to extend a warm welcome to them. AFY sells a targeted range of cast iron and steel fittings and flanges to specialist wholesalers, which perfectly complements and strengthens Sferaco's range of construction and industry products. In 2021, the company reported turnover of €4m and an EBITDA of €0.4m.

### 2) Results and financial situation

In their constant quest to maintain cordial and constructive relations with our clients, our teams have managed to pass on most of the price increases we incurred at the time of purchase. However, the exceptional nature of this wave of inflation brought strong resistance in some cases, particularly in the consumer market, which is currently at a low ebb. This fully explains the drop in the operating margin percentage rate, which is still high (14.4%).

Our stock has remained at a high level for the last 6 months: 204 days of purchases consumed compared to 201 days at the end of December 2021 and 142 days at the end of June 2021. This means a sustained high level of service to our customers despite the countless supply difficulties encountered by our teams. To date, of the 75,000 items catalogued, we have 1,225 items not immediately available, which represents approximately 2.7% of full-year sales. This situation is an improvement on the end of June 2021.

The combined effect of the strong increases recorded on our products over the last 18 months and the reconstitution of our stock compared to the end of June 2021 has led to a very strong increase in its value: up €67.5m in 12 months! This was mainly financed by our own funds and up to €17 million from short-term cash lines granted by our financial partners.

As a result, at June 30, 2022, our net cash position was negative at €15.2m (excluding IFRS 16) and our bank debt was €19.2m. These very reasonable amounts compare favourably to our equity, which stands at €292m.

### 3) Main related-party

The main transactions are detailed in note 14 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 2021 universal registration document.

### 5) Prospects for 2022

The excellent results of the first half of the year certainly boost confidence for 2022. However, there is no escaping the fact that the war in Ukraine, shortages, energy prices, the cost of greening the economy, inflation and interest rates probably point to a period of recession from 2023. Fortunately, our group is well positioned in the short term and in France to remain a player in the energy renovation of buildings and in the medium term to accompany industrial redeployment in Europe. In the long term, we hold some good cards to bring development on the African continent.

### 6) Sustainable development (environment, social and governance)

Caroline Desplats Scotti joined us on June 1, 2022 as Sustainable Development Director and member of the Executive Committee. She will lead a team of specialists serving the subsidiaries who are already working to help us achieve our collective objectives. She will also be there to challenge us and to formulate proposals to continue to



move our group forward in the environmental, social, societal and governance fields.

## **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, 2022  
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, 2022 to June 30th, 2022;
- the verification of the information presented in the half-yearly management report.

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 IFRSs 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 29, 2022

The Statutory Auditors:

*French original signed by*

Cabinet Royet  
Serge Guillot, Partner

Mazars  
Frédéric Maurel, Partner